



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 72.06, **Leasing of Space and Facilities**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish policy and procedures for leasing of space to assure compliance with State law and *Regents' Rules*.

REVIEW: This HSC OP will be reviewed in January of each odd-numbered year (ONY) by the Director of Procurement Services, Associate Vice President for Business Affairs, Vice President IT / Chief Information Officer, and the Vice President of Facilities and Safety Services, with recommendations for revisions forwarded to the Executive Vice President for Finance and Operations by February 15.

POLICY/PROCEDURE:

1. Policy.

- a. Leased building space and facilities and storage space are administrated through the TTUHSC Purchasing Office.
- b. Prior to soliciting or contracting for new leases or expansion to existing leases department/unit must provide evidence that a written space submission has been approved by the Campus Space Committee in compliance with [OP 61.21](#) Institutional Space Policy.
- c. All requests for leased space and facilities will be submitted through normal administrative channels to the TTUHSC Purchasing Department for processing. The Director of Procurement Services will make the determination of the appropriate procedure to competitively solicit or contract for lease of space.
- d. Upon receipt of a request for a new lease, a request to change or amend an existing lease, a request to terminate an existing lease or at the expiration of an existing lease Procurement Services personnel will notify by email a predetermined distribution list to include but not limited to the Executive Vice President of Finance and Operations, the Vice President of Facilities and Safety Services, the Vice President and Chief Information Officer and their designees. The recipients will act as necessary to address issues of a lease within their area of responsibility.
- e. No lease action or modification should be taken without the full execution of necessary contract documents and establishment or modification of purchase encumbrance.
- f. The Lessee (TTUHSC Department/Unit) is responsible for all cost associated with the lease including utilities, custodial, moving and operating costs.
- g. TTUHSC is not permitted to assume managerial control or contractor responsibility for any renovation / build out of non-institutional leased space.

2. Leasing Criteria.

- a. Leased space and associated facilities must permit accessibility for aged, handicapped and mobility-impaired persons, and therefore are required to comply with the provisions of the Elimination of Architectural Barriers Act, Government Code Chapter 469.

- b. Any specifications for lease space or facilities that are considered unduly restrictive must be justified in writing and approved by the Director of Procurement Services.
- c. A source(s) of funding must be identified by account number(s) for any lease requested.
- d. Considerable and appropriate lead-time should be allowed for processing formal competitive solicitations and routing of the required contracts. Departments should be aware that remodeling of existing buildings is not unusual. Additional time is needed if remodeling is likely.

3. **Leasing Procedures.**

- a. The following actions are required when requesting lease space.

Contact the Director of Procurement Services for the determination of the appropriate procedure to competitively solicit or contract for lease of space.

- (1) Direct negotiation with Federal, State, or Local government entity.
 - Submission of proposed lease agreement to TTUHSC Contracting System.
 - Submission of Techbuy Requisition covering cost obligations for the current fiscal period.
- (2) Competitive Solicitation for leasable space.
 - Submission of solicitation request to TTUHSC Solicitation System
 - Post award, submission of proposed lease agreement to TTUHSC Contracting System.
 - Post award, submission of Techbuy Requisition covering cost obligations for the current fiscal period.
- b. Vacating Lease Space - Facilities, IT Networking, and the Campus Business Operations Officer are to be notified by the lease Contract Manager when lease space is being vacated, to walk the space prior to it being returned to the landlord. All TTUHSC infrastructure items including but not limited to (RO water filtration), exterior signage, and telecommunications and networking equipment paid for by TTUHSC are to be removed prior to vacating the premises. Adequate time, based on what equipment is involved, must be given for removal of TTUHSC equipment. The department/unit vacating the space is responsible for all cost associated with the removal and relocation of TTUHSC equipment/property.

4. **Contract Governance.**

- a. The Board of Regents must approve leases covering a period of more than five years, unless the lease contains a clause allowing it to be terminated without cause with notice of 180 days or less, or which exceed a cost of \$1,000,000 per year. Therefore, ample time must be allowed to accomplish this action prior to the inception date of the lease.
- b. Lease contracts may not exceed a term of more than ten (10) years per Government Code Chapter 2167.055(c)(1).
- c. Refer to [HSC OP 54.02](#), Contracting Procedures, for policy and instruction related to the formation of a lease contract.

5. **Contract Administration.**

- a. Accessibility standards are strictly enforced. Enforcement actions which might be taken include cancellation of existing lease contracts, mandatory relocation of an activity out of space currently occupied, filing of suits against lessors and other unpleasant actions of a similar nature.

- b. It is the responsibility of the contract manager and the administrator/director responsible for use of the leased space to ensure that the lessor adheres to all contract specifications, especially those regarding accessibility. The contract manager or the responsible administrator/director shall notify the Director of Procurement Services as soon as possible if any leased space does not meet contract standards. The Director of Procurement Services will work with the contract manager and responsible administrator/director and the lessor to correct the problems.
- c. This HSC OP is applicable to all space currently under lease, as well as space leased in the future.
- d. Leases which have longer than a one-year term must be encumbered at the beginning of each fiscal year. A purchase order must be submitted annually for the purpose of encumbering the lease. A purchase order is required as part of the original request package. Subsequent purchase orders for annual payments must be forwarded to the Purchasing Office ninety (90) days prior to the end of each fiscal year.
- e. State law prohibits payments for any unoccupied space. If it is anticipated that any currently leased space will be unoccupied for more than thirty (30) days, the Director of Procurement Services should be notified. The Director of Procurement Services will work with the contract manager and responsible administrator/director and the lessor for possible renegotiations of lease payments.

6. Additional Resources

- a. [Expense Lease Guidelines](#)
- b. Space Committee Contacts
 - 1. Abilene
 - 2. Amarillo
 - 3. Dallas
 - 4. Lubbock
 - 5. Midland
 - 6. Odessa