

**COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

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Purpose

The purpose of this policy is to establish requirements for the leasing of real property for County use.

Background

The County leases real property to support various County programs and functions. The Board of Supervisors recognizes that establishing an orderly and efficient process for leasing real property is necessary to ensure that the County's facility needs are properly met.

Policy

It is the policy of the Board of Supervisors that:

1. The lease of real property for County use shall be carried out as described in the Procedure section of this Board Policy.
2. All real property leased for County use shall be functionally safe and meet all applicable State and local regulations.
3. Where practical, the Department of General Services may include provisions for potential electric vehicle charging stations in parking areas serving leased County facilities when conducting a Site Search and engaging in Lease Negotiation/Selection in accordance with the Procedure section of this Board Policy.

Procedure

When leasing real property for County use, the Department of General Services may proceed as follows:

1. ***Establishing Space Requirements***
Establishing space needs and requirements through a space validation process, including an Approval in Principle to conduct a site search when necessary. The space validation shall include a program description and an area calculation for the space that is necessary to support the County program or function. If an existing facility is being vacated, the proposed reuse or disposition of the facility shall be stated.
2. ***Screen Underutilized or Vacant Leased Facilities***
Prior to initiating a site search the Department of General Services will first consider any underutilized or vacant owned or leased facilities that meet the location, size and program requirements.
3. ***Site Search***
 - a. Closed-bid Method. As circumstances warrant, locating suitable real property to lease using a closed-bid method. For purposes of this policy, a closed-bid method involves issuing a bid package that includes architectural plans and specifications and conducting an opening of bids received in response to the bid package at a pre-determined date.

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- b. Request for Proposals. As circumstances warrant, locating suitable real property to lease by preparing and issuing a request for proposals. All interested parties shall be given an opportunity to submit lease proposals up to a pre-determined closing date.
- c. Physical Site Search. As circumstances warrant, locating suitable real property to lease by conducting a physical site search within an approved search area to identify potential property to lease and initiating negotiations with potential lessors.

4. Lease Negotiation/Selection

- a. Closed-bid Method. For leases to be awarded pursuant to a closed-bid method, the Department of General Services shall award the lease to the lowest responsive, responsible bidder.
- b. Request for Proposals and Physical Site Search. For all leases to be awarded using a request for proposals or physical site search, the Department of General Services shall negotiate with prospective lessors to determine the relative merits and cost effectiveness of the lease proposals. The selection criteria shall consider, but not be limited to, the following:
 - i. Initial rental rate and any proposed rent adjustments.
 - ii. Whether required utilities and services (e.g., parking, electrical, water, sewer, maintenance, custodial, and security services) are provided by the prospective lessor or the County.
 - iii. The amount of any tenant improvement allowance to make the space functional for County use.
 - iv. Provisions for early termination and refurbishment of the space, and the costs associated with the early termination and refurbishment provisions.

5. Lease Approval

Certain leases may be approved administratively by the Director of the Department of General Services (Director). If the lease requires the approval of the Board of Supervisors, the Director shall submit to the Board of Supervisors, via the Chief Administrative Officer, a report with recommendations regarding the preferred lease. The report to the Board of Supervisors shall provide a summary of the proposed lease and include the following:

- a. If the proposed property to be leased was identified by a site search, a comparative analysis of recently negotiated leases in the market area that support the terms of the proposed lease.
- b. If the proposed property to be leased was identified using a request for proposals and multiple responses were received, a comparative analysis of the best proposals received will be provided. If fewer than three proposals were received, an evaluation of the reasons for the lack of responses will be provided.
- c. A summary of key lease provisions including but not limited to, the size of the space, rental rate, length of lease, term, any options to extend the term, the amount of any tenant improvement allowance, total monthly occupancy costs, and any early termination provisions.

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6. *Lease Termination*

If the Director of the Department of General Services (Director) determines, or is notified by the controlling department, that a space leased for County's use is underutilized or is no longer needed for County operations, the Director is authorized to initiate early termination negotiations with the landlord. If the landlord agrees to such early termination without the imposition of termination fees, the Director can execute the necessary documents to effectuate such early termination

Sunset Date

This policy will be reviewed for continuance by 12-31-2033.

Board Action

- 07-31-73 (3)
- 11-08-73 (17)
- 06-25-74 (81)
- 09-26-77 (107)
- 05-02-78 (5 & 6)
- 05-22-79 (150)
- 03-18-80 (28)
- 07-26-88 (43)
- 12-12-89 (49)
- 06-05-90 (43)
- 10-23-90 (45)
- 02-12-91 (22)
- 12-5-95 (36)
- 12-09-97 (19)
- 12-04-01 (11)
- 01-28-03 (16)
- 04-07-09 (7)
- 12-2-14 (20)
- 10-29-19 (26)
- 03-03-26 (15)

CAO References

1. Department of General Services