File No. 120986

Committee Item No. 1
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date** 10/24/2012

Board of Supervisors Meeting **Date** _____

Cmte	Board	
☐	☐	Motion
☒	☐	Resolution
☐	☐	Ordinance
☐	☐	Legislative Digest
☒	☐	Budget and Legislative Analyst Report
☐	☐	Legislative Analyst Report
☐	☐	Youth Commission Report
☐	☐	Introduction Form (for hearings)
☒	☐	Department/Agency Cover Letter and/or Report
☐	☐	MOU
☐	☐	Grant Information Form
☐	☐	Grant Budget
☐	☐	Subcontract Budget
☒	☐	Contract/Agreement
☐	☐	Form 126 – Ethics Commission
☐	☐	Award Letter
☐	☐	Application
☐	☐	Public Correspondence

OTHER **(Use back side if additional space is needed)**

☐	☐	
☐	☐	
☐	☐	
☐	☐	
☐	☐	
☐	☐	
☐	☐	
☐	☐	

Completed by: Victor Young **Date** October 19, 2012
Completed by: Victor Young **Date** _____

[Lease - Transportation Security Administration - International Terminal and Terminal 2]

Resolution approving and authorizing the execution of Lease No. GS-09B-03014 with the Transportation Security Administration for terminal space to be occupied by the U.S. Transportation Security Administration, a Federal agency, in the International Terminal and Terminal 2 of the San Francisco International Airport with a term of five years.

WHEREAS, The U.S. Transportation Security Administration ("TSA"), an agency of the U.S. Department of Homeland Security, provides aviation security at all U.S. airports, including the San Francisco International Airport; and

WHEREAS, The TSA currently occupies 7,200 square feet of Category II space in the International Terminal, pursuant to Lease No. GS-09B-02006, for its administrative office functions, which lease expires on October 31, 2012; and

WHEREAS, The TSA desires to continue occupancy of approximately 7,200 square feet of Category II space in the International Terminal and expand into 1,104 square feet of Category III space in Terminal 2, pursuant to a renewal lease with a term of five (5) years, to accommodate its administrative functions; and

WHEREAS, Airport staff has negotiated a lease with the General Services Administration with a term of five (5) years for terminal space in the International Terminal and Terminal 2 to accommodate the TSA's administrative functions at an annual rent of $1,692,038.40 (the "Lease"); and

WHEREAS, On August 7, 2012, pursuant to Resolution No. 12-0185, the Airport Commission approved Lease GS-09B-03014 with the Transportation Security Administration. A copy of the form of the Lease is on file with the Clerk of the Board of Supervisors in

File No. 120986, which is hereby declared to be a part of this resolution as if set forth fully herein; now, therefore, be it

RESOLVED, That this Board of Supervisors hereby approves the Lease between the Transportation Security Administration and the City and County of San Francisco, acting by and through its Airport Commission, for terminal space in the International Terminal and Terminal 2 and with a term of five (5) years.

Item 1 File 12-0986	Department: San Francisco International Airport (Airport)

EXECUTIVE SUMMARY

Legislative Objective

- The proposed resolution would approve a new five-year lease between the Airport and the Transportation Security Administration (TSA), for a total of 8,304 square feet of office space,in cluding operating expenses for (a) 7,200 square feet of existing office space on the fifth floor in the International Terminal, (b) 1,104 square feet of new office space on the first floor of Terminal 2, and (c) existing 52 reserved secured parking spaces in the Airport Parking garage, from November 1, 2012 through October 31, 2017.

Key Points

- On November 20, 2007, the Board of Supervisors approved a five-year lease for TSA to occupy 7,200 square feet of office space on the fifth floor in the International Airport Terminal for administrative offices, including 52 reserved secured parking spaces in the Airport Parking garage, which extended from November 1, 2007 through October 31, 2012. This 7,200 square foot lease is at a fixed five-year rate of $990,804 annually, which is $137.61 per square foot per year, for rent and operating expenses. Under this five-year lease, the Airport will receive total revenues of $4,954,020 ($990,804 x 5 years).

Fiscal Impacts

- Under the proposed 8,304 square foot lease, TSA would pay the Airport a flat five-year rate of (a) $118,944 per month for a total of $1,427,328 annually, or $198.24 per square foot per year for the 7,200 square feet of space in the International Terminal, (b) $14,135 per month for a total of $169,620 annually or $153.64 per square foot per year for the 1,104 square feet of space in Terminal 2, and (c) $11.45 per square foot per year, or a total of $95,094 to cover operating expenses for the total 8,304 square feet of space, or an annual total of $1,692,042.
- Assuming a commencement date of (a) November 1, 2012 for the existing 7,200 square feet of space, and (b) March 1, 2013 for the additional 1,104 square feet of space in order to provide sufficient time to complete tenant improvements, the Airport will receive a total of $8,399,443 over the five-year term of the proposed lease.
- The proposed 8,304 square foot lease will generate an average of $203.76 per square foot per year as compared to the existing 7,200 square foot lease at $137.61 per square foot per year, such that the proposed five-year lease will generate $3,445,423 or 69.6 percent more than the Airport currently receives from the existing TSA lease.

Policy Consideration

- Under the proposed lease with TSA, 52 reserved parking spaces on the fourth level of the Domestic Terminal Parking Garage would continue to be provided to the TSA at no additional cost. The Airport's FY 2012-2013 Rates and Charges schedule provides employee parking at $112 per parking space per month, which would be $69,888 per year or an estimated total of $349,440 over five years, for the subject 52 parking spaces.
- The Board of Supervisors adopted a Transit First Policy in order to give priority to public transit investments and services, rather than single-occupant automobiles, in the City's transportation policy. However, the proposed lease with TSA would continue the Airport's practice of providing 52 free, reserved parking spaces at the Airport, for TSA employees. Two Attachments from the Airport address this issue.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

Section 2A.173 of the City's Administrative Code authorizes the Airport to execute leases of Airport lands and space in Airport buildings, without undergoing a competitive bid process, if the original term of the lease does not exceed 50 years.

City Charter Section 9.118 states that leases,whic h would result in revenues to the City in excess of $1,000,000, are subject to Board of Supervisors approval.

Background

The Transportation Security Administration (TSA) is required, pursuant to the Federal Aviation and Transportation Security Act, to oversee security measures at the San Francisco International Airport, including airline passenger and baggage screening services.

On November 20, 2007, the Board of Supervisors approved a five-year lease for the Transportation Security Administration to occupy 7,200 square feet of Category II[1] space on the fifth floor in the International Airport Terminal for administrative offices, including 52 reserved secured parking spaces in the Airport Parking garage, which extended from November 1, 2007 through October 31, 2012 (File 07-1461; Resolution No. 647-07). This 7,200 square foot lease was at the fixed five-year rate of $82,567 per month for a total of $990,804 annually, or $137.61 per square foot per year, including rent and operating expenses. Over the five-year term, this lease resulted in total revenues of $4,954,020 ($990,804 x 5 years) to the Airport.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve and authorize execution of a new lease between the Airport and TSA, for a total of 8,304 square feet of administrative office space, and private vehicle parking, including (a) 7,200 square feet of existing Category II space on the fifth floor in the International Terminal, (b) 1,104 square feet of new Category III space[2] on the first floor of Terminal 2, and (c)e xisting 52 reserved secured parking spaces in the Airport Parking garage, for a term of five years, from November 1, 2012 through October 31, 2017. Under the proposed lease, TSA would pay the Airport to provide maintenance, janitorial, electricity and water and sewage costs.

Although the term of the proposed lease would commence on November 1, 2012, the rent for the additional 1,104 square feet of office space in Terminal 2, which is currently vacant, will commence the earlier of (a) March 1, 2013, or (b) when the TSA completes its tenant improvements. According to Ms. Diane Artz, Senior Property Manager at the Airport, the TSA tenant improvements include partitioning of the finished space, installing cabinetry, electrical wiring, data and voice communication systems, heating, ventilation and air conditioning

[1] Category II space occupied by TSA is consistent with the Airport's Lease and Use Agreements for office space located on the airline departure level and above.
[2] Category III space occupied by TSA is consistent with the Airport's Lease and Use Agreements for office space located on the airline arrival level and below.

systems and fire protection improvements. These tenant improvements are estimated to cost $73,400 and would be completed by and fully paid for by TSA.

Under the proposed lease, the existing 52 reserved parking spaces on the fourth level of the Domestic Terminal Parking Garage would continue to be provided to the TSA at no additional cost (see Policy Considerations).

In addition, the proposed lease permits TSA, with prior written approval of the Airport, to install and maintain telecommunications equipment, at TSA's expense. Ms. Artz advises that, to date, TSA has not submitted a request or outlined a specific need for this additional installation.

According to Ms. Artz, the proposed lease was awarded to the TSA on a sole source basis because the TSA is the sole entity mandated by the Federal government to ensure aviation security at all U.S. airports. Ms. Artz advises that the Airport staff negotiated with the Federal General Services Administration (GSA) staff on behalf of the TSA, which requires that Federal government leases cannot include rent adjustments based on unknown data, such as future Consumer Price Index (CPI) increases, because all Federal funds for the entire lease must be encumbered when the lease is approved. As a result, the proposed flat five-year rental rate was determined based on the Airport's FY 2012-13 approved Rates and Charges for Category II and III space and current Operating Costs for janitorial, maintenance and utilities, and then escalated annually based on the Airport's five-year projected operating budget to determine an average rate for the five-year term. On August 12, 2012, the Airport Commission approved the subject lease with TSA (Airport Resolution No. 12-0185).

FISCAL IMPACTS

As shown in Table 1 below, under the proposed 8,304 square foot lease, the TSA would pay the Airport a flat five-year rate of (a) $118,944 per month for a total of $1,427,328 annually, or $198.24 per square foot per year for the 7,200 square feet of Category II space in the International Terminal, (b) $14,135 per month for a total of $169,620 annually or $153.64 per square foot per year for the 1,104 square feet of Category III space in Terminal 2[3], and (c) $11.45 per square foot per year, or a total of $95,094 to cover operating expenses for the total 8,304 square feet of space. Ms. Artz advises that the proposed fixed five-year operating rate of $11.45 per square foot annually will fully cover the Airport's costs to provide these services.

[3] This Category III rate includes a one-time Airport surcharge fee of $21.48 per square foot, or a total of $23,714 for the 1,104 square feet for construction of basic finishes to this new Category III space for TSA.

Table 1: Proposed Fixed Five-Year Lease and Operating Expenses

Leased Space and Operating Expenses	Monthly Rent	Annual Rent	Per Square Foot Per Year
International Terminal (7,200 square feet)	$118,944	$1,427,328	$198.24
Terminal 2 (1,104 square feet)	14,135	169,620	153.64
Operating Expenses (8,304 square feet)	7,924	95,094	11.45
Total	**$141,003**	**$1,692,042**	

As shown in Table 1 above, once all tenant improvements are completed in the new Terminal 2 space, or March 1, 2013 whichever is earlier, the Airport will receive $1,692,042 annually under the proposed new five-year lease for 8,304 square feet of space.

As noted above, although the proposed lease will commence on November 1, 2012, the rent for the additional new 1,104 square feet of space in Terminal 2 will not commence until the earlier of (a) March 1, 2013, or (b) when the TSA completes its tenant improvements. Assuming a commencement date of March 1, 2013 for the additional 1,104 square feet of space, over the five-year term of the proposed lease, the Airport will receive a total of $8,399,443 of revenue, as shown in Table 2 below.

Table 2: Total Estimated Airport Rent and Operating Expenses Payable by TSA to the Airport in the Proposed Five-Year Lease

	International Terminal (7,200 square feet)	Terminal 2 (1,104 square feet)	Operating Expenses (8,304 square feet)	Total Annual Revenue
November 1, 2012-October 31, 2013	$1,427,328	$113,080*	$90,867*	**$1,631,275**
November 1, 2013-October 31, 2014	$1,427,328	169,620	95,094	**1,692,042**
November 1, 2014-October 31, 2015	$1,427,328	169,620	95,094	**1,692,042**
November 1, 2015-October 31, 2016	$1,427,328	169,620	95,094	**1,692,042**
November 1, 2016-October 31, 2017	$1,427,328	169,620	95,094	**1,692,042**
Total	**$7,136,640**	**$791,560**	**$471,243**	**$8,399,443**

*Assumes eight months of rent and operating expenses based on completion of tenant improvements in the new 1,104 square feet of space in Terminal 2 effective as of March 1, 2013.

As shown in Table 3 below, currently, under the existing 7,200 square foot lease of space in the International Terminal, TSA pays the Airport at a fixed five-year rate of $990,804 annually, or $137.61 per square foot per year, for rent and operating expenses, such that the current lease will result in total revenues of $4,954,020 ($990,804 x 5 years) to the Airport.

Table 3: Comparison of Existing and Proposed Revenues in the Five-Year Leases between the Airport and TSA

	Leased Space	Average Annual Rental Revenue	Average Revenue per Square Foot per Year	Total Revenue Over 5-Year Lease Term
Existing Lease	7,200 sf	$990,804	$137.61	$4,954,020
Proposed Lease	8,304 sf	$1,692,029	$203.76	$8,399,443

As shown in Table 3 above, under the proposed five-year lease for 8,304 square feet, TSA would pay the Airport a total of $8,399,443, or an average of $203.76 per square foot per year, which is $3,445,423 or 69.6 percent more than the Airport's current five-year total revenue of $4,954,020 under the existing TSA lease, which reflects an average of $137.61 per square foot per year. As noted above, the additional 1,104 square feet of space that TSA will lease under the proposed new lease is currently vacant.

POLICY CONSIDERATION

As noted above, under the proposed lease, the existing 52 reserved parking spaces on the fourth level of the Domestic Terminal Parking Garage would continue to be provided by the Airport to the TSA at no additional cost to the TSA. According to Ms. Artz, parking for TSA employees is provided by the Airport without charge given that the functions performed by this Federal agency are essential to Airport operations. The fourth level of the Domestic Terminal Parking Garage is a designated employee parking area for Airport employees and Federal government employees, which contains a total of 766 parking spaces. The Airport's FY 2012-2013 Rates and Charges schedule states that employee parking costs $112 per parking space per month, which would total $69,888 per year, or an estimated $349,440 over five years, of additional revenue for the Airport for the subject 52 parking spaces,if the TSA was to be charged for these parking spaces.

The San Francisco Planning Commission and the Board of Supervisors have adopted a Transit First Policy in order to give priority to public transit investments and services, including bicycling and walking, rather than single-occupant automobiles, in the City's transportation policy. However, the Budget and Legislative Analyst notes that the proposed lease with TSA would continue the Airport's practice of providing 52 free, reserved parking spaces at the Airport, for TSA employees.

In response, Mr. Gary Franzella, Associate Deputy Airport Director, provided Attachment I, which indicates that in addition to the proposed 52 free parking spaces for TSA, (a) the Airport has historically provided free parking for Federal agencies that operate at the Airport, (b) the Airport currently provides 1,021 other parking permits at no charge to other Federal agencies at the Airport, and (b) Covenant Aviation Service, which contracts with the Federal government to provide TSA's security services, has purchased 685 parking permits in the current quarter, for projected Airport parking revenues totaling $616,500[4] in the current fiscal year. In addition, as shown in Attachment II, provided by Ms. Cathy Widener, Governmental Affairs Manager for the Airport, the Airport is not served by the San Francisco Municipal Transportation Agency, and while BART is an expensive commuting travel option, 45 percent of passengers currently take commercial or ground transportation, including BART, SamTrans, taxis, shared-ride vans and courtesy shuttles to the San Francisco Airport, the highest level at any U.S. Airport.

RECOMMENDATION

Approve the proposed resolution.

[4] 685 parking permits x $225 per quarter x 4 quarters = $616,500 annually, which reflects the applicable parking rates at this non-terminal parking lot where Covenant Aviation Service employees park.

Attachment I

San Francisco International Airport

October 17, 2012

Ms. Debra Newman
Budget Analyst
1390 Market Street Suite 1150
San Francisco, CA 94102

Dear Ms. Newman:

The Transportation Security Administration, ("TSA") is one of several Federal Agencies at San Francisco International Airport. Historically Airports have not, to my knowledge, assessed parking fees to Federal Agencies. The TSA, formed in 2003, for security related issues is quite different at San Francisco, compared to other airports, as the main service provided is via Covenant Aviation Security, under contract by the Federal Government.

Under the proposed lease, the same fifty two, (52) reserved parking spaces on the fourth level of the Domestic Terminal Parking Garage would continue to be provided to the TSA at no additional cost. While 52 parking spaces are provided to the TSA; Covenant Aviation Security purchased six hundred and eighty five (685) parking permits for its employees this current quarter.

The following is a summary of parking offered to other Federal Agencies, at no charge, at San Francisco International Airport as well a reference to Covenant Aviation Security:

Federal Agency	**Parking Permits**	**Annual Revenue**
Department of Agriculture (USDA)	39	0
Drug Enforcement Agency (DEA)	16	0
Federal Marshalls	135	0
Federal Aviation Administration (FAA)	205	0
Federal Bureau of Investigation (FBI)	10	0
U.S. Customs	616	0
Total - Federal Agencies	1,021	
Covenant Aviation Security	685	$ 616,500*
* Current quarter with annual projection.		

Sincerely,

Gary Franzella
Associate Deputy Airport Director
Aviation & Parking Management

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE *MAYOR* | LARRY MAZZOLA *PRESIDENT* | LINDA S. CRAYTON *VICE PRESIDENT* | ELEANOR JOHNS | RICHARD J. GUGGENHIME | PETER A. STERN | JOHN L. MARTIN *AIRPORT DIRECTOR*

Post Office Box 8097 San Francisco, California 94128 Tel 650.821.5000 Fax 650.821.5005 www.flysfo.com

San Francisco International Airport

Memorandum

October 17, 2012

TO: Debra Newman, Budget Analysts Office

FROM: Cathy Widener, SFO Governmental Affairs

RE: **TSA lease item, file no. 12-0986**

While San Francisco International Airport ("SFO") is a department of the City and County of San Francisco, the airport is located outside of the City's geographical boundaries and is not served by Muni.

SFO is committed to public transit. SFO/BART has one of the largest riderships throughout the BART system and 12% of Airport Commission employees commute by this mode of transportation. SFO is constantly working to provide public transit incentives.

Currently, BART remains an expensive daily option to SFO , with a $8.00 SFO roundtrip surcharge in addition to the base fare. However, in 2010 the Airport successfully negotiated and implemented an amendment, (Amendment No.1 to BART Lease NO. 97-0081), that reduced the surcharge, ($3.00 per day versus $8.00 per day), applicable to City employees as well as the remainder of all employees, issued a badge at the Airport.

Through successful marketing campaigns and outreach, the airport has increased the percentage of air passengers that take commercial or ground transportation to SFO to a 45% level (this includes BART, SamTrans, taxis, shared ride vans and courtesy shuttles.) – the highest of any other airport in the nation.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 12-0185

1) APPROVE LEASE NO. GS-09B-03014 WITH THE U.S. GOVERNMENT FOR SPACE TO BE OCCUPIED BY THE U.S. TRANSPORTATION SECURITY ADMINISTRATION AT THE INTERNATIONAL TERMINAL AND TERMINAL 2, AND 2) DIRECT THE COMMISSION SECRETARY TO FORWARD THE LEASE TO THE BOARD OF SUPERVISORS FOR APPROVAL

WHEREAS, on August 21, 2007, pursuant to Commission Resolution No. 07-0195, the Airport Commission approved General Services Administration ("GSA") Lease No. GS-09B-02006, which provided for administrative office space for the U.S. Transportation Security Administration ("TSA") in the International Terminal; and

WHEREAS, the Board of Supervisors subsequently approved the lease pursuant to Resolution No. 647-07, on November 19, 2007; and

WHEREAS, the TSA is responsible for ensuring aviation security at all airports, including the San Francisco International Airport; and

WHEREAS, the lease provides for approximately seven thousand two hundred (7,200) square feet of Category II space to accommodate the TSA's administrative function and a five (5) year term which will expire on October 31, 2012; and

WHEREAS, the TSA desires to continue occupancy of approximately 7,200 square feet of Category II space in the International Terminal and expand into an additional 1,104 square feet of Category III space in Terminal 2, for a term of five (5) years upon expiration of the current lease, pursuant to a renewal lease; and

WHEREAS, Airport staff has negotiated a renewal lease with the GSA with a term of five (5) years for approximately 8,304 square feet of terminal space comprised of 7,200 square feet of Category II space in the International Terminal ("Parcel A") and 1,104 square feet of Category III space in Terminal 2 ("Parcel B") to accommodate the TSA's future administrative office requirement at an annual rent of $1,692,038.40; and

WHEREAS, the rental rate for Parcel A is $209.69 per square foot per year, which rate includes an Operating Cost component, and the rental rate for Parcel B is $165.10 per square foot per year, which includes a Surcharge Fee and an Operating Cost component, as more fully described in the Director's Memorandum; now, therefore, be it

RESOLVED, that the Airport Commission hereby approves Lease No. GS-09B-03014 with the U.S. Government for 8,304 square feet of Category II and III space, on the terms and conditions set forth in the Director's Memorandum; and be it further

RESOLVED, that the Airport Commission hereby directs the Commission Secretary to forward the same to the Board of Supervisors for approval.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of AUG 07 2012

Jean Caramatti

Secretary

San Francisco International Airport

MEMORANDUM

August 7, 2012

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Approval of a Lease with the U.S. Government for Occupancy by the U.S. Transportation Security Administration

DIRECTOR'S RECOMMENDATION: ADOPT THE ACCOMPANYING RESOLUTION 1) APPROVING LEASE NO. GS-09B-03014 WITH THE U.S. GOVERNMENT, FOR SPACE TO BE OCCUPIED BY THE U.S. TRANSPORTATION SECURITY ADMINISTRATION AT THE INTERNATIONAL TERMINAL AND TERMINAL 2, AND 2) DIRECTING THE COMMISSION SECRETARY TO FORWARD THE LEASE TO THE BOARD OF SUPERVISORS FOR APPROVAL.

Executive Summary

The General Services Administration ("GSA") and Airport staff have negotiated a renewal Lease No. GS-09B-03014 (the "Proposed Lease") between the U.S. Government and San Francisco International Airport (the "Airport") for terminal space to accommodate the U.S. Transportation Security Administration's ("TSA") continued need for administrative offices. The Proposed Lease provides for terminal rental of approximately 8,304 square feet of space comprised of 7,200 square feet of Category II space in the South Shoulder Building of the International Terminal ("Parcel A") and 1,104 square feet of Category III space in Terminal 2 ("Parcel B"). The Proposed Lease will have a term of five (5) years and a fixed annual rent of $1,692,038.40, based on a negotiated rate of $209.69 per square foot per year for Parcel A and $165.10 per square foot per year for Parcel B. The rental rates incorporate cost recovery components for certain services the Airport will provide, including maintenance, janitorial and utilities to the premises, and a Surcharge Fee, as more fully described below.

THIS PRINT COVERS CALENDAR ITEM NO. 14

Background

The TSA, an agency of the U.S. Department of Homeland Security, is responsible for ensuring aviation security at all airports, including San Francisco International Airport. On August 21, 2007, pursuant to Commission Resolution No. 07-0195, the Commission approved GSA Lease No. GS-09B-02006, which provided for administrative office space for the TSA in the International Terminal ("IT"). The Board of Supervisors subsequently approved the lease, pursuant to Resolution No. 647-07, on November 19, 2007. The lease has a term of five (5) years and terminates on October 31, 2012.

The lease provides for approximately 7,200 square feet of Category II space on the fifth floor of the South Shoulder Building in the IT and 52 parking spaces for employees. The annual rent is a fixed rent of $990,803.51 per year for the term of the lease. In addition to terminal rent, the lease requires the Airport to provide janitorial services, re-lamping of light fixtures, electricity, and maintenance of the IT infrastructure and building systems.

The TSA wishes to continue its occupancy of the 7,200 square feet of Category II space in the IT pursuant to the Proposed Lease with a term of five (5) years commencing November 1, 2012. It also wishes to expand the premises by an addition of 1,104 square feet of Category III space in Terminal 2 and will construct all tenant improvements at its sole cost and expense. The Airport will continue to provide 52 parking spaces for TSA employees.

In addition to terminal rental, the Proposed Lease requires the Airport to provide maintenance of the premises, tenant improvements, IT and T2 infrastructure and building systems, and to provide janitorial services and utilities, including electricity and water. The Airport will be reimbursed for the cost of these services by incorporation of an operating cost component into the rental rate, as more fully described below.

Proposal

Airport staff has negotiated, and is seeking approval of the Proposed Lease No. GS-09B-03014 for terminal space to accommodate the TSA's continued need for administrative offices. The Proposed Lease provides for the following business terms:

1. **Permitted Use.** Administrative offices.
2. **Commencement Date.** November 1, 2012.
3. **Premises.** Approximately 8,304 square feet comprised of 7,200 square feet of Category II office space on the fifth floor of the South Shoulder Building in the IT ("Parcel A") and 1,104 square feet of Category III office space in Terminal 2 (Parcel B").
4. **Term.** Five (5) years, firm.

5. **Annual Rent.** $1,692,038.40 per year is fixed for the Term.

   A rental rate is comprised of: 1) terminal rent for Category II and III space, the latter being inclusive of a Surcharge Fee for construction of basic finishes to the Category III space, and 2) an operating cost component which reimburses the Airport for providing janitorial services, maintenance of the premises, and utilities (the "Operating Cost").

   The rental rate was derived by determining initial costs for the various categories specified below with the exception of the Surcharge Fee, which is fixed per the Airport's Rates and Charges. The initial rates were escalated annually by a specified percentage based on the Airport's five year projected operating budget, and were then averaged over five years to arrive at an average for rent for the respective categories of space and an average for the Operating Cost. The initial costs and average costs are summarized below.

Rate Category	Initial Rate/SF/ YR	Average Rate/SF/ YR	Annual Rent
Parcel A Rent – Cat II	$173.06*	$198.24	$1,427,328.00
Parcel B Rent – Cat III	$115.38**	$132.17	$145,915.68
Parcel B Surcharge Fee	$21.48	N/A	$23,713.92
Operating Cost	$10.59	$11.45	$95,080.80
Total			$1,692,038.40

*CAT II for FY 12/13 **CAT III for FY 12/13

6. **Rental Rate.** The rental rate for Parcel A is $209.69 per square foot per year, which rate includes the Operating Cost component, and the rental rate for Parcel B is $165.10 per square foot per year, which includes a Surcharge Fee and an Operating Cost component.

7. **Rent Commencement.** Rent for Parcel A will commence on November 1, 2012. Rent for Parcel B will commence upon the earlier of completion of the tenant improvements or March 1, 2013.

8. **Operating Cost.** Provides reimbursement for: a) maintenance of the premises, tenant improvements constructed by the TSA, and terminal infrastructure and building systems, b) janitorial services, and c) utilities, including electricity and water.

9. **Surcharge Fee.** Assessed to recover the cost of alterations and improvements installed by City to convert shell space into basic finished office space, which were constructed during the Airport's Terminal 2 Renovation Project.

10. **Parking.** Fifty two (52) employee parking spaces.
11. **Maintenance.** The Airport will maintain the premises, tenant improvements, IT and T2 infrastructure and building systems.

Airport staff has requested: 1) a Sole Source Exemption and Waiver of the provisions of Chapters 12B and 12C (EBO) of the San Francisco Administrative Code, and 2) a Public Entity Exemption of Sections 12Q and 12P (HCAO and MCO respectively) of the San Francisco Administrative Code from the Office of Contract Administration.

Recommendation

I recommend adoption of the accompanying Resolution that: 1) approves Lease GS-09B-03014 with the U.S. Government, with a term of five (5) years, for Category II space in the International Terminal and Category III space in Terminal 2 to be occupied by the U.S. Transportation Security Administration, and 2) directs the Commission Secretary to forward the same to the Board of Supervisors for approval.

John L. Martin
Airport Director

Prepared by: Leo Fermin
Deputy Airport Director
Business & Finance

Attachment

LEASE NO. GS-09B-03014

This Lease is made and entered into between

City and County of San Francisco, acting by and through its Airport Commission, c/o the Airport Director, San Francisco International Airport, organized and existing under the laws of the State of California

("the Lessor"), whose principal place of business is:

AIRPORT COMMISSION – SAN FRANCISCO INTERNATIONAL AIRPORT
ADMINISTRATIVE OFFICES
BUILDING 100 – INTERNATIONAL TERMINAL
P.O. BOX 8097
SAN FRANCISCO, CA 94128

and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(the "Government"), acting by and through the designated representative of the General Services Administration ("GSA"), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at San Francisco International Airport, **8,304 sq. ft. of terminal space comprised of 7,200 sq. ft. of Category II space (Parcel A), located on the 5th floor of the International Terminal, South Shoulder Building (Room 1.5.116)** and **1,104 sq. ft. of Category III space (Parcel B) on the 1st floor of Terminal 2 (Room T2.1.011/11D)** and more fully described in Section 1 and Exhibit s A-1 and A-2, together with rights to the use of parking and other areas as set forth herein.

To Have and To Hold the said Premises with their appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

Five (5) years Firm, commencing November 1, 2012 and terminating October 31, 2017.

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA, as set forth in Section 2.06 (C) of the Lease. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Lease Amendment upon substantial completion and acceptance of the space by the Government and without further formal approval required the Airport Commission or City's Board of Supervisors.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

_____

Name: John L. Martin

Title: Airport Director

Date: _____

WITNESSED BY:

_____

Name:

Title:

Date: _____

FOR THE GOVERNMENT:

_____

Peter Shteyn

Lease Contracting Officer (LCO)

Date: _____

TABLE OF CONTENTS

ON-AIRPORT LEASE

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS 3
1.01 THE PREMISES 3
1.02 EXPRESS APPURTENANT RIGHTS 3
1.03 RENT AND OTHER CONSIDERATION 3
1.04 TERMINATION RIGHTS (ON-AIRPORT APR 2011) 3
1.05 RENEWAL RIGHTS 4
1.06 DOCUMENTS INCORPORATED BY REFERENCE (ON-AIRPORT SEPTEMBER 2011) ..... Error! Bookmark not defined.
1.07 OPERATING COST BASE 4
..... 4

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS 5
2.01 DEFINITIONS AND GENERAL TERMS (SEPT 2011) 5
2.02 AUTHORIZED REPRESENTATIVES (APR 2011) 5
2.03 WAIVER OF RESTORATION (APR 2011) 5
2.04 OPERATING COSTS ADJUSTMENT (APR 2011) 6
2.05 RELOCATION RIGHTS (ON-AIRPORT APR 2011) ..... Error! Bookmark not defined.
2.06 RECITALS FOR TRANSPORTATION SECURITY ADMINISTRATION (ON-AIRPORT APR 2011) 6
2.07 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY SEPT 2011) 6
2.08 ALTERATIONS (APR 2011) 6
2.09 CENTRAL CONTRACTOR REGISTRATION (APR 2011) 6
2.10 SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011) 6

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS 7
3.01 BUILDING SHELL REQUIREMENTS (APR 2011) 7
3.02 FIRE PROTECTION AND LIFE SAFETY (SEPT 2011) 7
3.03 MEANS OF EGRESS (SEPT 2011) 7
3.04 AUTOMATIC FIRE SPRINKLER SYSTEM (SEPT 2011) 7
3.05 FIRE ALARM SYSTEM (SEPT 2011) 7
3.06 ENERGY INDEPENDENCE AND SECURITY ACT (AUG 2011) 7
3.07 ACCESSIBILITY 8
3.08 TOILET ROOMS (ON-AIRPORT APR 2011) 8
3.09 HEATING VENTILATION AND AIR CONDITIONING (ON-AIRPORT APR 2011) 8
3.10 MECHANICAL, ELECTRICAL AND PLUMBING (APR 2011) 8
3.11 TELECOMMUNICATIONS (ON-AIRPORT APR 2011) 8
..... 8

SECTION 4 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM 10
4.01 SERVICES, UTILITIES, AND MAINTENANCE (ON-AIRPORT APR 2011) 10
4.02 PROVISION OF SERVICES, ACCESS, AND ROUTINE HOURS (APR 2011) 10
4.04 HAZARDOUS MATERIALS (APR 2011) 10
4.05 INDOOR AIR QUALITY 10
4.06 RECYCLING 11
..... 11

SECTION 5 ADDITIONAL TERMS AND CONDITIONS 12

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES

The Premises are described as follows:

Office and Related Space: 8,304 rentable square feet (RSF), yielding 8,304 ANSI/BOMA office area (ABOA) square feet (sq. ft.) of office and related space (based upon a common area factor (CAF) of 1.00, 7,200 sq. ft. of which is located on the 5th floor of the International Terminal, South Shoulder Building (Room Room 1.5.116) and 1.104 sq. ft. of which is located on the 1st floor of Terminal 2 (Room T2.1.011/11D), as depicted on the floor plan(s) attached hereto as Exhibit A-1 and A-2.

1.02 EXPRESS APPURTENANT RIGHTS

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government rules and regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. Parking: Fifty two (52) parking spaces which shall be structured inside spaces for use of the Government for employee parking. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennae, Satellite Dishes and Related Transmission Devices: With prior written approval of Lessor, which shall not be unreasonably withheld, Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation, and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION

A. The Government shall pay the Lessor fixed annual rent for the entire five (5) year term, payable monthly in arrears, of $1,692,038.40 consisting of shell rent and Operating Costs, at the rates specified below. The Operating Costs include provision of maintenance, janitorial and utilities (electricity and water sewage costs). Use of the employee parking spaces, as specified in Section 1.02 A above, are included in the rent.

Room 1.5.116	Years 1 - 5	
Parcel A	Annual Rent	Annual Rate / RSF
Shell Rental Rate	$1,427,328.00	$198.24
Operating Costs	$82,440.00	$11.45
Full Service Rate	$1,509,768.00	$209.69

Room T2.1.011/11D	Years 1 - 5	
Parcel B	Annual Rent	Annual Rate / RSF
Shell Rental Rate	$169,629.60	$153.65
Operating Costs	$12,640.80	$11.45
Full Service Rate	$182,270.40	$165.10

B. Rent for Parcel A will commence on November 1, 2012. Rent for Parcel B will commence the earlier of the date that the Government completes its tenant improvements or March 1, 2013. Rent is subject to adjustment based upon a physical mutual measurement of the space upon acceptance, not to exceed 8,304 ABOA sq. ft. based upon the methodology outlined under the "Payment" clause of GSA Form 3517

C. If the Government occupies the Premises for less than a full calendar month, then rent shall be pro-rated based on the actual number of days of occupancy for that month.

D. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

E. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in "Clause 1.01, THE PREMISES," created herein;

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;

3. Performance or satisfaction of all other obligations set forth in this Lease; and

4. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

1.04 TERMINATION RIGHTS (ON-AIRPORT APR 2011)

The Government reserves the right to terminate this Lease, in whole or in part, at anytime during the term of this Lease with 60 calendar days' written notice to the Lessor if (i) regularly scheduled commercial air services ceases, , (ii) the checkpoint supported by the leased space is closed, or (iv) Government reduces its presence at airport due to a reduction in deplanements. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination. .

1.05 RESERVED

1.06 DOCUMENTS INCORPORATED BY REFERENCE (ON-AIRPORT SEPTEMBER 2011)

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Floor Plan(s)	2	A-1 and A-2
GSA Form 3517G, General Clauses	16	B
GSA Form 3518G, Representations and Certifications	6	C

1.07 OPERATING COST BASE

The parties agree that operating costs will remain fixed for the term of the Lease.

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (SEPT 2011)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

A. Appurtenant areas. Appurtenant areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.

B. Broker. If GSA awarded this Lease using a contract real estate broker, "the Broker" shall refer to GSA's broker.

C. Commission credit. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the commission credit.

D. Common area factor. The CAF is a conversion factor determined by the building owner and applied by the owner to the ANSI/BOMA office area sq. ft. to determine the RSF for the offered space.

E. Contract. "Contract" and "Contractor" mean "Lease" and "Lessor," respectively.

F. Days. All references to "day" or "days' in this Lease shall mean calendar days, unless specified otherwise.

G. FAR/GSAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.

H. Firm Term/Non-Firm Term. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.

I. Lease term commencement date. The Lease term commencement date means the date on which the lease term commences.

J. Lease award date. The Lease award date means the date that the Lease is executed by the LCO.

K. The Premises. The Premises are defined as the total office area or other type of space, described in Section I of this Lease, and delineated by plan in the attached Exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.

L. The Property and the Building. The Property is defined as the land and buildings in which the Premises are located, including all appurtenant areas (e.g., parking areas to which the Government is granted rights). The building(s) situated on the Property in which the Premises are located shall be referred to herein as "the Building(s)."

M. Rentable square feet (RSF). Rentable space is the area for which a tenant is charged rent. It is determined by the building owner and may vary by city or by building within the same city. The rentable space may include a share of building support/common areas such as elevator lobbies, building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The rentable space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts.

N. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as office area, or other type of Space. Parking areas and approved antenna sites to which the Government has rights under this Lease are not included in the Space.

O. Standard for Measuring Office Area and Other Space. For the purposes of this Lease, Space shall be measured in accordance with the standard provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for office area. ANSI/BOMA Z65.1-1996 shall be used. References to ABOA mean ANSI/BOMA office area.

P. Standard for Determining Common Area Factor. The Common Area Factor ("CAF") is the conversion factor expressed as the percentage of space in the Premises that constitutes Common Area. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.

Q. Formula for Calculation of Rentable Area. Rentable Area is calculated using the following formula for each type of Space (e.g., Office, Warehouse, etc.) included in the Premises: ANSI/sq. ft. of Space x (1 + CAF) = RSF.

R. Working days. Working days shall mean weekdays, excluding Saturdays and Sundays and Federal holidays.

2.02 AUTHORIZED REPRESENTATIVES (APR 2011)

The signatories to this Lease shall have full authority to bind their respective principles with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principles, except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) without notice or an express delegation by the prior LCO. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the Lease agreement or authorized in writing by the LCO.

2.03 WAIVER OF RESTORATION (APR 2011) (DELETED)

2.04 RESERVED

2.05 RELOCATION RIGHTS (ON-AIRPORT APR 2011)

A. If it becomes necessary in the orderly development of the Airport, Lessor, in its sole discretion, may require the relocation of Premises to other space at the Airport, which, in the reasonable judgment of Lessor, is similar and suitable for the purposes for which this Lease is entered as such purposes are set forth herein. Should such relocation be necessary, the Government agrees to move its personal property and equipment, at Government's sole cost and expense, to the new location prepared by Lessor upon 120 days prior written notice. Lessor shall be responsible for all other costs for such relocation. The Airport shall provide such relocated Premises at the same rental rate as the original Premises, unless the new Premises are located in an area that the Airport charges tenants a lower rate, in which event the parties shall negotiate a reduction in the rental rate.

B. The Lessor shall give GSA the name of the person and agency to be providing the relocation assistance to site tenants. In addition, the Lessor must provide background information about the relocation agency and references for which the relocation agent has performed relocation assistance in the past.

2.06 RECITALS FOR TRANSPORTATION SECURITY ADMINISTRATION (ON-AIRPORT APR 2011)

A. The Transportation Security Administration (TSA) is required, pursuant to 49 U.S.C. 40101—The Aviation and Transportation Security Act (ATSA), to oversee security measures at the **San Francisco International Airport**.

B. TSA is responsible for airline passenger and baggage screening services at the Airport.

C. The U.S. General Services Administration (GSA), on behalf of TSA, desires to lease certain facilities on the Airport premises for administrative offices in support of airport passenger and baggage screening services by the TSA.

D. Space for TSA to screen passengers and baggage is expressly excluded from this Lease.

2.07 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY SEPT 2011)

A. The Lessor shall provide floor plans for the offered space and a valid Certificate of Occupancy (C of O), issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue Certificates of Occupancy or if the C of O is not available, the Lessor may satisfy this condition by providing a report prepared by a licensed fire protection engineer who verifies that the offered space complies with all applicable local fire protection and life safety codes and ordinances.

B. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this Lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

2.08 ALTERATIONS (APR 2011)

The Government shall have the right during the existence of this Lease to make alterations, attach fixtures, and erect structures or signs in or upon the Premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said Premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. The Government shall have the right to tie into or make any physical connection with any structure located on the Property as is reasonably necessary for appropriate utilization of the leased space.

2.09 CENTRAL CONTRACTOR REGISTRATION (APR 2011)

The Offeror must have an active registration in the Central Contractor Registration (CCR) system (via the Internet at http://www.ccr.gov) prior to the Lease award and throughout the life of the Lease. To remain active, the Offeror/Lessor is required to update or renew its registration annually. The Government will not process rent payments to Lessors without an active CCR. No change of ownership of the leased premises will be recognized by the Government until the new owner registers in the CCR system.

2.10 SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011)

The Government reserves the right, at its own expense and with its own personnel, to heighten security in the building under Lease during heightened security conditions due to emergencies such as terrorist attacks, natural disaster, and civil unrest.

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS

3.01 BUILDING SHELL REQUIREMENTS (APR 2011)

A. The building shell shall be designed, constructed, and maintained in accordance with the standards set forth herein. For pricing, fulfillment of all requirements not specifically designated as operating costs or other rent components as indicated shall be deemed included in the Shell Rent.

B. Base structure and building enclosure components shall be complete. All common areas accessible by the Government, such as lobbies, fire egress corridors and stairwells, elevators, garages, and service areas, shall be complete. Restrooms shall be complete and operational. All newly installed building shell components, including but not limited to, heating, ventilation, and air conditioning (HVAC), electrical, ceilings, sprinklers, etc., shall be furnished, installed, and coordinated with Tenant Improvements. Circulation corridors are provided as part of the base building only on multi-tenanted floors where the corridor is common to more than one tenant. On single-tenant floors, only the fire egress corridor necessary to meet code is provided as part of the shell.

3.02 FIRE PROTECTION AND LIFE SAFETY (SEPT 2011)

As a condition of this Lease, Lessor agrees the Space meets Fire Protection and Life Safety requirements for Means of Egress, Automatic Fire Sprinkler System, and Fire Alarm System , or, prior to the Government's acceptance of the Space under this Lease, will make the improvements necessary to bring the building into compliance with the requirements, such improvements being described in an attachment to, and part of this Lease.

3.03 MEANS OF EGRESS (SEPT 2011)

A. Space shall meet the applicable egress requirements in the National Fire Protection Association, *Life Safety Code* (NFPA 101) or the International Code Council, *International Building Code* (IBC), (both current as of the award date of this Lease); or an alternative approach or method for achieving a level of safety deemed equivalent and acceptable by the Government.

B. Space has unrestrictive access to a minimum of two remote exits on each floor of Government occupancy.

C. Interlocking or scissor stairs located on the floor(s) where Space is located shall only count as one exit stair.

D. A fire escape located on the floor(s) where Space is located shall not be counted as an approved exit stair.

E. Doors shall not be locked in the direction of egress unless equipped with special locking hardware in accordance with requirements of NFPA 101 or the IBC.

3.04 AUTOMATIC FIRE SPRINKLER SYSTEM (SEPT 2011)

A. Space located below-grade, including parking garage areas, and all areas in a building referred to as "hazardous areas" (defined in NFPA 101) that are located within the entire building (including non-Government areas) shall be protected by an automatic fire sprinkler system or an equivalent level of safety.

A. For buildings in which any portion of the space is on or above the sixth floor, then, at a minimum, the building up to and including the highest floor of Government occupancy shall be protected by an automatic fire sprinkler system or an equivalent level of safety.

B. For buildings in which any portion of the space is on or above the sixth floor, and lease of the space will result, either individually or in combination with other Government leases in the offered building, in the Government leasing 35,000 sq. ft. or more ANSI/BOMA office area sq. ft. of space in the offered building, then the entire building shall be protected throughout by an automatic fire sprinkler system or an equivalent level of safety.

C. Automatic fire sprinkler system(s) shall be installed in accordance with either National Fire Protection Association (NFPA) 13, Standard for the Installation of Sprinkler Systems; NFPA 13D, Standard for the Installation of Sprinkler Systems in One and Two Family Dwellings and Manufactured Homes, NFPA 13R, Standard for the Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height (current as of the award date of this Lease), whichever is appropriate for the type of building and occupancy being protected; or the applicable local codes and ordinances adopted by the jurisdiction.

D. Automatic fire sprinkler system(s) shall be maintained in accordance with the requirements in NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-based Fire Protection Systems (current as of the award date of this Lease), or the applicable local codes and ordinances adopted by the jurisdiction.

E. "Equivalent level of safety" means an alternative design or system (which may include automatic fire sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic fire sprinkler systems.

3.05 FIRE ALARM SYSTEM (SEPT 2011)

A. A building-wide fire alarm system shall be installed in the entire building in which any portion of the space is located on the third floor or higher in the building.

B. The fire alarm system shall be installed and maintained in accordance with NFPA 72, National Fire Alarm and Signaling Code (current as the award of the Lease), or the applicable local codes and ordinances adopted by the jurisdiction.

C. The fire alarm system shall automatically notify the local fire department, remote station, or UL listed central station.

D. If a building's fire alarm control unit is over 25 years old, the Offeror shall install a new fire alarm system in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the award of the Lease), or the applicable local codes and ordinances adopted by the jurisdiction, prior to Government acceptance and occupancy of the Space.

3.06 ENERGY INDEPENDENCE AND SECURITY ACT (AUG 2011)

A. The Energy Independence and Security Act (EISA) establishes requirements for Government leases relating to energy efficiency standards and potential cost effective energy efficiency and conservation improvements.

B. Unless one of the statutory exceptions listed in paragraph C, below, applies, GSA may award a lease for Space only if the Building has earned the ENERGY STAR® Label conferred by the Environmental Protection Agency (EPA) within the most recent 12 months prior to the due date for final proposal revisions. For example, an ENERGY STAR® Label awarded by EPA on October 1, 2010, is valid for all lease procurements where final proposal revisions are due on or before September 30, 2011. All new buildings being specifically constructed for GSA must achieve an ENERGY STAR® Label within 18 months after occupancy by the Government.

C. EISA allows a Federal agency to lease space in a building that does not have an ENERGY STAR® Label if:

1. No space is offered in a building with an ENERGY STAR® Label that meets Request for Lease Proposals (RLP) requirements, including locational needs;

2. The agency will remain in a building it currently occupies;

3. The Lease will be in a building of historical, architectural, or cultural significance listed or eligible to be listed on the National Register of Historic Places; or

4. The Lease is for 10,000 RSF or less.

D. All new buildings being specifically constructed for the Government must achieve the ENERGY STAR® Label within 18 months after occupancy by the Government.

3.07 ACCESSIBILITY

The Building, leased space, and areas serving the leased space shall be accessible to persons with disabilities in accordance with the Architectural Barriers Act Accessibility Standard (ABAAS), Appendices C and D to 36 CFR Part 1191 (ABA Chapters 1 and 2, and Chapters 3 through 10). To the extent the standard referenced in the preceding sentence conflicts with local accessibility requirements, the more stringent shall apply.

3.08 TOILET ROOMS (ON-AIRPORT APR 2011)

Government employees shall have access to all public toilet facilities for men and women in the Airport terminal at all times without additional payment.

3.09 HEATING VENTILATION AND AIR CONDITIONING (ON-AIRPORT APR 2011)

A. Temperatures shall conform to local commercial equivalent temperature levels and operating practices to maximize tenant satisfaction. These temperatures shall be maintained throughout the leased premises and service areas, regardless of outside temperatures, during the hours of operation specified in this Lease. The Lessor shall perform any necessary systems start-up required to meet the commercially equivalent temperature levels prior to the first hour of each day's operation. At all times, humidity shall be maintained below 60 percent relative humidity.

B. The Lessor shall conduct HVAC system balancing after all HVAC system alterations during the term of the Lease and shall make a reasonable attempt to schedule major construction outside of office hours.

C. Normal HVAC systems maintenance shall not disrupt tenant operations.

3.10 MECHANICAL, ELECTRICAL AND PLUMBING (APR 2011)

The Lessor shall provide and operate all building equipment and systems in accordance with applicable technical publications, manuals, and standard procedures. Mains, lines, and meters for utilities shall be provided by the Lessor. Exposed ducts, piping, and conduits are not permitted in office space.

3.11 TELECOMMUNICATIONS (ON-AIRPORT APR 2011)

A. The Government reserves the right to contract its own telecommunications (voice, data, video, Internet, or other emerging technologies) service in the Space to be leased. The Government may contract with one or more parties to have inside wiring (or other transmission medium) and telecommunications equipment installed.

B. The Lessor shall allow the Government's designated telecommunications providers access to utilize existing building wiring to connect its services to the Government's space. If the existing building wiring is insufficient to handle the transmission requirements of the Government's designated telecommunications providers, the Lessor shall provide access from the point of entry into the building to the Government's floor space, subject to any inherent limitations in the pathway involved.

C. Subject to Lessor prior written approvals, the Lessor shall allow the Government's designated telecommunications providers to affix telecommunications antennae (high frequency, mobile, microwave, satellite, or other emerging technologies), subject to weight and wind load conditions, to roof, parapet, or building envelope as required

SECTION 4 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

4.01 SERVICES, UTILITIES, AND MAINTENANCE (ON-AIRPORT APR 2011)

The Lessor is responsible for providing all utilities necessary for base building and tenant operations and all associated costs are included as a part of the established rental rates. The following services, utilities, and maintenance shall be provided by the Lessor as part of the rental consideration (check all that apply):

- ☒ HEAT
- ☒ ELECTRICITY
- ☒ POWER (Special Equip.)
- ☒ WATER (Hot & Cold)
- ☐ SNOW REMOVAL
- ☒ TRASH REMOVAL
- ☐ CHILLED DRINKING WATER
- ☒ AIR CONDITIONING
- ☒ TOILET SUPPLIES
- ☒ JANITORIAL SERV. & SUPP.
- ☐ ELEVATOR SERVICE
- ☐ WINDOW WASHING
  Frequency_____
- ☒ CARPET CLEANING
  Frequency 5 years
- ☒ INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS
- ☒ PAINTING FREQUENCY
  Space 5 years
  Public Areas _____
- ☐ OTHER (Specify below)
  _____

The Lessor shall have an onsite building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.

4.02 PROVISION OF SERVICES, ACCESS, AND ROUTINE HOURS (APR 2011)

The Government shall have access to the Premises and its Appurtenant Areas at all times without additional payment, including the use, during other than routine hours, of necessary services and utilities such as elevators, toilets, lights, and electric power. Cleaning shall be performed after tenant working hours unless daytime cleaning is specified as a special requirement elsewhere in this Lease. Janitorial Services shall not be required on weekends or federal holidays. Services, maintenance, and utilities shall be provided from **12:00 AM to 11:59 PM,**

4.03 MAINTENANCE AND TESTING OF SYSTEMS (APR 2011)

A. The Lessor is responsible for the total maintenance and repair of the leased premises. Such maintenance and repairs include the site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems shall be done in accordance with current applicable codes, and inspection certificates shall be displayed as appropriate. Copies of all records in this regard shall be forwarded to the GSA Field Office Manager or a designated representative.

B. Without any additional charge, the Government reserves the right to require documentation of proper operations or testing prior to occupancy of such systems as fire alarm, sprinkler, standpipes, fire pumps, emergency lighting, illuminated exit signs, emergency generator, etc., to ensure proper operation. These tests shall be witnessed by a designated representative of the contracting officer.

4.04 HAZARDOUS MATERIALS (APR 2011)

The leased space shall be free of hazardous materials in compliance with all applicable Federal, state, and local environmental laws and regulations including, but not limited to, the following:

A. The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to EPA guidance shall be implemented.

B. The Lessor shall provide Space to the Government that is free from actionable mold and free from any conditions that reasonably can be anticipated to permit the growth of actionable mold or are indicative of the possibility that actionable mold will be present ("Indicators").

1. Actionable mold is mold of types and concentrations in excess of that found in the local outdoor air.

2. The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, March 2001), published by EPA, as same may be amended or revised from time to time, and any other applicable Federal, state, or local laws, regulatory standards, and guidelines.

3. The Lessor acknowledges and agrees that the Government shall have a reasonable opportunity to inspect the leased space after conclusion of the remediation. If the results of the Government's inspection indicate that the remediation does not comply with the plan or any other applicable Federal, state, or local laws, regulatory standards, or guidelines, the Lessor, at its sole cost, expense, and risk, shall immediately take all further actions necessary to bring the remediation into compliance.

4. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate an actionable-mold problem, the Government may implement a corrective action program and deduct its costs from the rent.

4.05 INDOOR AIR QUALITY

A. The Lessor shall control contaminants at the source and/or operate the Space in such a manner that the GSA indicator levels for carbon monoxide (CO), carbon dioxide (CO2), and formaldehyde (HCHO) are not exceeded. The indicator levels for office areas shall be: CO 9 ppm time weighted average (TWA 8 hour sample); CO2 1,000 ppm (TWA); HCHO 0.1 ppm (TWA).

B. The Lessor shall promptly investigate indoor air quality (IAQ) complaints presented by the GSA representative signing this document, and shall develop and implement, in consultation with GSA, the controls deemed necessary to address a given complaint.

C. The Government reserves the right to conduct independent IAQ assessments and detailed studies in space that it occupies, as well as in space serving the Government demised area (e.g., common use areas, mechanical rooms, HVAC systems, etc.). The Lessor shall assist the Government in its assessments and detailed studies by (1) making available information on building operations and Lessor activities; (2) providing access to space for assessment and testing, if required; and (3) implementing corrective measures required by the Contracting Officer.

D. The Lessor shall provide to the Government material safety data sheets (MSDS) upon request for the following products prior to their use during the term of the Lease: adhesives, caulking, sealants, insulating materials, fireproofing or firestopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finish for wood surfaces, janitorial cleaning products, pesticides, rodenticides, and herbicides. The Government reserves the right to review such products used by the Lessor within (1) the Government demised area; (2) common building areas; (3) ventilation systems and zones serving the leased space; and (4) the area above suspended ceilings and engineering space in the same ventilation zone as the leased space.

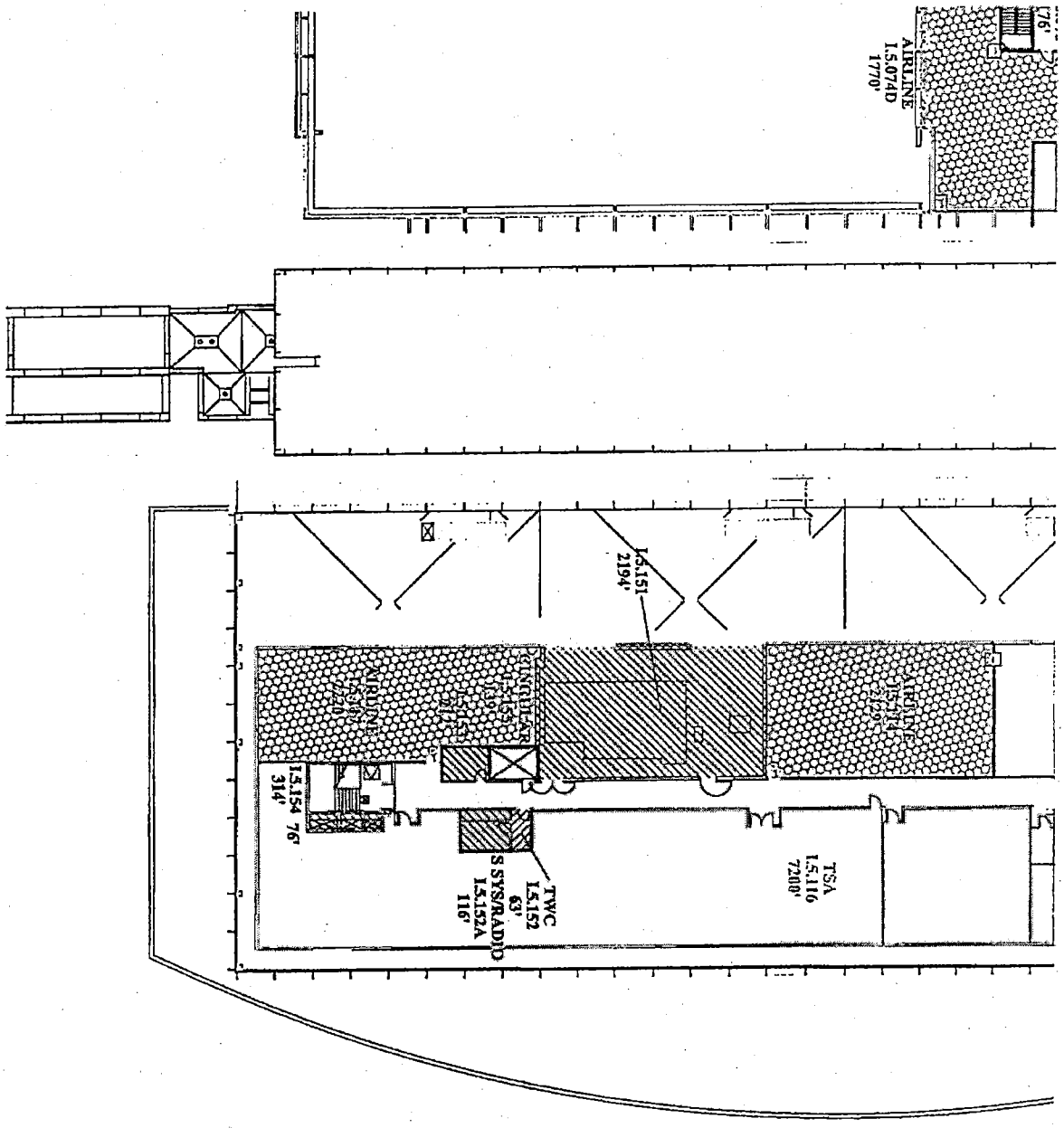
E. Where hazardous gasses or chemicals (any products with data in the Health and Safety section of the MSDS sheets) may be present or used, including large-scale copying and printing rooms, segregate areas with deck-to-deck partitions with separate outside exhausting at a rate of at least 0.5 cubic feet per minute per sq. ft., no air recirculation. The mechanical system must operate at a negative pressure compared with the surrounding spaces of at least an average of 5 Pa (pascal) (0.02 inches of water gauge) and with a minimum of 1 Pa (0.004 inches of water gauge) when the doors to the rooms are closed.

4.06 RECYCLING

Where state or local law, code, or ordinance requires recycling programs (including mercury-containing lamps) for the Space to be provided pursuant to this Lease, the Lessor shall comply with such state and local law, code, or ordinance in accordance with GSA Form 3517, General Clauses, 552.270-8, *Compliance with Applicable Law*. During the Lease term, the Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the Building and in the leased space.

SECTION 5 ADDITIONAL TERMS AND CONDITIONS

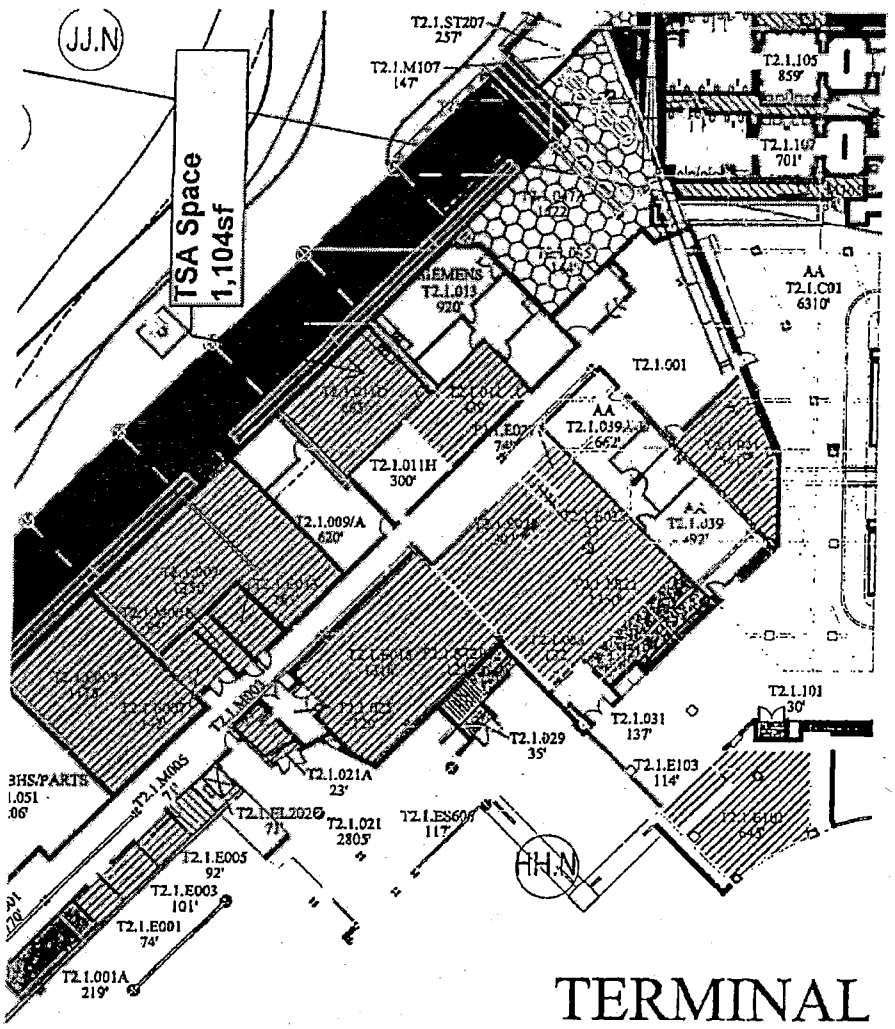
\\commission\SFO\Apps\AVMGT\Aperture\AutoCad\newit\5500E\IT52011.dwg, 2/28/2012 5:26:36 PM, 1:1.02326



R Q P O N M

M.4

INTERNATIONAL



TERMINAL

SCAI

C D E F

P3

ON-AIRPORT GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

CATEGORY	CLAUSE NO.	48 CFR REF.	CLAUSE TITLE
DEFINITIONS	1	552.270-4	Definitions (Variation)
GENERAL	2	552.270-11	Successors Bound
	3	552.270-23	Subordination, Nondisturbance and Attornment
	4	552.270-24	Statement of Lease
	5	552.270-25	Substitution of Tenant Agency
	6	552.270-26	No Waiver
	7	552.270-27	Integrated Agreement
	8	552.270-28	Mutuality of Obligation
PERFORMANCE	9	552.270-17	Delivery and Condition
	10	552.270-21	Effect of Acceptance and Occupancy
	11	552.270-6	Maintenance of Building and Premises—Right of Entry (Variation)
	12	552.270-10	Failure in Performance
	13	552.270-22	Default by Lessor During the Term
	14	552.270-7	Fire and Casualty Damage
	15	552.270-8	Compliance with Applicable Law
	16	552.270-12	Alterations
INSPECTION	17	552.270-9	Inspection—Right of Entry
PAYMENT	18	52.204-7	Central Contractor Registration (Variation)
	19	552.232-75	Prompt Payment
	20	552.232-76	Electronic Funds Transfer Payment (Variation)
	21	52.232-23	Assignment of Claims
	22	552.270-20	Payment (Variation)
STANDARDS OF CONDUCT	23	552.203-5	Covenant Against Contingent Fees
	24	52.203-7	Anti-Kickback Procedures
ADJUSTMENTS	25	552.203-70	Price Adjustment for Illegal or Improper Activity
	26	552.270-14	Changes (Variation)
AUDITS	27	552.215-70	Examination of Records by GSA
	28	52.215-2	Audit and Records—Negotiation
DISPUTES	29	52.233-1	Disputes
LABOR STANDARDS	30	52.222-21	Prohibition of Segregated Facilities
SUBCONTRACTING	31	52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment

The information collection requirements contained in this solicitation/contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

INITIALS: _____ & _____
LESSOR GOVERNMENT

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

1. **552.270-4 DEFINITIONS (SEP 1999) (VARIATION)**

The following terms and phrases (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this lease shall have the respective meanings hereinafter specified:

(a) "Commencement Date" means the first day of the term.

(b) "Contract" and "Contractor" means "Lease" and "Lessor," respectively.

(c) "Contracting Officer" means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

(d) "Delivery Date" means the date specified in or determined pursuant to the provisions of this lease for delivery of the premises to the Government, improved in accordance with the provisions of this lease and substantially complete, as such date may be modified in accordance with the provisions of this lease.

(e) "Delivery Time" means the number of days provided by this lease for delivery of the premises to the Government, as such number may be modified in accordance with the provisions of this lease.

(f) "Excusable Delays" mean delays arising without the fault or negligence of Lessor and Lessor's subcontractors and suppliers at any tier, and shall include, without limitation:
(1) acts of God or of the public enemy,
(2) acts of the United States of America in either its sovereign or contractual capacity,
(3) acts of another contractor in the performance of a contract with the Government,
(4) fires,
(5) floods,
(6) epidemics,
(7) quarantine restrictions,
(8) strikes,
(9) freight embargoes,
(10) unusually severe weather, or
(11) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Lessor and any such subcontractor or supplier.

(g) "Lessor" means the sub-lessor if this lease is a sublease.

(h) "Lessor shall provide" means the Lessor shall furnish and install at Lessor's expense.

(i) "Notice" means written notice sent by certified or registered mail, Express Mail or Comparable service, or delivered by hand. Notice shall be effective on the date delivery is accepted or refused.

(j) "Premises" means the space described on the GSA Form L201D, On-Airport Lease, of this Lease.

(l) "Substantially complete" and "substantial completion" means that the work, the common and other areas of the building, and all other things necessary for the Government's access to the premises and occupancy, possession, use and enjoyment thereof, as provided in this lease, have been completed or obtained, excepting only such minor matters as do not interfere with or materially diminish such access, occupancy, possession, use or enjoyment.

(m) "Usable square feet" means the ANSI/BOMA Z65.1-1996 definition for BOMA usable office area, which means "The area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed."

(n) "Work" means all alterations, improvements, modifications, and other things required for the preparation or continued occupancy of the premises by the Government as specified in this lease.

2. **552.270-11 SUCCESSORS BOUND (SEP 1999)**

This lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

3. **552.270-23 SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (SEP 1999)**

(a) Lessor warrants that it holds such title to or other interest in the premises and other property as is necessary to the Government's access to the premises and full use and enjoyment thereof in accordance with the provisions of this lease. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Government agrees, however, within twenty (20) business days next following the Contracting Officer's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.

(b) No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate nondisturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.

(c) In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the Contracting Officer and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.

(d) None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

4. **552.270-24 STATEMENT OF LEASE (SEP 1999)**

(a) The Contracting Officer will, within thirty (30) days next following the Contracting Officer's receipt of a joint written request from Lessor and a prospective lender or purchaser of the building, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this clause and, if such is the case, that (1) the lease is in full force and effect; (2) the date to which the rent and other charges have been paid in advance, if any; and (3) whether any notice of default has been issued.

(b) Letters issued pursuant to this clause are subject to the following conditions:

(1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;

(2) That the Government shall not be held liable because of any defect in or condition of the premises or building;

(3) That the Contracting Officer does not warrant or represent that the premises or

building comply with applicable Federal, State and local law; and

(4) That the Lessor, and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable prepurchase and precommitment inspection of the Premises and Building and by inquiry to appropriate Federal, State and local Government officials.

5. **552.270-25 SUBSTITUTION OF TENANT AGENCY MODIFIED**

The Government may, at any time and from time to time, substitute any Government agency or agencies doing business on the airport premises for the Government agency or agencies, if any, named in the lease. Lessor shall have approval right which approval shall not be unreasonably withheld or delayed.

6. **552.270-26 NO WAIVER (SEP1999)**

No failure by either party to insist upon the strict performance of any provision of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by either party during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

7. **552.270-27 INTEGRATED AGREEMENT (SEP 1999)**

This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the Lease.

8. **552.270-28 MUTUALITY OF OBLIGATION (SEP 1999)**

The obligations and covenants of the Lessor, and the Government's obligation to pay rent and other Government obligations and covenants, arising under or related to this Lease, are interdependent. The Government may, upon issuance of and delivery to Lessor of a final decision asserting a claim against Lessor, set off such claim, in whole or in part, as against any payment or payments then or thereafter due the Lessor under this lease. No setoff pursuant to this clause shall constitute a breach by the Government of this lease.

9. **552.270-17 DELIVERY AND CONDITION (SEP 1999) (Deleted)**

10. **552.270-21 EFFECT OF ACCEPTANCE AND OCCUPANCY (SEP 1999)**

Neither the Government's acceptance of the premises for occupancy, nor the Government's occupancy thereof, shall be construed as a waiver of any requirement of or right of the Government under this Lease, or as otherwise prejudicing the Government with respect to any such requirement or right.

11. **552.270-6 MAINTENANCE OF BUILDING AND PREMISES—RIGHT OF ENTRY (SEP 1999) (VARIATION)**

Except in case of damage arising out of the willful act or negligence of a Government employee, Lessor shall maintain the premises, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the Lessor under this lease, in good repair and condition so that they are suitable in appearance and capable of supplying such heat, air conditioning, light, ventilation, safety systems, access and other things to the premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the premises as provided in this lease. For the purpose of so maintaining the premises, the Lessor may at reasonable times enter the premises with the approval of the authorized Government representative in charge. Government hereby expressly waives any and all claims for damages, arising or resulting from failures or interruptions of utility services to the premises, including electricity, gas, water, plumbing, sewage, telephone, communications, heat, ventilation, air conditioning, or for the failure or interruption of any public or passenger conveniences, including any failures or interruptions due to force majeure. In the event, damage is a result of Lessor's negligence or willful misconduct, Government shall have a right to abate rent or terminate this Lease.

INITIALS: _____ & RS
LESSOR GOVERNMENT

12. **552.270-10 FAILURE IN PERFORMANCE (SEP 1999) MODIFIED**

The covenant to pay rent and the covenant to provide any service, utility, maintenance, or repair required under this lease are interdependent. In the event of any failure by the Lessor to provide any service, utility, maintenance, repair or replacement required under this lease the Government may, by contract or otherwise, perform the requirement and deduct from any payment or payments under this lease, then or thereafter due, the resulting cost to the Government, including all administrative costs, provided however, the Government shall give prior written notice to Lessor of Lessor's failures and provide Lessor thirty (30) days to cure such failure or such length as may be reasonably required to cure such failure.f the Government elects to perform any such requirement, the Government and each of its contractors shall be entitled to access to any and all areas of the building, access to which is necessary to perform any such requirement, and the Lessor shall afford and facilitate such access. Alternatively, the Government may deduct from any payment under this lease, then or thereafter due, an amount which reflects the reduced value of the contract requirement not performed. No deduction from rent pursuant to this clause shall constitute a default by the Government under this lease. These remedies are not exclusive and are in addition to any other remedies which may be available under this lease or at law.

13. **552.270-22 DEFAULT BY LESSOR DURING THE TERM (SEP 1999)**

(a) Each of the following shall constitute a default by Lessor under this lease:

(1) Failure to maintain, repair, operate or service the premises as and when specified in this lease, or failure to perform any other requirement of this lease as and when required provided any such failure shall remain uncured for a period of thirty (30) days next following Lessor's receipt of notice thereof from the Contracting Officer or an authorized representative.

(2) Repeated and unexcused failure by Lessor to comply with one or more requirements of this lease shall constitute a default notwithstanding that one or all such failures shall have been timely cured pursuant to this clause.

14. **552.270-7 FIRE AND CASUALTY DAMAGE (SEP 1999)**

If the entire premises are destroyed by fire or other casualty, this lease will immediately terminate. In case of partial destruction or damage, so as to render the premises untenantable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within 15 calendar days of the fire or other casualty; if so terminated, no rent will accrue to the Lessor after such partial destruction or damage; and if not so terminated, the rent will be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage. Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

15. **552.270-8 COMPLIANCE WITH APPLICABLE LAW (SEP 1999)**

Lessor shall comply with all Federal, state and local laws applicable to the Lessor as owner or Lessor, or both, of the building or premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. The Government will comply with all Federal, State and local laws applicable to and enforceable against it as a tenant under this lease; provided that nothing in this lease shall be construed as a waiver of any sovereign immunity of the Government. This lease shall be governed by Federal law.

16. **552.270-12 ALTERATIONS (SEP 1999) <u>MODIFIED</u>**

The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. If the lease contemplates that the Government is the sole occupant of the building, for purposes of this clause, the leased premises include the land on which the building is sited and the building itself. Otherwise, the Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space. All such alterations shall be in accordance with the Airport's Tenant Improvement Guide.

17. **552.270-9 INSPECTION—RIGHT OF ENTRY (SEP 1999)**

(a) At any time and from time to time after receipt of an offer (until the same has been duly withdrawn or rejected), after acceptance thereof and during the term, the agents, employees and contractors of the Government may, upon reasonable prior notice to Offeror or Lessor, enter upon the offered premises or the premises, and all other areas of the building access to which is necessary to accomplish the purposes of entry, to determine the potential or actual compliance by the Offeror or Lessor with the requirements of the solicitation or this lease, which purposes shall include, but not be limited to:

(1) inspecting, sampling and analyzing of suspected asbestos-containing materials and air monitoring for asbestos fibers;
(2) inspecting the heating, ventilation and air conditioning system, maintenance records, and mechanical rooms for the offered premises or the premises;
(3) inspecting for any leaks, spills, or other potentially hazardous conditions which may involve tenant exposure to hazardous or toxic substances; and
(4) inspecting for any current or past hazardous waste operations, to ensure that appropriate mitigative actions were taken to alleviate any environmentally unsound activities in accordance with Federal, State and local law.

(b) Nothing in this clause shall be construed to create a Government duty to inspect for toxic materials or to impose a higher standard of care on the Government than on other lessees. The purpose of this clause is to promote the ease with which the Government may inspect the building. Nothing in this clause shall act to relieve the Lessor of any duty to inspect or liability which might arise as a result of Lessor's failure to inspect for or correct a hazardous condition.

18. **52.204-7 CENTRAL CONTRACTOR REGISTRATION (OCT 2003) (VARIATION)**

(a) Definitions. As used in this clause—

"Central Contractor Registration (CCR) database" means the primary Government repository for Contractor information required for the conduct of business with the Government.

"Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

"Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional CCR records for identifying alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.

"Offeror" means the owner of the property offered, not an individual or agent representing the owner.

"Registered in the CCR database" means that—

(1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the CCR database; and

(2) The Government has validated all mandatory data fields and has marked the record "Active."

(b) (1) By submission of an offer, the Offeror acknowledges the requirement that a prospective awardee must be registered with D&B and in the CCR database prior to award, during performance, and through final payment of any contract resulting from this solicitation.

(2) The Offeror shall enter in the appropriate block, on the GSA Form 3518, entitled Representations and Certifications, the legal entity's name and address, followed by the DUNS or DUNS +4 number that identifies the Offeror's name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the Offeror is registered in the CCR database.

(c) If the Offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one.

(1) An Offeror may obtain a DUNS number—
   (i) If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at http://www.dnb.com; or
   (ii) If located outside the United States, by contacting the local Dun and Bradstreet office.

(2) The Offeror should be prepared to provide the following information:
   (i) Company legal business.
   (ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.
   (iii) Company Physical Street Address, City, State, and ZIP Code.
   (iv) Company Mailing Address, City, State and ZIP Code (if separate from physical).
   (v) Company Telephone Number.
   (vi) Date the company was started.
   (vii) Number of employees at your location.
   (viii) Chief executive officer/key manager.
   (ix) Line of business (industry).
   (x) Company Headquarters name and address (reporting relationship within your entity).

(d) If the Offeror does not become registered in the CCR database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror.

(e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.

(f) The Contractor is responsible for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g) (1) (i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, the Contractor shall comply with the requirements of Subpart 42.12 of the Federal Acquisition Regulations (FAR) and provide the responsible Contracting Officer a fully revised and initialed/signed GSA Form 3518, entitled Representations and Certifications, along with written notification of its intention to (A) change the name in the CCR database; and (B) provide the Contracting Officer with sufficient documentation to verify and confirm the legally changed name or change in ownership.
   (ii) If the Contractor fails to comply with the requirements of paragraph (g)(1)(i) of this clause, or fails to perform the agreement at paragraph (g)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims. Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information.

(h) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at http://www.ccr.gov or by calling 1-888-227-2423, or 269-961-5757.

19. **552.232-75 PROMPT PAYMENT (SEP 1999)**

The Government will make payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. All days referred to in this clause are calendar days, unless otherwise specified.

(a) *Payment due date.*

(1) *Rental payments.* Rent shall be paid monthly in arrears and will be due on the first workday of each month, and only as provided for by the lease.

(i) When the date for commencement of rent falls on the 15th day of the month or earlier, the initial monthly rental payment under this contract shall become due on the first workday of the month following the month in which the commencement of the rent is effective.

(ii) When the date for commencement of rent falls after the 15th day of the month, the initial monthly rental payment under this contract shall become due on the first workday of the second month following the month in which the commencement of the rent is effective.

(2) *Other payments.* The due date for making payments other than rent shall be the later of the following two events:

(i) The 30th day after the designated billing office has received a proper invoice from the Contractor.

(ii) The 30th day after Government acceptance of the work or service. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(b) *Invoice and inspection requirements for payments other than rent.*

(1) The Contractor shall prepare and submit an invoice to the designated billing office after completion of the work. A proper invoice shall include the following items:

(i) Name and address of the Contractor.
(ii) Invoice date.
(iii) Lease number.
(iv) Government's order number or other authorization.
(v) Description, price, and quantity of work or services delivered.
(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the remittance address in the lease or the order).
(vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(2) The Government will inspect and determine the acceptability of the work performed or services delivered within 7 days after the receipt of a proper invoice or notification of completion of the work or services unless a different period is specified at the time the order is placed. If actual acceptance occurs later, for the purpose of determining the payment due date and calculation of interest, acceptance will be deemed to occur on the last day of the 7-day inspection period. If the work or service is rejected for failure to conform to the technical requirements of the contract, the 7 days will be counted beginning with receipt of a new invoice or notification. In either case, the Contractor is not entitled to any payment or interest unless actual acceptance by the Government occurs.

(c) *Interest Penalty.*

(1) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date.

(2) The interest penalty shall be at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the *Federal Register* semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date.

(3) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than $1.00 need not be paid.

(4) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

20. 552.232-76 ELECTRONIC FUNDS TRANSFER PAYMENT (MAR 2000) (VARIATION)

(a) The Government will make payments under this lease by electronic funds transfer (EFT). The Lessor must, no later than 30 days before the first payment:

(1) Designate a financial institution for receipt of EFT payments.

(2) Submit this designation to the Contracting Officer or other Government official, as directed.

(b) The Lessor must provide the following information:

(1) The American Bankers Association 9-digit identifying number for Automated Clearing House (ACH) transfers of the financing institution receiving payment if the institution has access to the Federal Reserve Communications System.

(2) Number of account to which funds are to be deposited.

(3) Type of depositor account ("C" for checking, "S" for savings).

(c) If the Lessor, during the performance of this contract, elects to designate a different financial institution for the receipt of any payment, the appropriate Government official must receive notice of such change and the required information specified above no later than 30 days before the date such change is to become effective.

(d) The documents furnishing the information required in this clause must be dated and contain the:

(1) Signature, title, and telephone number of the Lessor or the Lessor's authorized representative.

(2) Lessor's name.

(3) Lease number.

(e) Lessor's failure to properly designate a financial institution or to provide appropriate payee bank account information may delay payments of amounts otherwise properly due.

21. 52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986)

(Applicable to leases over $2,500.)

(a) The Contractor, under the Assignment of Claims Act, as amended, 31 U.S.C. 3727, 41 U.S.C. 15 (hereafter referred to as "the Act"), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

(b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

(c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

22. 552.270-20 PAYMENT (SEP 1999) (VARIATION)

(a) When space is offered and accepted, the ANSI/BOMA Office Area square footage delivered will be confirmed by:

(1) the Government's measurement of plans submitted by the successful Offeror as approved by the Government, and an inspection of the space to verify that the delivered space is in conformance with such plans or

(2) a mutual on-site measurement of the space, if the Contracting Officer determines that it is necessary.

(b) Payment will not be made for space which is in excess of the amount of ANSI/BOMA Office Area square footage stated in the lease.

(c) If it is determined that the amount of ANSI/BOMA Office Area square footage actually delivered is less than the amount agreed to in the lease, the lease will be modified to reflect the amount of Usable space delivered and the annual rental will be adjusted as follows:

Usable square feet not delivered multiplied by the ANSI/BOMA Office Area square foot (USF) rate equals the reduction in annual rent. The rate per USF is determined by dividing the total annual rental by the Usable square footage set forth in the lease.

USF Not Delivered X Rate per USF = Reduction in Annual Rent.

23. 552.203-5 COVENANT AGAINST CONTINGENT FEES (FEB 1990)

(Applicable to leases over $100,000.)

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

(b) "Bona fide agency," as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

"Bona fide employee," as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

"Contingent fee," as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

"Improper influence," as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

24. 52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995)

(Applicable to leases over $100,000 average net annual rental, including option periods.)

(a) *Definitions.*

"Kickback," as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime Contractor, prime Contractor employee, subcontractor, or subcontractor employee for

the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

"Person," as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

"Prime contract," as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

"Prime Contractor," as used in this clause, means a person who has entered into a prime contract with the United States.

"Prime Contractor employee," as used in this clause, means any officer, partner, employee, or agent of a prime Contractor.

"Subcontract," as used in this clause, means a contract or contractual action entered into by a prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

"Subcontractor," as used in this clause, (1) means any person, other than the prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and (2) includes any person who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor.

"Subcontractor employee," as used in this clause, means any officer, partner, employee, or agent of a subcontractor.

(b) The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from—

(1) Providing or attempting to provide or offering to provide any kickback;

(2) Soliciting, accepting, or attempting to accept any kickback; or

(3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

(c) (1) The Contractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this clause in its own operations and direct business relationships.

(2) When the Contractor has reasonable grounds to believe that a violation described in paragraph (b) of this clause may have occurred, the Contractor shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.

(3) The Contractor shall cooperate fully with any Federal agency investigating a possible violation described in paragraph (b) of this clause.

(4) The Contracting Officer may (i) offset the amount of the kickback against any monies owed by the United States under the prime contract and/or (ii) direct that the Prime Contractor withhold from sums owed a subcontractor under the prime contract, the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision (c)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (c)(4)(i) of this clause. In either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.

(5) The Contractor agrees to incorporate the substance of this clause, including paragraph (c)(5) but excepting paragraph (c)(1), in all subcontracts under this contract which exceed $100,000.

25. 552.203-70 PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (SEP 1999)

(Applicable to leases over $100,000.)

(a) If the head of the contracting activity (HCA) or his or her designee determines that there was a violation of subsection 27(a) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in the Federal Acquisition Regulation, the Government, at its election, may—

(1) Reduce the monthly rental under this lease by 5 percent of the amount of the rental for each month of the remaining term of the lease, including any option periods, and recover 5 percent of the rental already paid;

(2) Reduce payments for alterations not included in monthly rental payments by 5 percent of the amount of the alterations agreement; or

(3) Reduce the payments for violations by a Lessor's subcontractor by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was placed.

(b) Prior to making a determination as set forth above, the HCA or designee shall provide to the Lessor a written notice of the action being considered and the basis therefor. The Lessor shall have a period determined by the agency head or designee, but not less than 30 calendar days after receipt of such notice, to submit in person, in writing, or through a representative, information and argument in opposition to the proposed reduction. The agency head or designee may, upon good cause shown, determine to deduct less than the above amounts from payments.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this lease.

26. 552.270-14 CHANGES (SEP 1999) (VARIATION) MODIFIED

(a) The Contracting Officer may at any time, by written order, make changes within the general scope of this lease in any one or more of the following, provided the Lessor consents to the change:

(1) Amount of space, provided Lessor consents to the change.

(b) If any such change causes an increase or decrease in Lessor's cost of or the time required for performance under this lease, whether or not changed by the order, the Contracting Officer shall modify this lease to provide for one or more of the following:

(1) A modification of the delivery date;

(2) An equitable adjustment in the rental rate;

(3) A lump sum equitable adjustment; or

(4) An equitable adjustment of the annual operating costs per ANSI/BOMA Office Area square foot specified in this lease.

(c) The Lessor shall assert its right to an adjustment under this clause within 30 days from the date of receipt of the change order and shall submit a proposal for adjustment. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Lessor from proceeding with the change as directed.

(d) Absent such written change order, the Government shall not be liable to Lessor under this clause.

27. 552.215-70 EXAMINATION OF RECORDS BY GSA (FEB 1996)

The Contractor agrees that the Administrator of General Services or any duly authorized representative shall, until the expiration of 3 years after final payment under this contract, or of the time periods for the particular records specified in Subpart 4.7 of the Federal Acquisition Regulation

(48 CFR 4.7), whichever expires earlier, have access to and the right to examine any books, documents, papers, and records of the Contractor involving transactions related to this contract or compliance with any clauses thereunder. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Administrator of General Services or any duly authorized representatives shall, until the expiration of 3 years after final payment under the subcontract, or of the time periods for the particular records specified in Subpart 4.7 of the Federal Acquisition Regulation (48 CFR 4.7), whichever expires earlier, have access to and the right to examine any books, documents, papers, and records of such subcontractor involving transactions related to the subcontract or compliance with any clauses thereunder. The term "subcontract" as used in this clause excludes (a) purchase orders not exceeding $100,000 and (b) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

28. 52.215-2 AUDIT AND RECORDS—NEGOTIATION (JUN 1999)

(a) As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.

(b) *Examination of costs.* If this is a cost-reimbursement, incentive, time-and-materials, labor-hour, or price redeterminable contract, or any combination of these, the Contractor shall maintain and the Contracting Officer, or an authorized representative of the Contracting Officer, shall have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination shall include inspection at all reasonable times of the Contractor's plants, or parts of them, engaged in performing the contract.

(c) *Cost or pricing data.* If the Contractor has been required to submit cost or pricing data in connection with any pricing action relating to this contract, the Contracting Officer, or an authorized representative of the Contracting Officer, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, shall have the right to examine and audit all of the Contractor's records, including computations and projections, related to—

(1) The proposal for the contract, subcontract, or modification;

(2) The discussions conducted on the proposal(s), including those related to negotiating;

(3) Pricing of the contract, subcontract, or modification; or

(4) Performance of the contract, subcontract or modification.

(d) *Comptroller General.*

(1) The Comptroller General of the United States, or an authorized representative, shall have access to and the right to examine any of the Contractor's directly pertinent records involving transactions related to this contract or a subcontract hereunder.

(2) This paragraph may not be construed to require the Contractor or subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e) *Reports.* If the Contractor is required to furnish cost, funding, or performance reports, the Contracting Officer or an authorized representative of the Contracting Officer shall have the right to examine and audit the supporting records and materials, for the purpose of evaluating—

(1) The effectiveness of the Contractor's policies and procedures to produce data compatible with the objectives of these reports; and

(2) The data reported.

(f) *Availability.* The Contractor shall make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a), (b), (c), (d), and (e) of this clause, for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in Subpart 4.7, Contractor Records Retention, of

the Federal Acquisition Regulation (FAR), or for any longer period required by statute or by other clauses of this contract. In addition—

(1) If this contract is completely or partially terminated, the Contractor shall make available the records relating to the work terminated until 3 years after any resulting final termination settlement; and

(2) The Contractor shall make available records relating to appeals under the Disputes clause or to litigation or the settlement of claims arising under or relating to this contract until such appeals, litigation, or claims are finally resolved.

(g) The Contractor shall insert a clause containing all the terms of this clause, including this paragraph (g), in all subcontracts under this contract that exceed the simplified acquisition threshold, and—

(1) That are cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these;

(2) For which cost or pricing data are required; or

(3) That require the subcontractor to furnish reports as discussed in paragraph (e) of this clause.

The clause may be altered only as necessary to identify properly the contracting parties and the Contracting Officer under the Government prime contract.

29. 52.233-1 DISPUTES (JUL 2002)

(a) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).

(b) Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

(c) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding $100,000 is not a claim under the Act until certified. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(d) (1) A claim by the Contractor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.

(2) (i) The Contractor shall provide the certification specified in paragraph (d)(2)(iii) of this clause when submitting any claim exceeding $100,000.
(ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.
(iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor."

(3) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.

(e) For Contractor claims of $100,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over $100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided in the Act.

(g) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use alternative dispute resolution (ADR). If the Contractor refuses an offer for ADR, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the offer.

(h) The Government shall pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer receives the claim (certified, if required); or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

(i) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the Contracting Officer.

30. 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)

(Applicable to leases over $10,000.)

(a) "Segregated facilities," as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(b) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

31. 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JAN 2005) (Deleted)

REPRESENTATIONS AND CERTIFICATIONS (Short Form) (Simplified Acquisition of Leasehold Interests in Real Property for Leases Up to $100,000 Annual Rent)	Solicitation Number GS-09B-03014	Dated _____, 2012

Complete appropriate boxes, sign the form, and attach to offer.

The Offeror makes the following Representations and Certifications. NOTE: The "Offeror," as used on this form, is the owner of the property offered, not an individual or agent representing the owner.

1. SMALL BUSINESS REPRESENTATION (SEP 2001)

   (a) The offeror represents that it [ ] is, [x] is not a small business concern. "Small" means a concern, including its affiliates, that is independently owned and operated, is not dominant in the field of operation, and has average annual gross revenues of $15 million or less for the preceding three fiscal years. The North American Industry Classification System (NAICS) code for this acquisition is 531190.

   (b) The offeror represents that it [ ] is, [x] is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

   (c) The offeror represents that it [ ] is, [x] is not a women-owned small business concern as defined in 48 CFR 52.219-1.

   (d) The offeror represents that it [ ] is, [x] is not a veteran-owned small business concern as defined in 48 CFR 52.219-1.

   (e) The offeror represents that it [ ] is, [x] is not a service-disabled veteran-owned small business concern as defined in 38 U.S.C. 101(2), 38 U.S.C. 101(16), and 48 CFR 52.219-1.

2. 52.222-22 - PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (FEB 1999)

   (Applicable to leases which exceed $10,000.)

   The Offeror represents that --

   (a) It [X] has, [ ] has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation;

   (b) It [X] has, [ ] has not filed all required compliance reports; and

   (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards. (Approved by OMB under Control Number 1215-0072.)

3. 52.222-25 - AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

   (Applicable to leases which exceed $10,000 and which include the clause at FAR 52.222-26, Equal Opportunity.)

   The Offeror represents that --

   (a) It [X] has developed and has on file, [ ] has not developed and does not have on file, at each establishment affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or

   (b) It [X] has,[ ] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor. (Approved by OMB under Control Number 1215-0072.)

4. 52.203-11 – CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (APR 1991)

   (Applicable to leases which exceed $100,000.)

   (a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions, are hereby incorporated by reference in paragraph (b) of this certification.

   (b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989, --

      (1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

      (2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and

      (3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of $100,000 shall certify and disclose accordingly.

INITIALS: _____ & PS
LESSOR GOVERNMENT

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

5. 52.204-3 - TAXPAYER IDENTIFICATION (OCT 1998)

(a) *Definitions.*

"*Common parent,*" as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

"*Taxpayer Identification Number* (TIN)," as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) *Taxpayer Identification Number (TIN).*

* TIN: 94-324-8335.
* TIN has been applied for.
* TIN is not required because:
* Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;
* Offeror is an agency or instrumentality of a foreign government;
* Offeror is an agency or instrumentality of the Federal government;

(e) *Type of organization.*

* Sole proprietorship;
* Partnership;
* Corporate entity (not tax-exempt);
* Corporate entity (tax-exempt);
* Government entity (Federal, State, or local);
* Foreign government;
* International organization per 26 CFR 1.6049-4;
* Other _____.

(f) *Common Parent.*

* Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.
* Name and TIN of common parent:

Name_____
TIN_____

6. OFFEROR'S DUNS NUMBER (APR 1996)

Enter number, if known: _____

	Name and Address (Including ZIP Code)	Telephone Number
OFFEROR OR AUTHORIZED REPRESENTATIVE	San Francisco International Airport Administrative Offices Building 100 – International Terminal P.O. Box 8097 San Francisco, CA 94128	650-821-5000
	Signature	Date

X:\TENANTS\GOVERNMENT\LEASES\TSA\TSA 2012 LEASE RENEWAL\REPS & CERTS FINAL AUG. 2012 TO DSS.DOC

INITIALS: _____ & _____
LESSOR GOVERNMENT