



Washington State
**DEPARTMENT OF
ENTERPRISE SERVICES**

**Project 23-10-304
Labor and Industry (L&I)
Snohomish County, WA
Amendment 1
Dec 5, 2023**

1. This amendment documents the preproposal conference held on October 31, 2023, as well as follow-up questions and answers.
2. The Department of Enterprise Services (DES), Real Estate Services (RES) staff provided an overview of the project requirements and parameters.
3. This paragraph documents the questions and answers from the preproposal conference.

- a. **Question:** Are the 10 exclusive parking stalls included in the 36 total parking stalls?

Answer: Yes.

- b. **Question:** Are interested parties required to include the four dual head Electric Vehicle (EV) charging stations in their proposal?

Answer: While interested parties are not required to include the EV charging stations in their proposal, the proposal must indicate that the site either currently includes the charging stations or that the lessor is open to a participating in a project to install the charging stations at a later date.

- c. **Question:** Is there a preferred area within the preferred area shown in the RFP?

Answer: The RFP Team would consider any site within the preferred area as stated in the RFP. A site that is safe for the agency employees as well as its customers and is ease of access to the site are important considerations for this RFP.

- d. **Question:** Could you elaborate on the ADA accessibility requirement?

Answer: This facility must be ADA accessible. If the facility is not currently ADA accessible, it is important that proposers demonstrate the ability to bring the building to

full ADA accessible in a way that is cost effective and will not negatively impact the agency's cost of occupancy.

- e. **Question:** Could you elaborate on the how the RFP Team will analyze a modified gross lease rate proposal?

Answer: For purposes of cost-of-occupancy comparison, the RFP team uses the Office of Financial Management's (OFM) estimates for operating expenses to "plus up" a modified gross lease rate to an equivalent full-service lease rate. The OFM estimates are available at the OFM website:

<https://ofm.wa.gov/facilities/space-request-modified-pre-design>

- f. **Question:** Is a facility that currently houses other State agencies advantageous to L&I?

Answer: It depends on which agencies would be collocated. It is the policy of the State to collocate facilities whenever possible, and it is also important for the RFP team to assess the specific circumstances and to ensure the mission of the agencies are complementary and appropriate for collocation.

- g. **Question:** Could you elaborate on what you mean by "it could be advantageous to the Agency for earlier occupancy"?

Answer: The agency could relocate as quickly as this RFP, design and leasing process will allow.

3. This paragraph documents the questions and answers received after the conclusion of the pre-proposal conference.

- a. **Question:** Could a proposal for a building that has a Bothell address be considered for this RFP?

Answer: A proposal for a building that has a Bothell address would not (by itself) be a disqualifier for this RFP.

- b. **Question:** Could a proposal for a building that approximately 10,700 BOMA RSF (versus the 11,825 BOMA RSF requested in the RFP) be considered for this RFP?

Answer: A proposal for a space that is approximately 10,700 BOMA RSF (versus the 11,825 BOMA RSF requested in the RFP) could be considered. However, the difference is fairly significant (nearly 10% smaller) and may not meet the needs of the agency. The RFP team will assess the suitability and relative advantages/disadvantages of such a space during the RFP process.

- c. **Question:** The Lease Space Requirements includes a Bid Form. Since we have only a basic program of the space and no specific space plan is it correct that if selected we will do a space plan, price it out, fill in the bid form and work out the final lease economics (rent/tenant improvements/etc)?

Answer:

When you consider a proposed lease rate, please carefully review the information in the RFP Part B, along with the exhibits, especially:

- Lease Space Requirements (LSR) (Exhibit 6)
- New Space Addendum (Exhibit 7)
- Space Allocation (Exhibit 8)

It is important to note that in our new space projects, it our expectation is that the lessor will participate in in the cost of the build-out as described in both the Lease Space Requirements (LSR) and the New Space Addendum. Build-out requirements that exceed the requirements described in the LSR and the New Space Addendum would be reimbursed by the agency to the lessor.

Following the RFP Team’s analysis of the proposals, the team will identify the Apparent Successful Proposer (ASP) with the intent of agreeing to a Letter of Intent (LOI). If the RES, the agency, and the ASP agree to the LOI, the RES Designer will do a Design Development TI space plan in collaboration with L&I. Upon reaching an agreed upon design, RES will submit that TI plan with a Request for Costs with a Project Cost Proposal (PCP) spreadsheet to the ASP.

Once RES receives the completed and signed PCP filled from the lessor, RES will review it and if within budget, approve the PCP. If not, RES, the agency, and the ASP will go through a Value Engineering (VE) exercise with the goal of bringing the Tenant Improvement (TI) cost within budget.

Once RES and the agency have approved TI costs, then those TI costs will be entered into the lease along with the agreed upon lease rate.

Due to the impacts of the final agreed upon design, Real Estate Services understands that the final negotiated lease rate may be slightly different than the lease rate initially proposed. However, it is our expectation that any difference between the lease rate proposed in response to the RFP and final negotiated lease rate be within a reasonable degree of variance.

Once the lease is executed, that will serve as the Notice To Proceed, and the Lessor's A&E team will prepare Construction Documents (CD’s) based upon approved Design Development (DD) drawings for permit submittal.

- d. **Question:** On page 10 of the RFP form under Operating Expenses, #2, it states the “...type of lease per Appendix B 1.1:” but I cannot find Appendix B1.1. Can you please provide this Appendix for review?

Answer: The reference to “type of lease per Appendix B 1.1” is an old appendix we no longer use. Please disregard the reference. I will include this clarification in an amendment.

- e. **Question:** On page 10 of the RFP form under Operating Expenses, #2, it states the “...type of lease per Appendix B 1.1:” but I cannot find Appendix B1.1. Can you please provide this Appendix for review?

Answer: The reference to “type of lease per Appendix B 1.1 is an old appendix we no longer use. Please disregard the reference.

- f. **Question:** It is unclear to me how the state of WA wants the rental rate proposed regarding operating expenses.

- Triple net?
- Full/Partially Serviced with a Base Year or Expense Stop?
- Gross?

Answer: The RFP process does not dictate the type of lease proposed. It is worth noting the following:

- Nearly all of the Real Estate Services (RES) leases are a full-service or a modified gross lease structure.
- It is extremely rare for RES to enter into a NNN lease.
- For purposes of cost-of-occupancy comparison, the RFP team estimates a full-service equivalent lease rate for each proposal. RES uses the Office of Financial Management’s (OFM) estimates for operating expenses to “plus up” a proposed “partially serviced” lease rate to an equivalent full-service lease rate. The OFM expense estimates are available at the OFM website:

<https://ofm.wa.gov/facilities/space-request-modified-pre-design>

Periodic step increases on leases that exceed five (5) years are not uncommon in RES leases, but RES does not enter leases with annual step increases.

- g. **Question:** Are we supposed to fill out the Bid Cost Breakdown with our proposal even though we do not have even a preliminary space plan that reflects your program?

Answer: No, you do not need to submit a bid cost breakdown with your proposal. The Apparent Successful Proposer will complete the Bid Cost Breakdown (currently titled “Project Cost Proposal” (PCP)) following completion of the completed detailed space plan.

- h. **Question:** Are the restrooms included in the New Space Addendum?

Answer: In facilities that are greater than 20,000 square feet, The Lease Space Requirement (LSR) and New Space Addendum require code minimum plumbing fixtures AND a shower

For facilities that are 20,000 Square Feet (SF) and smaller, the LSR and the New Space Addendum only require code minimum plumbing fixtures.

For the purposes of the Project 23-10-304, the size of the leased space requested is less than 20,000 SF. As a result , any plumbing fixtures required by the Agency's program above and beyond code minimum would be a cost Real Estate Services (RES) would expect to fall under the agency's column in the Project Cost Proposal.

Restrooms provided in a common area lobby would be included in the Code Minimums.

Restrooms inside of a leased space would be a cost RES would expect to have the agency pay for once the project is complete

1. The 2 client restrooms shown in Exhibit 8 would be a part of the code required minimum.
2. The 2 staff restrooms inside of the leased space shown in Exhibit 8 would not be included in the New Space Addendum Section B.

4. Point of contact for all questions and comments is Phil Person, 360-280-1379 or phil.persona@des.wa.gov. E-mail is the preferred method of communications for project related questions and comments.