

7.07 EVALUATION OF PROPOSALS

~~A. Evaluation of Lowest Average Annual Effective Cost~~

~~1. For the purpose of comparing the cost of The intent of the lease proposal evaluation process described herein is to compare base or optional lease proposals for State leases entered into pursuant to TCA Sections 12-2-114 and 12-2-115. This process is intended to be objective, impartial, transparent and consistent for a given proposal. It is further intended that this evaluation process should maximize competition and allow the State to make better informed decisions regarding selection of a lease.~~

~~All Request for Proposals (RFP) used by any State Procurement Agency (SPA) provided in sections A., B. or C. shall have templates that require approval by the Executive Subcommittee prior to utilizing options A., B. or C. The use of section B. and/or C. shall require documentation and justification by the SPA prior to the development of the RFP and advertisement and shall be made a part of the procurement file. The procurement process shall be confidential from initiation of the lease process until a notice of award is issued to all proposers. All evaluation criteria and the analysis procedure and other records of the procurement process shall become public information upon issuance of the notice of award to the lowest-cost or best evaluated lease proposal to all proposers.~~

~~No individual, company, or other entity involved in the evaluation or negotiation of proposals should have a financial interest or have the appearance of a conflict of interest unless disclosed as follows and evaluated by the Head of the SPA to not be a material conflict of interest. A written conflict of interest disclosure documenting the independence of each person involved must be completed and retained as part of the procurement file.~~

A. Evaluation of Lowest Average Annual Effective Cost Proposals

1. The State will evaluate the lease ~~proposal~~proposals based on the average annual effective cost over the term of the proposed lease using the annual base rent amount proposed and annual cost estimates. –Standard cost estimates developed by ~~STREAM~~the SPA and approved by the ~~Commission~~Executive Subcommittee, will include such items as reconfiguring the current open office work stations; purchasing new open office work stations; the cost of moving telephones; the cost of moving computers; and the cost of hiring movers to move existing furniture, fixtures and data. Any other annual cost estimates included will be based upon a specific need or requirement of the agency(s) to be located in the space advertised as documented in writing by ~~STREAM~~the SPA.

2. ~~2.~~The standard costs or other annual costs to be used in the evaluation as they relate to the needs of the State at the time proposals are requested will be identified in the ~~Invitation for Lease Proposals~~RFP. The needs and/or requirements of the State may change after the ~~request for proposals~~RFP is ~~made~~issued; however, the estimates for evaluation purposes will remain the same.

3. ~~3.~~ Standard cost estimates will be reviewed not less than annually by ~~STREAM~~the SPA, and any proposed changes to the standard cost estimates shall be submitted to the Executive Subcommittee for approval ~~by the Commission~~.

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4. Standard costs estimates will be set out in the Information for Proposers package which is provided to all proposers.

B. Evaluation of Lowest Net Present Value Cost Proposals

1. As an alternative to the lease proposal evaluation process described in Paragraph A. above, the State may evaluate lease proposals based on the net present value of the effective annual cost to the State over the analysis period. When a SPA decides to utilize this alternative lowest cost evaluation process, the following requirements stated in this Paragraph B. shall be followed. The analysis period shall be consistent for all proposals and shall be consistent with the terms requested in the RFP or requested subsequently from all proposers. The effective annual cost shall include the annual base rent, other cost factors that are determined by the State to be applicable to the requirements, and consistent annual cost estimates, including the discount rate applied to determine the net present value, as defined in SPA policy and approved by the Executive Subcommittee.
2. Annual cost estimates shall include any pass-through of operating expenses not included in the base rent. Any other estimated cost factors shall be reasonable and shall utilize a consistent methodology applied to each proposal submitted. "Other estimated cost factors" shall be (i) based upon the specified need or requirement of the agency(s) and any other estimated costs to the State that may be needed such as tenant improvements, space planning or design, moving, base building modifications, and/or parking expense; and (ii) any other reasonable estimate of future costs to the State as applicable to the requirements for space needed.
3. All factors to be included in the cost estimates for the evaluation, as they relate to the needs of the State at the time proposals are requested, will be identified in the RFP.
4. The cost or value to the State of every optional cost factor proposed or included in the response to the RFP shall be evaluated separately considering, among other things, the likelihood of such optional factor actually being utilized by the State. The determination that any such optional factor is of value and meets the needs of the State shall be at the sole discretion of the State. In the event the State determines the optional factor to be of value and meets the need of the State, and such optional factor changes the resulting ranking of the proposals, then the State shall provide opportunity to other proposers to provide cost information for such optional factor for further consideration.
5. Cost factors required to be included at the proposer's costs and not the State's cost, such as tenant improvements not covered by the proposer, which were not anticipated to be paid for by the State, may be used to disqualify a proposal.

6. Evaluation of Qualified Lease Proposals in addition to the evaluation of lowest cost in Paragraphs A. and B. above, when it is deemed necessary by the SPA after consultation with the requesting State entity(s) or institution(s), due to the size, complexity, and/or unique requirements of a proposed lease transaction, the SPA may identify a proposed lease as a "Qualified Lease." A Qualified Lease shall include additional evaluation criteria such as mandatory property requirements and qualitative factors for consideration to be weighted and scored. The decision to identify a proposed lease as a Qualified Lease shall be documented to the procurement file and made prior to the market survey. The qualitative factors shall be based on the space needs analysis for the required space and a market survey of the features and amenities of available leased properties (Market Survey). A Market Survey is an analysis of existing space within the advertisement parameters that analyzes the space based on the requirement factors. The determination of all mandatory requirements, qualitative factors and cost factors shall be documented and made a part of the RFP prior to its release and advertisement. All weights applied to any factor shall be documented prior to the release of the RFP and made a part of the procurement file. The best evaluated proposal shall be defined as the proposal offering the best combination of qualitative and cost factors based upon the evaluation criteria set forth in the RFP.
7. A market evaluation of the qualitative factors (Market Evaluation), shall be conducted for all submitted lease proposals that meet all mandatory requirements. The Market Evaluation shall be done in accordance with the advertised RFP and shall use the property features and amenities information for each obtained through the Market Survey.
8. Sealed cost proposals shall be submitted in accordance with the advertised RFP. Cost proposals shall remain sealed until the Market Evaluation is completed.
9. The Market Survey, Market Evaluation and cost evaluation for Qualified Lease proposals shall be documented and conducted only by qualified staff and qualified consultants of the SPA.

C. Negotiation of Lease Proposals

1. Leases may be negotiated if negotiation is determined to be (a) in the best interest of the State or (b) necessary to ensure consistent application of all factors to the lease proposals submitted in response to a RFP. All negotiations shall be conducted in accordance with a lease negotiation policy approved by the Executive Sub Committee.