

## OFM LEASE APPROVAL PROCESS

### QUICK REFERENCE GUIDE

This document summarizes the requirements for obtaining an approval from the Office of Financial Management for all new leases and lease renewals over 10 years and less than 20 years, over \$1 million annually, and for space under development as required by law. All documents for approval must be submitted to [OFM Facilities Oversight](#). **It is strongly encouraged that consultation occur before the formal approval process.**

The turnaround time for lease approval is 10 business days from the time of document submission to OFM Facilities Oversight.

<b>Leases greater than 10 years and less than 20 years<sup>1</sup></b> <a href="#">RCW 43.82.010 (3)</a>			
Department of Enterprise Services (DES) submits the following	DES Actions	OFM Actions	Criteria OFM Considers
<ol style="list-style-type: none"> <li>1) Approval Request/ Justification Memo</li> <li>2) Draft Lease</li> <li>3) DES 10-year Justification Form</li> <li>4) DES Program Assurances document</li> <li>5) Life Cycle Cost Model, when applicable (OFM can assist in the completion of this element)</li> </ol>	<ul style="list-style-type: none"> <li>• Complete the required documents in coordination with the agency. The request memo should address the criteria considered.</li> <li>• Obtain approval from the DES director or designee.</li> <li>• Prepare and submit documentation to OFM Facilities Oversight.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the request and engage the state agency, OFM staff, legislative staff, and DES in discussion as necessary.</li> <li>• Complete analysis of the request and make a recommendation to the OFM director.</li> <li>• Route a determination to DES and the state agency.</li> </ul>	<ul style="list-style-type: none"> <li>• The lease presents a more favorable rate than would otherwise be available.</li> <li>• The facility is necessary for use by the state for the full length of the lease term.</li> <li>• The facility meets the standards adopted by DES.</li> <li>• An analysis shows that the life-cycle cost of leasing the facility is less than the life-cycle cost of purchasing or constructing a facility.</li> <li>• The lease is within an acceptable budget and scope.</li> <li>• A risk analysis demonstrates acceptable risk.</li> <li>• A comparison to the current Six-Year Facilities Plan shows no conflict.</li> <li>• Other relevant factors related to the project or agency may also be considered.</li> </ul>

<sup>1</sup> RCW 43.82.010 (13): This requirement does not apply to the acquisition of real estate by: (a) The state college and universities for research or experimental purposes; (b) The state liquor and cannabis board for liquor stores and warehouses; and (c) The department of natural resources, the department of fish and wildlife, the department of transportation, and the state parks and recreation commission for purposes other than the leasing of offices, warehouses, and real estate for similar purposes.

## OFM LEASE APPROVAL PROCESS QUICK REFERENCE GUIDE

<b>Leases over \$1 million annually<sup>2</sup></b> <a href="#">RCW 43.82.035 (4)</a>			
Department of Enterprise Services (DES) submits the following	DES Actions	OFM Actions	Criteria OFM Considers
1) Approval Request/ Justification Memo 2) Draft Lease	<ul style="list-style-type: none"> <li>• Complete the required documents in coordination with the agency. The request memo should address the criteria considered.</li> <li>• Obtain approval from the DES director or designee.</li> <li>• Prepare and submit documentation to OFM Facilities Oversight.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the request and engage the state agency, OFM staff, legislative staff, and DES in discussion as necessary.</li> <li>• Complete analysis of the request and make a recommendation to the OFM director.</li> <li>• Route a determination to DES and the state agency.</li> </ul>	<ul style="list-style-type: none"> <li>• The lease is deemed cost effective based on an analysis of the new lease cost and any incentives, the current budget and previous lease costs.</li> <li>• The lease is consistent with current market conditions.</li> <li>• For new spaces only, a comparison of the alternative considered demonstrates why the space selected is the most favorable for the state.</li> <li>• The lease is within an acceptable budget and scope.</li> <li>• A risk analysis demonstrates acceptable risk.</li> <li>• A comparison to the current Six-Year Facilities Plan shows no conflict.</li> <li>• Other relevant factors related to the project or agency may also be considered.</li> </ul>

<sup>2</sup> Per RCW 15.04.200 agricultural commodity commissions are exempt from the requirements of RCW 43.82

# OFM LEASE APPROVAL PROCESS

## QUICK REFERENCE GUIDE

### Leases for privately owned buildings that are in the planning stage of development or under construction<sup>3</sup>

[RCW 43.82.045](#)

Department of Enterprise Services (DES) submits the following	DES Actions	OFM Actions	Criteria OFM Considers
1) Approval Request/ Justification Memo 2) Draft Lease	<ul style="list-style-type: none"> <li>• Complete the required documents in coordination with the agency. The request memo should address the criteria considered.</li> <li>• Obtain approval from the DES director or designee.</li> <li>• Prepare and submit documentation to OFM Facilities Oversight.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the request and engage the state agency, OFM staff, legislative staff, and DES in discussion as necessary.</li> <li>• Complete analysis of the request and make a recommendation to the OFM director.</li> <li>• Route a determination to DES and the state agency.</li> </ul>	<ul style="list-style-type: none"> <li>• A comparison of the alternative considered demonstrates why the space selected is the most favorable for the state.</li> <li>• The lease is deemed cost effective based on an analysis of the new lease cost and any incentives, the current budget and previous lease costs.</li> <li>• The lease is consistent with current market conditions.</li> <li>• The lease is within an acceptable budget and scope.</li> <li>• A risk analysis demonstrates acceptable risk.</li> <li>• A comparison to the current Six-Year Facilities Plan shows no conflict.</li> <li>• Other relevant factors related to the project or agency may also be considered.</li> </ul>

<sup>3</sup> Per RCW 15.04.200 agricultural commodity commissions are exempt from the requirements of RCW 43.82