

SCHEDULE A

SECTION 1: OPERATIONS AND MAINTENANCE (O&M) PLAN**1.1 MAINTENANCE BY LESSOR**

- A. This lease will require the Lessor to maintain the building, building equipment and systems, and the exterior premises over the term of the lease in accordance with the General Clauses (GSA form 3517B) and Section [8] of the Solicitation. The Government requires assurance that the building and site will be kept in good condition with high quality, professional management and maintenance over the full term of the lease. Consequently, the proposed O&M Plan for the building and site will be carefully evaluated.
- B. Offerors shall submit an O&M Plan with initial offers. The successful Offeror's O&M Plan will be attached as an exhibit to the fully executed lease contract. The O&M Plan shall describe the organization and structure the workforce of both operations and maintenance personnel. The Offeror shall provide organization charts; staffing plans indicating trades, number of personnel, and experience levels; and operating schedules for evaluation. In order to assure professional management, the Lessor or designated property management firm must have a local, designated property manager available. The property manager shall have maintenance personnel (building superintendent) on site during normal working hours of 7:00 AM – 5:30 PM, Monday – Friday and 8:00 AM – 12:00 PM on Saturdays; except for Federal holidays.
- C. The O&M Plan shall identify and provide addresses and contact information for entities that will maintain the leased premises (designated local property management firm, building superintendent, and any contractors or subcontractors).
- D. The O&M Plan shall outline procedures for dealing with scheduled and non-scheduled maintenance and repairs.

1.2 SCHEDULED MAINTENANCE**1.2.1 O&M PLAN**

The O&M Plan shall indicate how the scheduled (routine) maintenance and repair of the building will be managed. For each activity in the O&M plan, the Offeror shall identify the responsible entity and frequency of the maintenance and address each of the following items:

- A. Exterior Maintenance – Landscaping and grounds, irrigation system, trash removal, exterior lighting, parking lot, pest control, window washing, and general litter pick up;
- B. Interior Maintenance - HVAC, plumbing, electrical, pest control, Schedule B items, and any janitorial maintenance associated with services provided by the Lessor; and
- C. Quality Control - Describe how the Lessor will provide quality control to ensure that all services described in the O&M Plan are, in fact, provided, and how the Lessor will maintain quality and appearance of the entire building and site over the term of the lease.

1.3 NON-SCHEDULED MAINTENANCE

For non-scheduled repairs, the O&M Plan shall describe how service calls (emergency and routine) will be addressed. Offeror shall identify contact information for both normal working hours and for off-hours and holidays. Offeror shall quantify response times for on and off-site maintenance entities.

1.4 LOCAL PROPERTY MANAGER

The Lessor or designated property management firm must have a local, designated property manager available to promptly correct deficiencies or attempt to correct deficiencies after oral or written notice of such condition from the Contracting Officer (CO) or his/her designated representative(s). A maintenance person shall be present on site during normal working hours of 7:00 AM – 5:30 PM, Monday – Friday and 8:00 AM – 12:00 PM on Saturdays; except Federal holidays to perform preventive maintenance recommended by manufacturer, general maintenance and repair of the facility and site, and to respond to emergencies. The Lessor shall secure additional technical expertise and/or additional manpower as necessary to affect any and all maintenance or repair, within the time limits specified, at the Lessor's expense.

1.4.1 SERVICE CALLS

The determination as to whether a call is emergency or routine shall be at the Government's sole discretion.

A. EMERGENCY CALLS

Service calls will be classified as emergency calls when the condition constitutes an immediate danger to personnel, threatens to damage property, or has a direct impact on operations or security. During normal working hours, Lessor's on-site superintendent shall respond immediately upon notification. Emergencies occurring at other than normal working hours shall be responded to (on scene) within sixty (60) minutes of receipt of call. Lessor shall repair or neutralize the emergency condition before departing the site. If necessary, Lessor shall acquire material by quickest available means and include work outside normal hours. If further labor or materials are required after the emergency is neutralized, the Lessor shall have the repairs completed within three (3) working days or within such other reasonable time as agreed to by the Government. The Lessor shall have available sufficient spare parts and common building materials to support emergency requirements. Lack of materials shall not be a cause for non-performance.

B. ROUTINE CALLS

Service calls will be classified as routine when the condition does not qualify as an emergency call. The Lessor shall respond to routine maintenance/repair calls during normal working hours within thirty (30) minutes of the occurrence with eighty-five percent (85%) of all repairs completed within five (5) working days after the receipt of the call, and the remainder being completed within ten (10) working days after receipt of the call.

C. ADDITIONAL PROVISIONS

The Lessor shall provide additional technical expertise and/or additional manpower to affect the maintenance or repair, within the time limits specified for emergency or routine calls, at the Lessor's expense. If no substantial attempt has been made to correct the deficiencies within the specified times above, action will be taken by the Government to correct such deficiencies; and the cost of repairs may be deducted from the Government's rental payment, at the Government's sole discretion.

The Lessor shall specify in detail, utilizing the Maintenance Cost Worksheet (attached), those items that are included in the O&M Plan for both annual operating and maintenance expenses, and reserves for replacement. The totals of these expenses shall be entered on the appropriate lines on GSA Form 1217, Lessor's Annual Cost Statement.

1.5 FUNDED MAINTENANCE ACCOUNT (PRE-AWARD)

The O&M Plan must detail how the Funded Maintenance Account (FMA) will be established and how it will be managed.

1.6 FUNDED MAINTENANCE ACCOUNT (POST-AWARD)

- A. Upon the Government's acceptance of leased premises, the Lessor shall immediately establish an FMA in an interest-bearing account, in a financial institution approved by the Government, and begin to make payments into the FMA in such form and pursuant to such terms as the Government may require. The account shall be used to provide sufficient funding for the maintenance of the facility and site throughout the term of the lease, including all renewal options, and to make all necessary capital repairs and replacements as required and detailed in Schedule A and as set forth elsewhere in the lease contract.
- B. The Lessor's obligations with respect to the FMA shall be in effect and enforceable during the lease term, including all renewal options. The Lessor shall initially place a sum equivalent to one hundred twenty-five percent (125%) of the Annual Reserve Grand Total from the FMA Worksheet into the FMA. Thereafter, the Lessor shall continue to make quarterly payments as noted on Form SF-2 into the FMA. The quarterly payment is determined by taking the Annual Reserve Grand Total (Line 71) of the FMA Worksheet and dividing that figure by 4.
- C. The Lessor is required to maintain the funds in the FMA as reflected above. Failure by the Lessor to make the quarterly FMA payments required within this Section 1.6 may constitute a default under the lease contract. The Lessor shall submit in writing to the Government a quarterly report regarding the funding status of the FMA. Such report shall begin with the establishment of the FMA, and, thereafter, coincide with the Lessor's quarterly payments to the FMA. The report shall include evidence of all deposits to and withdrawals from the FMA and shall identify reasons for each expenditure. The Government reserves the right to audit the FMA records at any time. Such records will be made available to the Government within seven (7) days of written request.
- D. At the end of the lease term, including all renewal options, the remaining balance in the FMA account will be released to the Lessor upon prior approval by the Government, and the Government will make no claims against the remaining funds.

1.7 LESSOR'S MAINTENANCE RESPONSIBILITY

The Lessor is solely responsible for the initial and ongoing maintenance and repair (including all associated labor, materials, and supervision) of the facility and site as well as any and all Lessor improvements, and those items listed in Schedule B (See Paragraph 8.2, Maintenance by Lessor, of the Solicitation for exclusions).

1.8 ANNUAL BUDGET OPERATING ESTIMATE

At least thirty (30) days prior to the beginning of the second year of the lease term, and all subsequent years of the lease term, including all renewal options, the Lessor is required to submit an annual operating budget estimate to the Government. The budget estimate shall include a monthly obligation plan by category for review and approval by the Government, as similarly identified in the original FMA Worksheet submitted with the Lessor's offer. The budget estimate and obligation plan will forecast costs of all expenses for maintenance, refurbishment, repair, and capital replacement required for the ensuing year. Shortfalls to cover any unforeseen maintenance expenditure in any specific category will be the sole responsibility of the Lessor.

1.9 ANNUAL EVALUATION OF LESSOR PROPERTY MAINTENANCE

Each calendar year during the lease term, including all renewal options, the property management and maintenance performance of the Lessor or designated property manager will be evaluated. Should the Government, in its sole discretion, find the performance less than satisfactory, the Lessor will be notified. Upon receipt of such notice, the Lessor shall take immediate action to remedy those areas of poor performance to the satisfaction of the Government.