

STATE OF NEVADA  
DEPARTMENT OF ADMINISTRATION  
STATE PUBLIC WORKS DIVISION  
LEASING SERVICES



Revision Date	01/16/14
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TITLE: *Lease Amendments*

POLICY #: 14-002

EFFECTIVE DATE: January 14, 2014

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POLICY STATEMENT: *Lease amendments will be prepared for applicable remodeling or reconfiguring of leased facilities, as defined by Policy number 14-001, Modification of State Leased Facilities. Lease amendments must comply with State Administrative Manual Section 0328 and be ratified by an appropriate official action as a condition precedent to their entry into force.*

PURPOSE: To define the preparation and approval process for lease amendments to facilitate reconfigurations of State Leased Facilities.

SCOPE: This policy applies to all State leased facilities under the jurisdiction of the State Public Works Division.

PENALTY FOR NONCOMPLIANCE: If a tenant agency makes modifications as defined herein to office space leased by the State without obtaining prior approval from the Lessor, the Public Works Division, and ratification by an appropriate official action of the governing body to the lease contract, Public Works may immediately require the agency to restore the space to its original condition at the agency's expense.

PROCEDURE:

**A. Administrative Guidelines:**

Lease amendments fall under the guidelines of State Administrative Manual Section 0328 Lease Contracts, which states, in part: "Lease contracts must be ratified by an appropriate official action of the governing body to the contract as a condition precedent to its entry into force."

Besides having the approval of the Administrator of the Public Works Division, lease amendments ranging in cost from zero to \$1,999.00 require the approval of the Agency Head; lease amendments ranging in cost from \$2,000.00 to \$9,999.00 require the approval of the Clerk of the Board of Examiners, or designee, on behalf of the Board of Examiners; lease amendments totaling \$10,000.00 or more require the approval of the Board of Examiners. Documentation of properly appropriated funds for the project is also required.

## **B. Authorization Requests and Processes**

When a remodel or reconfiguration request is received pursuant to *Policy # 14-001 Modification of State Leased Facilities*, the Public Works Division will analyze the scope of work proposed and determine if an amendment to the lease is required, or if a Change Order will suffice (*See Policy # 13-002 Change Orders to Documented Scope of Tenant Improvements*), then communicate with the Lessor to facilitate the remodel in a manner that represents the least risk to the State. If it is determined that a lease amendment is necessary, tenant agencies will receive amendment documents with Public Works Administrative approval indicated once all arrangements with Lessor have been completed. As stated above, depending on the scope of reconfiguration requested, BOE approval may be required.

Tenant agencies will be responsible for obtaining and documenting Budget Analyst approval of properly appropriated funding for the project.

## **C. Prohibited Activities**

1. Negotiations with a Lessor for a remodeling project or changes in a leased building shall only be conducted by the Public Works Division (SAM Manual 328, and 1020), (NRS 331.070, 331.110).
2. Tenant agencies may not seek to circumvent this policy with the use of Purchase Orders or other documentation other than the Project Authorization form.
3. At no time is work to commence until the Authorization Form is returned to the agency with appropriate Public Works Administrative approval indicated and returned to the agency.
4. If Public Works determines a lease amendment is required no work may commence until ratification of the amendment by an appropriate official (SAM 0328 and *Policy 14-002 Lease Amendments*) is obtained. Approval of the Board of Examiners may be required. Tenant agencies should consider the timeframes required for such approvals when planning the project.
5. Tenant agencies must not communicate with contractors or other vendors unless authorized in writing to do so by the Lessor.
6. Lessor is responsible for the selection of contractors and vendors; tenant agencies must not attempt to arrange bids or otherwise influence the contracting process on behalf of the Lessor.

#### D. Definitions

“Remodel”, “Reconfigure” or “Modify” as used in the context of this policy, regardless of cost and whether interior or exterior, are defined as:

1. Work that will require the modification or addition of any electrical circuits, switch gear, or controls or other work that requires a licensed electrician.
2. Installation, alteration, or removal of major electrical energy consuming, cooling, ventilating, or heat generating equipment owned by the tenant agency or by the State.
3. Construction, alteration or removal of any private office or enclosed space, including movable partitions.
4. Work that will change the category or nature of the space (office, storage, conference, computer room, utility service space, common area, conditioned, unconditioned, or the like).
5. Work that changes the finish material on walls, ceilings or floors.
6. Modification and any cabling or wiring of any kind in or to an air delivery space (which includes air ducts and air plenums below raised floors or above suspended ceilings).
7. Any addition, relocation, or removal of electrical wiring or other low voltage cabling above ceilings, below floors, within walls, or through firewalls.
8. Any addition or removal of windows, doors or related hardware including door closers.
9. Any alterations of the building structure envelope.
10. Any modification to public spaces or common areas, including rest rooms, hallways, stairs, corridors, shared conference rooms, dining areas, entries, grounds, and elevators.
11. Any modification or addition of air handling equipment.
12. Any addition of 5 or more workers or employees.
13. Changes to a program that would increase client traffic by 20% or more.
14. Any installation or modification of equipment, towers, or signage on the exterior of the building including rooftops and parking areas.



1-23-14