

## BOA MULTI-AGENCY LEASED OFFICE SPACE RFP # 2579

### INQUIRIES AND RESPONSES

1. What agencies are included in the twelve mentioned in RFP Section 3.3.?

**Bureau of Administration**  
**Bureau of Human Resources**  
**Bureau of Information and Telecommunications**  
**Department of Agriculture and Natural Resources**  
**Department of Corrections**  
**Department of Education**  
**Department of Health**  
**Department of Human Services**  
**Department of Labor and Regulation**  
**Department of Public Safety – Driver Licensing**  
**Department of Revenue, excluding Lottery**  
**Department of Social Services**

2. Of the agencies participating, which would you consider “public facing,” requiring direct access to visitors from the general public?

**Department of Health**  
**Department of Human Services**  
**Department of Labor and Regulation**  
**Department of Public Safety – Driver Licensing**  
**Department of Social Services**

3. RFP Section 3.2 notes that offerors have the option to submit one or multiple sites to fulfill the building size and parking requirements. Is it preferred to have one building or multiple given the various agencies? Are there synergies of being under one roof or is there value in having separate spaces & locations?

**One building will be considered. However, preference will be given to an option for one public-facing building and another location for agencies which have an administrative focus.**

4. Is the State seeking a “master developer/landlord” or do you envision a potential scenario where multiple buildings (with different owners) are selected and state

agencies are grouped together based upon location, public access requirements, and services provided?

**The preference would be one developer/landlord. Based on proposals and locations, different owners and locations will be considered.**

5. Can you please clarify that in RFP Section 3.3.b., the required building size of approximately 232,000 SF is in gross square feet, rentable square feet, or usable square feet?

**Our estimates are that we will need approximately 232,000 usable square feet.**

6. How much space would each agency need?

**The total required square footage is 232,000. Specific allocation among the agencies is to be determined. Approximately 2/3 of the space will be for public facing purposes, with the remainder to be allocated to administrative agencies.**

7. What services/agencies (and square footages) can be split if we were to propose two buildings in lieu of one large building to house all agencies?

**Please refer to Questions 1, 2, and 6.**

8. Which agencies should be in the City core (downtown)? Which ones could be in suburban development?

**This is to be determined based on evaluation of proposals received.**

9. Are there special circumstances any agency may require addressed (i.e. first floor access, special security considerations, etc.)?

**Yes, some of the public-facing agencies have customers with disability and high traffic, and will need easy access, preferably on the first floor.**

10. Does the State have a target budget/lease rate range in mind?

**No**

11. In previous requests for proposal, BOA provided preliminary plans / program of design documents showing the desired conceptual layout by agency. Does BOA intend to provide this information during the RFP so the interior layout can be priced?

**No. The final space plan, floor plan, and design will be determined with agency input after selection with the project's architect and engineer.**

11a. If not, will BOA accept a Tenant Improvement Allowance as a placeholder until the final design is determined and the rent will be adjusted accordingly?

**Yes**

12. Are there any sustainability requirements?

**All construction must be completed in compliance with all applicable building codes. While this will be a privately-owned project, please note SDCL 5-18A-38 and SDAR 10:09 contain sustainability factors that the State may consider.**

13. Precast is not listed for exterior façade, would cast-in brick precast panels be acceptable for part of the exterior façade?

**Yes, provided it complies with all applicable building codes and other requirements and is aesthetically acceptable in the area.**

14. Emergency backup power – is there a minimum wattage requirement?

**Backup power must be sufficient to provide power to ensure continuous operation of emergency functions needed to sustain life and essential services.**

15. The RFP notes that the State will provide all furnishings. Is there any specialized furnishings/equipment we would need to design around or is it typical office furniture, cubicles, etc.?

**Typical office furnishings and equipment that meet our standards should be expected.**

16. Which agencies will require secured parking?

**The secured parking will be for state vehicles and limited other vehicles.**

17. Secured parking – can you define what secured parking means? Is it outdoor surface parking with a secure fence surrounding it? Underground parking? Covered parking? etc.

**Fenced lit outdoor area with access controlled by keycard.**

18. Within the approximately 190,000 SF of parking, does any of the agencies plan to house irregularly sized vehicles that would require irregular sized spaces or any other specialized uses within the parking area (e.g., outside storage)?

**No**

19. Is the lease agreement for the recently-completed similar project in Rapid City a public document? Can you share that lease agreement (even if some parts need to be redacted)?

**That lease is a public document. A copy is attached to this document.**

20. Please confirm that although separate leases will be signed with each agency, rent will be paid on the entire building at rent commencement.

**The preference would be for one lease for each building, with the rent commencement date depending upon substantial completion and occupancy.**

21. The lease attached to the RFP contains a cancellation clause that allows the tenant to cancel the lease upon 90 days notice. Is this clause negotiable?

**All lease terms will be negotiable upon selection.**

22. What is the anticipated process to select developer(s) for the project? Will there be finalists and interviews?

**Please see RFP Section 6.1 Evaluation Criteria. Finalists will be interviewed.**

23. Are the construction documents for the Rapid City One Stop project public documents? Can you share those?

**No.**

24. How will the state manage the preconstruction and construction on their end, will each agency have their own representative or point of contact for the respective processes?

**A building committee made up of representatives from each tenant agency and led by BOA will work directly with the developer on all areas.**

25. Will the agencies' representative be able to meet in Sioux Falls at the office of the designer/owner for design meetings?

**Yes**

26. How firm is the June 1, 2024 completion deadline?

**It is negotiable.**



**STATE OF SOUTH DAKOTA  
LEASE AGREEMENT  
LEASE#: 0810-449-141**



THIS LEASE is made and entered on this 1st day of June 2022, by and between the State of South Dakota, Office of Executive Management, Bureau of Administration on behalf of the **Department of Social Services**, hereafter referred to as "Tenant", and **Sharaf 6 Properties, LLC**, hereafter referred to as "Landlord".

IN CONSIDERATION of the mutual covenants contained in this lease and the terms and conditions hereinafter set forth, the parties agree as follows:

**SECTION 1  
LEASED PREMISES**

**1.1) Description of Premises.** Landlord leases to Tenant and Tenant leases from Landlord certain real property, hereinafter referred to as the "Premises", which includes the building and other related improvements located at:

Address:	<b>221 Mall Drive</b>		
City:	<b>Rapid City</b>	State: <b>SD</b>	Zip: <b>57701</b>
County:	<b>Pennington</b>		

The leased Premises consist of an area of approximately **100,242 total square feet for six State Agencies: DSS 38,811 sq. ft., DOR 8,151 sq. ft., DOH 19,112 sq. ft., BIT 2,323 sq. ft., DHS 3,609 sq. ft., DENR 6,187 sq. ft. and common shared area of 22,049 sq. ft.** within the building.

Landlord agrees to construct the Premises in accordance with the plans and specifications as mutually agreed by the parties in writing, attached hereto as **Exhibit A and Standards listed in the RFP.** All work shall be completed on schedule as mutually agreed by the parties. In completing the work, the Landlord shall comply with all applicable laws and regulations of the State of South Dakota and the Federal Government and all applicable municipal ordinances. Landlord agrees to construct the building at Landlord's sole expense. If the construction/remodel is not completed by **June 1, 2022,** Landlord shall waive rent in the amount equal to two days of rent for every day of delayed completion. In the event the Landlord sells the premises the Tenant has the first right of refusal to purchase the building.

**1.2) Quiet Enjoyment.** Landlord covenants and agrees, so long as Tenant is not in default under the terms of this Lease, to provide quiet and peaceful possession of the Premises and that Tenant may enjoy all of the rights granted without interference.

**SECTION 2**  
**TERM**

2.1) **Term.** The term of this Lease will be for a period of 30 years commencing on June 1, 2022 and ending on May 31, 2052.

**SECTION 3**  
**RENT**

3.1) **Rent.** Tenant agrees to pay to Landlord, at Landlord's address as set forth in Section 11 herein, equal monthly installments of \$107,175.40 per month during the term of this Lease, subject to the adjustments noted below, which is computed at a rate of \$12.83 per square foot per year for each agency (DSS, DOR, BIT, DENR, DHS, and DOH) and \$12.83 per square foot per year for the Common Area. In addition to base rent, Tenants shall pay \$4.73 per square foot per year for taxes, maintenance, snow removal, and landscaping.

Tenant and Landlord agree to review the Lease rate no earlier than three months prior to the end of the fifth, tenth, fifteenth, twentieth and twenty-fifth anniversaries of the Lease for the next 5-year term. Any adjustment to the Lease rate must be justified, will be made by an amendment to the Lease and will not be effective until on or after the above anniversary dates of the Lease, as indicated in the amendments.

Adjustments to lease rates shall not exceed 2% and shall not be less than 1.5% annually and will be applied at the beginning of years 6, 11, 16, 21 and 26. Tenant may move into the Premises prior to the start date.

3.2) **Grace Period.** Landlord agrees that Tenant will have a fifteen-day grace period after each rent payment is due during which no penalty or interest will be accrued. Landlord agrees that Tenant will not be considered in default if payment of rent is made within the fifteen-day grace period.

**SECTION 4**  
**TAXES, ASSESSMENTS AND UTILITIES**

4.1) **Taxes and Assessments.** Landlord agrees to pay, when due, all taxes of any kind, general or special, foreseen or unforeseen, of any nature whatsoever, and installments of special assessments thereof which may be taxed or imposed on the Premises, including the improvements.

4.2) **Utilities and Services** are to be paid to vendor by either Landlord or Tenant as indicated below if applicable and if a service does not exist then a N/A will suffice:

✍

Electricity	Tenant	Landscaping	Landlord
Gas	Tenant	Lawn Mowing	Landlord
Water	Tenant	Janitorial	Tenant
Sewer	Tenant	Snow Removal	Landlord
Telephone	Tenant	Garbage	Tenant
Cable	Tenant	Internet	Tenant

Other: Landlord agrees to hire a professional company to perform rodent and pest control on a regular basis and also upon request by Tenant. Snow removal shall include the secure fenced area for vehicles.

4.3) **Failure to Pay or Provide Services.** In the event that Landlord fails to pay utility or service expenses when due, Tenant may elect to pay the vendor to avoid interruption in services. In the event that Landlord fails to provide for services within a reasonable time, Tenant may elect to complete such services. Any amounts paid by Tenant pursuant to this section shall be set off against any rent owed to Landlord. The foregoing remedy shall be in addition to remedies afforded to Tenant under applicable law. As used herein, "reasonable time" shall mean within a reasonable time after Landlord is informed or has reason to know of the need for completion of the services but shall not exceed 24 hours, absent exigent circumstances.

**SECTION 5**  
**MAINTENANCE, REPAIRS AND ALTERATIONS**

5.1) **Premises.** Landlord shall maintain the Premises and keep them in good repair at Landlord's expense. All repairs or replacements shall be made in a manner to minimize the inconvenience to Tenant, visitors and guests and in a manner which maintains the security of the Premises.

5.2) **Exterior.** Landlord further agrees to maintain and repair the exterior of the Premises, including but not limited to adjacent sidewalks, parking lots, access drives, parking lot striping, building exterior, windows, and roof. Landlord shall maintain the exterior of the Premises so that the building shall be properly secure at all times. All maintenance and repair to heating units, air conditioning units, plumbing, gas and electrical systems, sewer systems, and structural repairs, regardless of their location, shall be the obligation of Landlord.

5.3) **Interior.** Landlord further agrees to maintain and repair the interior of the Premises, including but not limited to the ceilings, ceiling tiles, carpets, floor tile, wall coverings, fluorescent light fixtures and ballasts, electrical system and fixtures, plumbing, heating, ventilation, air conditioning, mechanical equipment, and fire extinguishers.

5.4) **Failure to Maintain.** In the event that Landlord fails to maintain or repair the Premises within a reasonable time, Tenant may elect to complete the maintenance or repair. Any amounts paid by Tenant for maintenance or repair shall be set off against any rent owed to



Landlord. The foregoing remedy shall be in addition to remedies afforded to Tenant under applicable law. As used herein, "reasonable time" shall mean within a reasonable time after Landlord is informed or has reason to know of the need for completion of the services but shall not exceed 24 hours, absent exigent circumstances.

**5.5) Alteration.** Subject to the prior written consent of Landlord, Tenant shall have the right to make such additions, alterations, changes or improvements to the Premises as Tenant shall deem necessary or desirable.

**5.6) Signs.** Landlord grants to Tenant the right to construct, place and maintain reasonable signs designating the nature of the business being conducted in said premises including, but not limited to, lettering placed on the glass of said premises. Upon conclusion of the term of this lease or any extension thereof, Tenant will remove all such signs and will restore any damages resulting to the premises by reason of such removal of signs.

**5.7) Surrender of Premises.** Tenant shall, upon the expiration or earlier termination of this lease or any extension thereof, return possession of the Premises to Landlord in good order, condition and repair, reasonable wear and tear excepted. Tenant shall leave the Premises and appurtenances thereto free and clear of rubbish and broom clean.

**5.8) Destruction of Premises.** In the event of a partial destruction of the Premises during the term of this Lease, Landlord shall promptly repair the Premises, provided that appropriate repairs can be completed within forty-five (45) days of the destruction, pursuant to the laws and regulations of applicable governmental entities and authorities that may apply. Any partial destruction of the Premises shall entitle Tenant to a proportionate reduction of rent until the repairs are completed, any proportionate reduction being based upon the extent to which the destruction of the Premises and/or the making of the repairs shall interfere with the business carried on by Tenant on the Premises. Upon receipt of documentation that the repairs cannot be completed in the specified time set forth above, Tenant may immediately terminate the Lease.

A total destruction of the building situated on the Premises shall terminate this Lease, and Tenant shall be obligated to pay rent only to the time of destruction of the building. As used herein, total destruction means that the Premises are destroyed or so damaged as to render the Premises untenable.

**SECTION 6**  
**LANDLORD'S ACCESS TO PREMISES**

6.1) Landlord shall have the right, with prior approval of Tenant, to enter the Premises at all reasonable times to inspect them, to make repairs, to maintain the building, and to perform any other work therein which may be necessary.

**SECTION 7**  
**REGULATIONS**

7.1) Landlord shall comply with all applicable federal, state, and local laws, regulations, and codes, including but not limited to fire and life safety regulations, equal accessibility for the handicapped and disabled specifically conforming to, but not limited to, the Americans with Disabilities Act (ADA), and local and planning ordinances for the City of Rapid City. Landlord or its agent(s) shall be responsible for satisfying the requirements associated with compliance. Any maintenance, repairs or improvements necessary for the premises to meet any applicable regulation, law or code will be performed at Landlord's expense.

**SECTION 8**  
**INSURANCE**

8.1) During the term of this lease and any extension thereof, Landlord shall maintain in effect at all times all hazard, standard extended coverage, and fire insurance on the Premises and shall provide proof of such coverage to Tenant. From and after the date of delivery of the Premises to Tenant, Landlord shall be solely responsible for and shall provide for comprehensive general liability insurance against claims for bodily injury or death and property damage liability insurance on the property in an amount not less than One Million Dollars (\$1,000,000) per occurrence.

**SECTION 9**  
**INDEMNIFICATION**

9.1) Landlord agrees to indemnify and hold harmless the State, its officers, agents and employees, against and from any and all claims by or on behalf of any person arising from any condition of any street, curb, or sidewalk adjoining the Premises, or arising from any breach or default on the part of Landlord, or arising from any act or omission of Landlord or any other occupant of the Premises, or any part thereof, or of its or their agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any person or property occurring during the term of this Lease in or about the Premises, upon or under the sidewalks and the land adjacent thereto, or arising from this Lease, and from and against all judgments, costs, expenses and liabilities incurred in or about any such claim or action.

This section does not require Landlord to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

**SECTION 10**  
**EVENTS OF DEFAULT; REMEDIES**

**10.1) Events of Default.** Landlord shall be in default if Landlord fails to perform any of the agreements, terms, covenants or conditions hereof on Landlord's part to be performed, and failure continues for a period of thirty days after written notice by Tenant or if default is of such a nature that it cannot be reasonably cured within the thirty day period or Landlord has not in good faith commenced performance within the thirty day period to diligently proceed curing such default.

**10.2) Remedies on Default.** Upon the expiration of the cure period with respect to any event of default as set forth in Section 10.1 above, Tenant shall have the right to terminate this Lease.

**SECTION 11**  
**NOTICE**

**11.1)** All notices or demands under this Lease shall be deemed to have been given when mailed by United States mail, First Class, postage prepaid, to the addresses set out below, or, if personally delivered, when received by such party. Notice of default or termination shall be sent by registered or certified mail or personally delivered.

**To Tenant:**  
Laurie R. Gill, Cabinet Secretary  
Department of Social Services  
700 Governors Drive  
Pierre, SD 57501

**To Landlord:**  
[REDACTED]

**To Office of Space Management:**  
Office of Space Management  
South Dakota Bureau of Administration  
c/o 500 E. Capitol Avenue  
Pierre, SD 57501

**SECTION 12**  
**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND**  
**VOLUNTARY EXCLUSION**

12.1) Landlord agrees that neither Landlord, nor any of Landlord's principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions by any Federal department or agency. Landlord will provide immediate written notice to the Department of Health, Division of Administration (600 East Capitol Avenue, Pierre, SD 57501 (605) 773-3361), if Landlord, or any of Landlord's principals, becomes debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions involving Federal funding. Landlord further agrees that if this contract involves federal funds or federally mandated compliance, then Landlord is in compliance with all applicable regulations pursuant to Executive Orders 12549 and 12689, 2 CFR part 180, including Debarment and Suspension and Participants' Responsibilities. 2 CFR §200.213. The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters are required to report certain civil, criminal, or administrative proceedings to SAM. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.). 2 CFR §200.113 Also see Guidance located at Federal Register, Office of Management and Budget, 2 CFR Chapter 1, Chapter II, Part 200 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule.

**SECTION 13**  
**WAIVER**

13.1) Failure of any party to insist upon the strict performance of any or all of the terms or conditions of this lease shall not constitute, nor be construed as, a waiver of that party's right to enforce any such terms or conditions, but the same shall continue in full force and effect.

**SECTION 14**  
**FUNDING OUT**

14.1) Landlord agrees that the continued rental of the premises for the term specified by Tenant is dependent upon receipt of both funds and expenditure authority from the Legislature. In the event that the Legislature does not provide funds or expenditure authority, then and in such event, this lease is null and void and said lease shall expire at the end of the fiscal year in which the last funding shall be made available for Tenant. Landlord agrees that a termination because of lack of funds or expenditure authority will not result in a claim against Tenant, the

State of South Dakota, or any officer or employee of the State, and waives any claim against the same.

## **SECTION 15 CANCELLATION**

15.1) The parties agree that this Agreement may be cancelled anytime pursuant to the provisions of Sections 5.8, 10, and 14 of the Lease. The notice required shall not release either Landlord or Tenant from full performance of all terms and conditions of this lease during the continuing occupancy of Tenant after the notice of termination but before Tenant vacates the premises.

## **SECTION 16 GENERAL PROVISIONS**

16.1) **Successors and Assigns**. This Lease shall bind and inure to the benefit of the parties hereto and their successors and assigns.

16.2) **Construction**. The language in all parts of this Lease shall be in all cases construed according to its plain meaning and not strictly for or against Landlord or Tenant.

16.3) **Severability**. If any term, covenant, condition or provision of this Lease is held by a Court of competent jurisdiction to be invalid, void or unreasonable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

16.4) **Law Governing**. This Lease shall be governed by, construed, and enforced in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

16.5) **Entire Agreement**. This Lease, together with any written modifications, addendums or amendments, hereinafter entered into, shall constitute the entire agreement between the parties and shall supersede any prior agreements or understandings, if any, whether written or oral, which the parties may have had relating to the subject matter.

16.6) **Prior Lease**. This lease shall render null and void any previous lease or agreements between Tenant and Landlord for the Premises.

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16.7) Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16.8) Modifications. Any modification of this Lease, or additional obligation assumed by either party in connection with this Lease shall be binding only if evidenced in writing and signed by each of the parties. The parties warrant that they have the full right and authority to enter into this Lease and hereto have executed this Lease as of the day and year first above written.

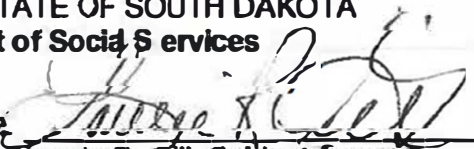

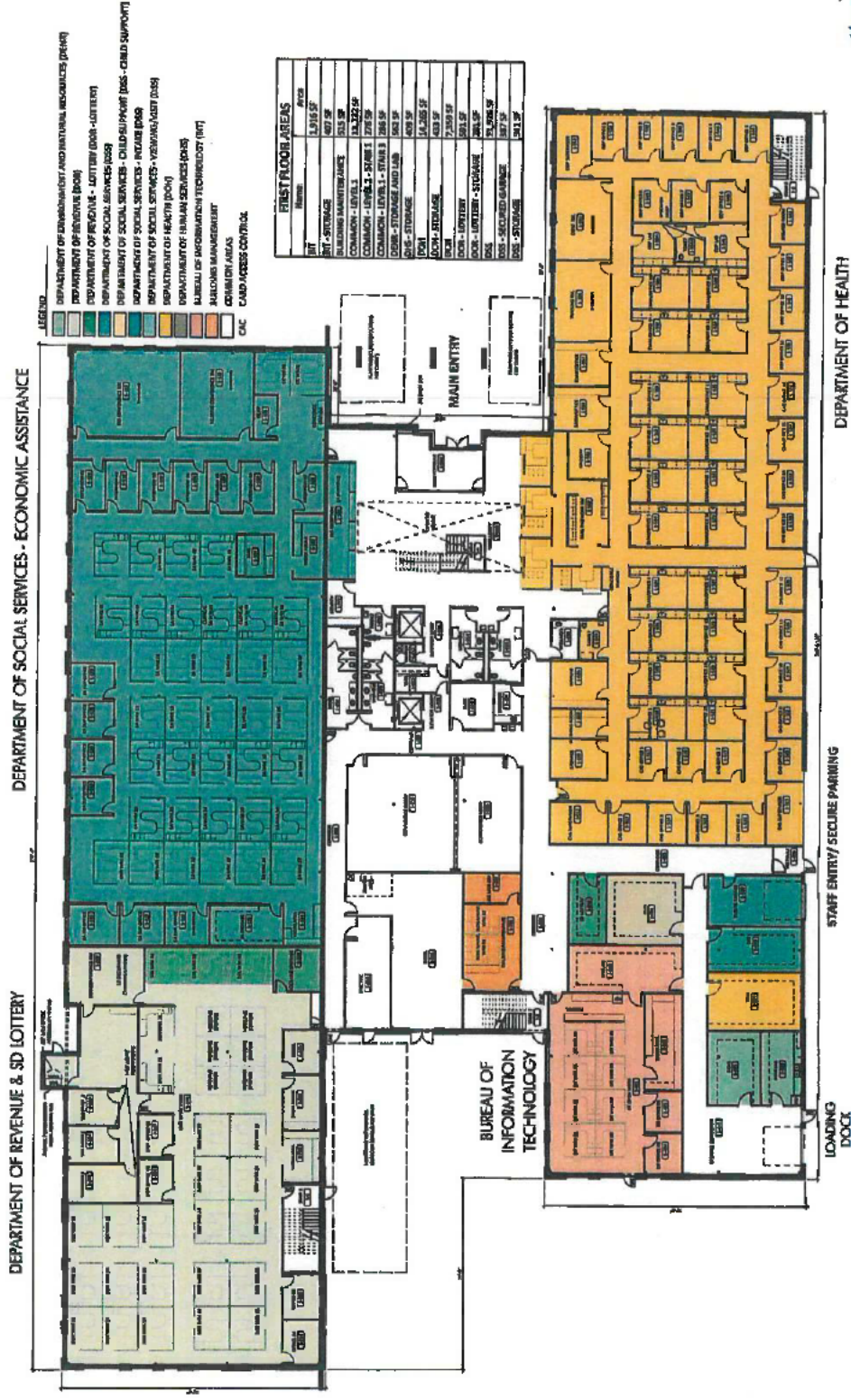
TENANT: STATE OF SOUTH DAKOTA Department of Social Services	LANDLORD:
Signature:  Laurie R. Gill, Cabinet Secretary Department of Social Services	[REDACTED]
Date: <u>1-14-21</u>	Date: <u>12-29-2020</u>
APPROVED	
Signature:  Scott W. Bollinger, Commissioner Bureau of Administration	
Date: <u>1-14-2021</u>	

EXHIBIT A - PLANS AND SPECIFICATIONS

FLOOR PLAN

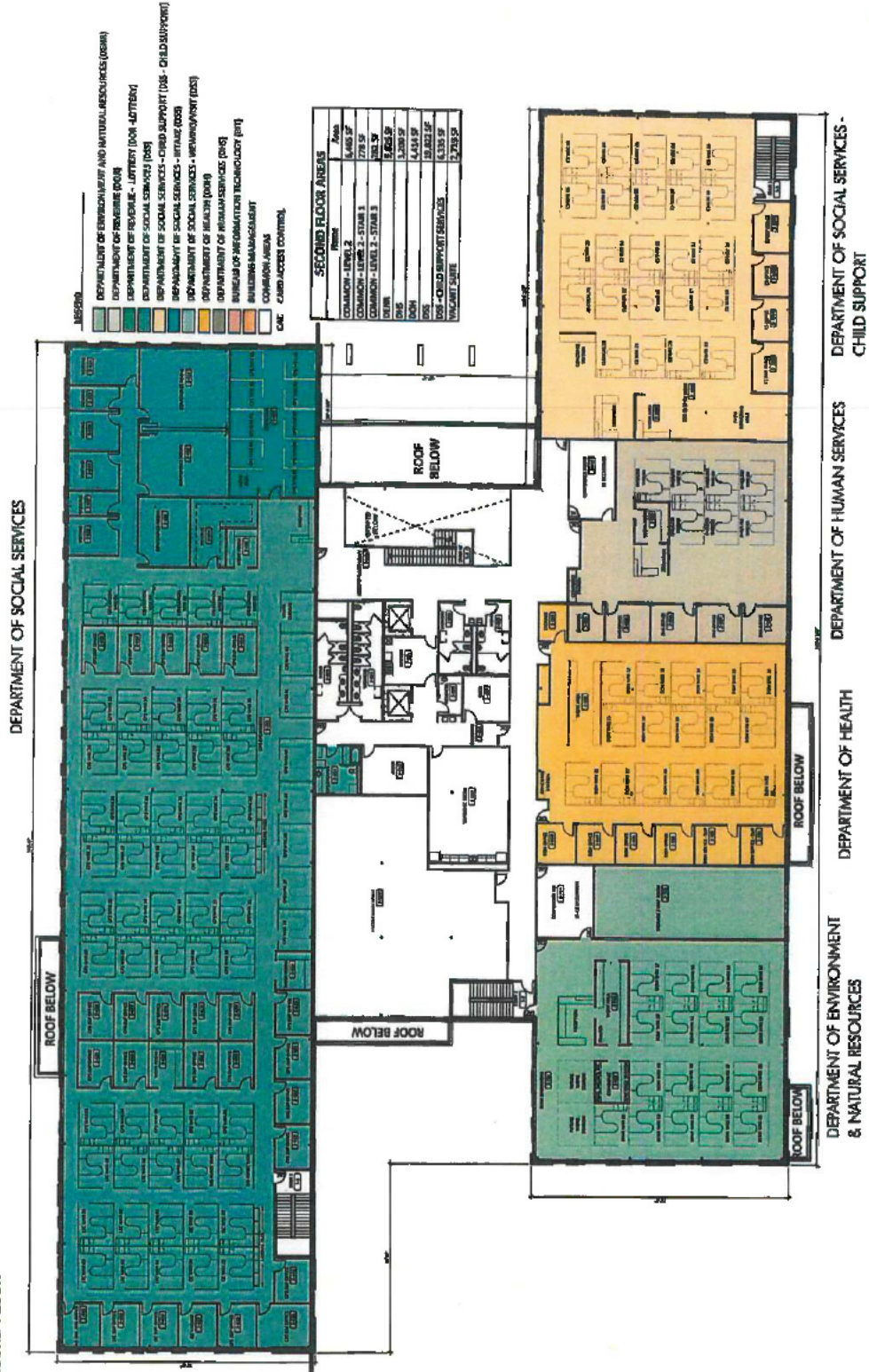
FIRST FLOOR



*How ref. 12-29-2020*

EXHIBIT A - PLANS AND SPECIFICATIONS

FLOOR PLAN  
SECOND FLOOR



*Handwritten signature and date:*  
12.28.2020  
J.G. ARCHITECTS