



General Service Agency Government of the Republic of Liberia Monrovia, Liberia

GSA Standard Policy Building Management Guidelines for MACS

GSA Policy Title:	GSA Building Management Policy for all GOL Buildings and Land.
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GSA Standard Policy provides specific information for managing the Ministry/Agency's building management program. Ministries/Agencies will maintain a monitoring system that provides oversight for all building acquisitions, operations, use, reporting requirements, and disposals.

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1. BACKGROUND

The establishment of the GSA on April 1, 1966 was an Act to amend the Executive laws for an agency to handle the establishing, transferring and consolidating the administration of the GOL housing, procurement of supplies, mobile and equipment, vehicles and data processing. In 1972, the GSA was established under Chapter 51 of the Executive Law to respond to the need for an organized approach to purchases, registration, management, and maintenance of all GOL assets. Two of the four bureaus established for the GSA—the Real Estate and Public Property (REPP) and Public Building Maintenance (PBM)—are the focus point of this document.

The Bureau of REPP is responsible for the management of all GOL owned and leased properties; for approval by the GSA Director General on behalf of the President of Liberia. The Bureau of PBM is responsible for the overall regulation of all maintenance staff in all public buildings.

However, the Public Procurement and Concessions Act (PPCA) approved September 16, 2010 established the Public Procurement Concession Commission (PPCC); gave the responsibility to all executive agencies including GOL Ministries, Commissions, Bureaus, Departments and Agencies to handle their own procurement as per Part 1 – Scope of Application of the PPCC Act. This Act limits the responsibilities of the REPP and the PBM in that each executive agency hires their own maintenance crew and contracts out repairs, alterations or renovations to independent contractors and leaves the GSA out of the process. Furthermore, some of the agencies get into lease contracts without the advice and consent of the GSA.

It has been identified that the GOL requires a National Building Register of all government owned and leased properties.

It is considered necessary to locate and take Global Positioning System (GPS) coordinates, place a value on freehold properties and to assess the lease agreements in terms of reasonable lease costs.

A brief assessment of condition of the owned (freehold) properties needs to be made and a scope of works prepared with estimated cost to put them back to acceptable condition. A scope of works will be prepared on all properties and specifically in terms of leased properties, a recommendation based on the terms of the contract as to the Landlords (Lessor) vs. the GOL (The lessee).liability.

In addition, it was required that building management guidelines are written so that the MACs can be trained in good building maintenance practice regulated by the GSA. It is hoped that in due course this guide will become GOL policy.

2. DEFINITION OF KEY TERMS AND ABBREVIATIONS

ACRONYMS AND ABBREVIATIONS

CPTED	Crime Prevention Through Environmental Design
CQI	Continuous Quality Improvement
GOL	Government of Liberia
GPS	Global Positioning System
GSA	General Services Agency
ICT	Information and Communication Technologies
LIPA	Liberia Institute of Public Administration
MACs	Ministries, Agencies & Commissions
MOF	Ministry of Finance
MOJ	Ministry of Justice
PBM	Public Building Maintenance
PPCA	Public Procurement and Concessions Act
PPCC	Public Procurement Concession Commission
REPP	Real Estate and Public Property
TOR	Term of Reference
TQM	Total Quality Management
USAID-GEMS	USAID-Governance and Economic Management Support

3.SCOPE OF WORK REQUIRED

- 1) A GOL National Buildings Register will be collated.
- 2) Mapping of building plots/land and identification of infringement.
- 3) GPS coordinates will be taken.
- 4) Photographs will be taken of every building.
- 5) A Buildings/Land Valuation will be made.

- 6) Lease assessments where appropriate.
- 7) Brief surveys and condition assessments made.
- 8) Scopes of works where appropriate
- 9) Recommendations on viability and suitability of all buildings.
- 10) GOL building maintenance Guidelines.
- 11) All gathered data should be stored in an electronic data base and will be integrated with national document management and cadastre systems.

4. AN OVERVIEW OF BUILDING MANAGEMENT

Building Management is also referred to as Facility Management which is considered to be a new and emerging profession. Building Management has become a growing body of practices and procedures and is constantly evolving.

Building Management has risen to prominence in a relatively short period of time. The building environment has become too valuable and complex an asset to ignore or neglect, and its management involves both great potential benefits and risks.

Building Management's current scope of functions involves several basic areas of management activity. The following list approximates the range of most buildings management departments in major companies and governments. Similar lists have been published by various buildings/facilities management organizations. Not every building/facility manager performs every function on this list because the mix of functions and responsibilities is unique to each company or government. See list below:

1. ***Building Operations and Maintenance***: includes management of building systems such as heating, ventilation and air conditioning, electrical, furniture, plumbing, security, maintenance and building structures and interiors, and equipment; maintenance of grounds, landscaping and site improvements.
2. ***Real Estate***: includes management of real estate assets and real estate portfolios; leasing; acquisition and disposal of properties, and due diligence.
3. ***Real Estate Master Plan***: matches the government's real estate holding to real estate needs using the current business plan or the government expansion or reduction plan.

4. **Humans and Environmental Factors:** worker health and safety; workers' compensation regulatory practices and procedures; emergency preparedness; disaster planning and recovery.
5. **Project Management:** involves preparation of building plans, planning and management of projects, building programs, design services, construction projection projects, and relocation projects.
6. **Space Planning:** represents a process that captures the supply and demand data, prepares space allocation plans, and implements the plans.
7. **Basic Management Activities:** includes organization and planning of building management department, management of building management personnel, outside vendor and/or contactors, administration and development of building management policies and procedures such as building maintenance, space standards and filing of maintenance request and work orders; building management services and delivery.
8. **Finance:** the management of department finances; including operating and capital improvements budgets and accounting for cost and expenditures.
9. **Quality Assessment:** involves evaluating the quality and effectiveness of building management services, benchmarking, management of audits of building management services and projects, development of innovative improvements in building management services.
10. **Communication:** includes oral, written and graphic communication; presentations of issues to all levels of management, development of standards, work practices and procedures, development and management of specialized and technical information in a management context.
11. **General Administrative Support:** includes mail and reproduction services, transportation services, guest and hospitality services, food services and others.

As is known, the functions and responsibilities of building operations are greater than most departments. Each component, however, is an essential part of building management. Details of some building functions will be discussed in the sections to follow.

5. REAL ESTATE

This function is the management of real estate assets and real estate portfolios; leasing; acquisition and disposal of properties and due diligence.

5.1 Guidelines for Sales and Purchasing a Commercial Building

Commercial real estate transactions are typically more complex than residential transactions. Usually, they involve large sums of money and increased liability for both parties (buyer and seller). Hopefully both parties are sophisticated enough to understand the contract terms. Courts will hold the parties to the terms of any sales agreement-absent illegality or fraud. For these reasons and others, a buyer and seller of commercial property should both have professional help when closing the deal.

5.1.1 Property valuation

A large part of buying and selling commercial real estate is the process of determining a value for the property. By nature, real estate is a unique product that may have no exact sales comparison. For example, a buyer may be looking to purchase an office building in an area where there is no other office building that was sold to establish a market for the property.

Further, commercial property often has square footage component that adds to the value of the property. The square footage of the building must be factored into the sale/purchase/Lease price. Square footage should be verified (see calculation of square footage in Section 6 below). Therefore, buyers and sellers should hire a professional valuation expert to set a price for the property.

After you locate the right property, before you go to contract, commence a one-two month period during which you need to do your homework. Now is the time to revisit your objectives, and ask yourself if the property you have identified helps you meet or further your stated objectives.

5.1.2. Sales/Lease Negotiation and Due Diligence

Buying and selling or leasing commercial real estate is typically subject to intense negotiation. Therefore buyers should conduct due diligence. In other words, they must investigate the transaction thoroughly before making a decision.

During the sales negotiation, the buyer has leeway to determine facts that impact the value of the property and attempt to gain concessions from the seller to offset any problems. Beyond that, this is where your team of trusted advisors plays an important role. Valuation experts will often help bring in third parties; engineers, appraisers, environmental analyst to help verify the condition of the property, its prior use, and any potential liability issues, whether structural soundness or necessary upgrades of electrical wiring and/or plumbing. Also make sure there are no prior or existing litigation and/or insurance claims affecting the property.

5.1.3. Get the Ministry of Justice (MOJ) Approval

The law surrounding the purchase/sales/Lease of commercial property is complicated. Plus, the facts of each case are unique. We are providing a brief, general introduction to the topic. The legal advice and approval from the MOJ will have to be sought.

5.2 Guidelines for Leasing a Building

5.2.1 Standard conditions for GOL Leasing-in Building

1. A connection to city power.
2. The lessor shall supply and maintain a generator(s).
3. The Lessor shall be responsible for supplying an up to date and safe internal electrical wiring system.
4. The lessor will provide building security.
5. The lessor will be responsible for major Structural repairs and external maintenance. (These will usually be external but may also have internal consequences)
6. The Lessee will have the right to withhold payments if the lessor does not respond in a timely manner to such repairs or carry out the repairs based on the lease agreement.

7. The lessor will supply and be responsible for a continuous water supply.
8. Rental payments shall be paid annually in advance where applicable and proportionately thereof when not exactly divisible by a 12 month period.
9. The lessee will not undertake any alteration to the property without first getting the lessor approval which cannot under the terms of the lease be unreasonably withheld. Any alterations will be subject to the sharing of the proposed plans.
10. The lessor will be responsible for internal decoration and repairs.
11. For longer leases rent review periods and break clauses will be included.

These minimum conditions should be aspired to but not necessarily written in stone, some flexibility should be allowed for special circumstances, but they should form the basis of all negotiations.

5.2.2. Lease Clauses

The following clauses should be carefully examined for consideration to be used on all GOL Leases:

FORCE MAJEURE

A party is not liable for failure to perform the party's obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity or telephone service. No party is entitled to terminate this Agreement under such circumstances.

If a party asserts Force Majeure as an excuse for failure to perform the party's obligation, then the nonperforming party must prove that the party took reasonable steps to minimize delay or damages caused by foreseeable events,

that the party substantially fulfilled all non-excused obligations, and that the other party was timely notified of the likelihood or actual occurrence of an event described above.

TERMINATION

A commercial property lease usually continues until its end date unless you include a clause enabling either party to end it earlier.

BREAK CLAUSE

This is an official date in the lease, agreed by the landlord and tenant, where the leasee can be 'broken' without anyone facing a penalty. As a tenant, you need to give your landlord 2 months' notice that you are using the break clause. As a landlord, you can only use it if your tenant agrees.

GOL Institutions should give the GSA three months' notice of their intentions to quit or break a lease.

TENANTS ENDING A LEASE

As a tenant, you can terminate your lease early if:

1. The landlord agrees.
2. You pass the lease on to someone else (though the landlord may want you to provide a guarantee).
3. You're allowed to sublet (you'll still remain responsible for the rent, even if you're not trading from the premises)
4. There is a clause included allowing you to 'assign' the lease without conditions, with the exception that the landlords permission/approval of a specific tenant should be sought, and under the terms of the lease, this permission cannot be unreasonably be withheld.

If these clauses are not added to the contract the GOL must continue to pay rent for the whole tenancy period at the agreed rent.

LANDLORD ENDING A LEASE

1. A landlord can only end a lease when the tenant fails to pay rent or meet other lease obligations.

2. This might include making repairs or alterations without the landlord's consent.

If there is a 'forfeiture clause' included in the lease, a Landlord can use it in these situations to end the lease. However, if the tenant can challenge this in court they may be allowed to stay in the property. The agreement of lease will be a key instrument in any court decision.

Remember this: The Terms of a lease are usually only needed when there is a problem. The Tighter the lease, the more protected both the GOL and the landlord are. Everybody needs to know where they stand.

FIXED-TERM TENANCY

A fixed-term tenancy means the lease automatically comes to an end when the term is up. If, a tenant wants to stay on after this term, he or she can do so if the landlord agrees in writing. However, staying on past a fixed-term marks a 'continuing obligation' to pay rent. You'll then need to give 3 months' notice when you want to leave.

5.2.3. RENT REVIEW OF COMMERCIAL PROPERTY LEASES

Leases of commercial buildings can prove to be complex, governing the relationship between landlord and tenant for terms which commonly extend to 25 years. Arguably, the most complex provisions of the lease are those relating to rent review. It is an area that has taken up considerable court time and expense to determine disputes between landlords and tenants regarding the amount of rent passing at various stages throughout the life of a lease.

To minimize the risk of unwelcome resistance, delay and expense when the rent is being reviewed, both landlords and tenants ought to ensure that they are fully aware of the rent review provisions of a lease when taking an existing lease of commercial premises or that they ensure that time is taken to carefully negotiate those provisions on the grant of a new lease.

Procedures to governing rent reviews should be clearly agreed at the time of granting the lease.

In the circumstances that the GOL is leasing out a property, these conditions will be reversed.

WHY INCLUDE RENT REVIEW PROVISION IN A COMMERCIAL LEASE?

A rent review enables the rent payable under a lease to be varied at intervals during the course of that lease. It is clear to see why a landlord would wish to include such a provision in their lease. Depending on the type of mechanism used, it may allow the landlord to benefit from uplift in market rental values or, to stipulate at the outset stepped increases that are to take place through the term of the lease.

Similarly, tenants will have a keen interest to have rent review provisions carefully drafted or fully reported to them. Flexibility is encouraged especially in the area of rent review. Careful wording of the lease should encourage landlords to avoid insisting on provisions that allow 'upwards only' rent reviews and attempts to allow both the landlord and tenant the ability to start the review process.

THE BENEFIT TO A TENANT OF A RENT REVIEW CLAUSE IS:

- If the building has physically, substantially deteriorated or some other factor has come into play such as receding market, this may be an opportunity to negotiate a rent reduction.
- Particularly with long leases, by keeping pace with fair market value, this makes it more likely that your landlord will continue to meet his obligations in areas such as building maintenance.
- Rent reviews create the opportunity for the Tenant to break the lease without penalty.
- They also make it more likely that the initial rental price is more reflective of a fair market value as the landlord will not have to quote a high initial rent based on an amortization of the likely costs over the whole period of the lease.

HOW DOES RENT REVIEW TAKE PLACE AND HOW OFTEN?

Rent review can take place in various ways. It is for each individual lease to determine the mechanism used. The most common form still remains an open market rent review. Although complex, this type of review does allow the rent to be set at a level that is in-line with market conditions at the time of the

review. It is common for open market rent review provisions to be drafted to provide for upwards reviews meaning that on review, the landlord will either retain the level of rent payable or benefit from uplift. It will depend upon the bargaining positions of the parties at the outset, as to the terms that are negotiated but, it may be that in the current economic climate, tenants may find that their advisers are in a stronger position to secure a rent review provision that may fluctuate (up as well as down).

When the time comes for the rent to be reviewed, the procedure can be commenced either by notice or by the parties entering into negotiations. It is common for a lease to stipulate that a rent review will take place every five years. However, a trend towards more flexible, shorter leases has seen rent review increasingly taking place at three year intervals. Again, this remains a matter for negotiation between the landlord and tenant but it should be borne in mind that the more frequent the rent reviews, the greater the costs especially where agreement cannot be reached. Consideration will need to be given to whether more regular rent reviews are worthwhile considering the costs involved.

WHAT IF THE PARTIES CANNOT AGREE?

Where the rent cannot be agreed, the matter will be referred to a third party expert or arbitrator, resulting in increased costs and delay for both parties. Where a third party becomes involved, they will have regard to the property itself in addition to 'comparable' to arrive at a valuation for that particular letting.

It is important that the rent review provisions are drafted carefully, for example, where a tenant has made improvements to the premises; the tenant would firstly have to pay for the cost of making the improvements and then suffer an inflated rental increase on review unless the improvements that the tenant had made are disregarded on review, avoiding the tenant having to pay twice, once for the cost of the improvements and then again for the increase in rent as a result of them.

Therefore, when entering into a lease it is important that the parties have in mind the future of the letting. Neglecting to consider the rent review provisions of a new lease or those contained in a lease being assigned at the outset could, in addition to significantly impacting upon the rent payable under the lease, cause considerable delay and expense to both parties. Landlords and tenants should ensure that they do not neglect to address these issues as to do so could have an adverse impact on all those involved, which is far from hypothetical.

The tenant should never make improvements to a leased property without getting approval from the landlord and prior to doing the work agree what impact such improvements will have on future rent negotiations.

5.2.4. Standard Lease Agreement with all necessary Clauses

The recommended lease agreement below includes clauses that will protect the GOL interest and save money. In addition, it is necessary to take into consideration the conditions of times when negotiating a lease and ensure that the GOL is well cover and protected. For example, today we should consider the use of generators to provide electricity, which is very expensive compared to city power as part of the lease agreements. Below is an **example** of what the GOL standard agreement of lease should look like, but should only be drawn up in cooperation with the GSA and approved by the MOJ.

AGREEMENT OF LEASE

This Agreement dated this _____ day of _____ A.D. _____ by
and between

residing at

Street

City

County

Thereinafter referred to as the Lessor and the Liberian Government represented by the Director General of the General Services Agency (GSA), hereinafter referred to as the lessee:

WITNESSETH

That for and in consideration of the rent and the execution of the lease, covenants and agreement herein reserved to be paid, kept and performed by the Lessee, the Lessor has granted all rights, privileges, and assessments, appurtenance thereto belonging to the Lessor for and during the time of this lease, demised and leased unto the Lessee all that parcel of land, with the building(s) thereon, located at:

Street

City

County

Hereinafter referred to as the demised premises bounded and described as follows:

LEGAL DESCRIPTION

1. TERM OF YEAR

It is mutually agreed and understood by the parties hereto that Lessee will have and hold the demised premises and the building situated thereon for and during the full and complete period of ____ Calendar years certain commencing from the ____ day of _____ A.D. _____ up to and including the ____ day of _____ A.D. _____ .

2. RENTAL

It is further mutually agreed and understood by the parties hereto that the Lessee shall pay to the Lessor for the demises premises \$ _____ (UNITED STATES DOLLAS) which shall be paid yearly in advance on the _____ day of _____ A.D. _____ .

3. FORCE MAJEURE

It is further mutually agreed and understood by the parties hereto that a party is not liable for failure to perform the party's obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity or telephone service. No party is entitled to terminate this Agreement under in such circumstances.

If a party asserts Force Majeure as an excuse for failure to perform the party's obligation, then the nonperforming party must prove that the party took reasonable steps to minimize delay or damages caused by foreseeable events, that the party substantially fulfilled all non-excused obligations, and that the other party was timely notified of the likelihood or actual occurrence of an event described above.

4. REPAIRS

It is further mutually agreed and understood by the parties hereto that the Lessee shall take good care of the premises and its internal decoration and repairs. Shall promptly make and pay for all minor repairs into and about the

said premises necessary to preserve them in good order and conditions which shall be quality and class equal to the original work.

It is further mutually agreed and understood by the parties hereto that annual inspection of the demised premises shall be made by the GSA. The Lessor shall ascertain the condition of the premises and meet compliance with sanitation condition of the building and fire regulations, and whether or not the premises need any repairs. Should it be found that the premises are kept in violation of any of the various regulations, a written notice to be signed by the Director of Real Estate and Public Property of the GSA shall be filed with the Lessor for appropriate action. All safety and sanitation violations must be corrected along with all needed repairs before the lease is signed.

It is also mutually agreed and understood by the parties hereto that the Lessor shall be responsible for all major repairs of a structural nature. This will include boundary fences, walls and gates. External decoration shall be undertaken on a rotation basis and shall be completed no later than a maximum of every two (2) years.

4. ALTERATION

It is further mutually agreed and understood by the parties hereto that in the event Lessee desires to make any alteration and changes in the said premises, it is also understood and agreed that the same shall not be made without the prior consent and written approval of the Lessor which shall not be unreasonably withheld. All alterations except movable fixtures shall become the property of the Lessor upon installation. However detachable fixtures, though attached to the realty, shall remain the property of the Lessee. Any alteration paid for by the lessee shall not be included in any rent review calculation.

5. UTILITY

It is further mutually agreed and understood by the parties hereto that the Lessee shall be responsible for electric, telephone and water bills. However, the Lessor will be responsible for the supply of continuous and/or alternative water supply. The said premises must have connection to city power and the Lessor shall supply and maintain working generator(s).

6. TAXES

It is further mutually agreed and understood by the parties hereto that throughout the term of this lease, Lessor shall pay the amount of Real Estate Taxes which shall be assessed against the said premises. It is also mutually agreed and understood that in the event the Lessor shall fail to duly pay the

aforesaid taxes, Lessee may pay the same and deduct the amount paid from the rent due or the rent thereafter. Lessee shall take such action as may be necessary for the collection thereof. It is further agreed and understood that this lease is subject to the normal ten percent (10%) realty deduction, which is the responsibility of the lessor.

7. TERMINATION OF THE LEASE

It is further mutually agreed and understood by the parties hereto that the Lessee covenants that at the expiration of the term hereby granted, Lessee will peaceably and quietly leave, surrender and yield up unto Lessor the said premises in good condition as found when moved in.

It is also mutually agreed and understood by the parties hereto that an official date agreed upon by both parties that the lease can be broken without any party facing a penalty. The Lessee shall give the Lessor 2 months' notice to break the lease, while the Lessor can only break the lease if the Lessee agrees.

8. SUBLEASE

It is further mutually agreed and understood by the parties hereto that the said premises can be sublet by the Lessee if they can provide a guarantee to the Lessor. Allowing the Lessee to sublet shall be without conditions, with the exception that the Lessors permission/approval of a specific tenant should be sought. This permission cannot be unreasonably withheld. However, the Lessee will remain responsible for the rent even if they are not trading from the premises. By agreement with all parties, in the circumstances of an assigned lease, it may be that the lessor and assigned tenant may absolve the head tenant of any further responsibility.

9. RENT REVIEW

It is further mutually agreed and understood by the parties hereto that based on an agreed schedule (Usually three or five years) an open and fair market value rent review shall be conducted at the agreed intervals. This review may take the rent up or down based on the current condition of the building and/or the current economic climate. In the event that the parties cannot agree the matter will be taken to an independent arbitrator whose decision will be binding and final committing all parties.

In the presence of:

IN WITNESS WHEREOF, the parties
have hereto set their hands in the
City of Monrovia

**GOVERNMENT OF THE REPUBLIC
OF LIBERIA**

GSA
DIRECTOR

BUREAU OF REAL ESTATE &
PUBLIC PROPERTY

DIRECTOR GENERAL,

UTILIZING ENTITY

LESSOR

MINISTER OF FINANCE

MINISTER OF JUSTICE

5.3 Leasing Processes and Procedures for all GOL Institutions

1. A Terms of Reference (TOR) of the entities requirements must be submitted to the GSA.
2. All entities should be responsible for publishing their TOR and requirements.
3. TORs should clearly state the minimum requirements required by the GOL set-out in this document as well as the required square footage

needed and office count and space requirement. Also any other specifics.

4. On finding a suitable property, full details should be submitted to the GSA. The GSA will do an inspection and valuation.
5. The Procuring Entity will choose from the GSA panel of Independent experts and get an Independent building survey and valuation. The procuring entity will be responsible for the fees.
6. When these stages are complete and the entity, based on GSA and independent advice, wishes to proceed, a report must be written, laying out the process followed a copy of the advertisement and evidence of at least two other properties inspected. A full justification of the decision made. This report should be submitted to the GSA and the PPCC. Whilst PPCC approval is not required, evidence that the correct process was followed will be necessary and the transaction will be open to scrutiny by the PPCC. GSA approval is required.
7. Once these stages are complete the entity is then free to negotiate with the prospective lessor concerning price and details and any special requirement. The entity must get the GSA involved in these negotiations particularly in terms of lease duration, break clauses and rent review periods.
8. The lease agreement must be based on the standard GSA lease minimum requirements.
9. Once everything is agreed, a copy of the file should be forwarded to the Ministry of Finance (MOF) for allotment.
10. Once these are all complete and the approvals signed, the entire file should be passed to the Ministry of Justice for the final lease to be drafted, with any amendments or special conditions that might have been agreed and they will take the matter on to contract.
11. Once Process has been completed the matter should be passed on to the GSA for final approval and forward transmission to the Ministry of Finance for payment.
12. Once a lease is signed, the entity has a responsibility to abide by its terms and pay the rent due on time.

5.4 To Purchase a property

- The same process is applied to the purchasing of owned (freehold) properties.

5.5 Building Maintenance

- For Property Maintenance please see the GOL building maintenance guidelines. All maintenance above \$5000 USD requires GSA approval below \$5000 USD the entity need only inform the GSA attaching a Bill of quantity.

6. Calculation of Square Footages

As stated in Section 5.1.1. (Property Valuation), square footage adds to the value of the property. The technique of calculating square footage is explained in this section. Calculating the area of a place in square feet is a simple exercise. All you need is a standard measuring tape, a pencil, and a calculator if needed.

Area is a quantitative measure of the surface expanse of any object. The term square footage comes from the unit of calculating 'Area', which is usually calculated in square feet. That is, when length is measured in feet, the area is calculated in square feet. There are different formulas for calculating area, according to the geometric shape of that object. Below are the four most common formulas uses for calculating square footage:

1. Area of a Square object: $(\text{Length})^2$
2. Area of a Rectangular object: $(\text{Length} \times \text{Width})$
3. Area of a Circle: $(3.14159 \times \text{Radius}^2)$
4. Area of a Triangle: $(1/2 \times \text{Base} \times \text{Height})$

If the length, width, radius, base, and height are all calculated in the unit of feet, then the area calculated will be in square feet.

Why it's called 'square feet' is clear in case of a square area. Let's say, that the length of a square object is 10 feet, then its area would be 100 square feet. This means, that the area consists of 100 squares of 1 square foot each. The square is actually a special case of a rectangle, which has length equal to width.

Area of a lot or a piece of land may not be an exact geometrical figure. It is usually irregular. In that case, what you need to do is measure all the dimensions of the lot and draw a map of it on paper, which is accurate and to scale. Then, you can divide the lot area into squares, rectangles, and triangles, according to whatever is the shape of the lot.

Thereafter, you must calculate the area of all these individual pieces, using the appropriate formulas provided above and add it all up. The sum total of all the areas, of all the individual pieces, will give you the total square footage of the lot. Exactly 43,560 square feet is one acre. So, if you want to convert the calculated area value into acres, than divide the whole value by 43,560, to get the acreage.

Tips and Warnings:

1. Split complex shapes into simple squares, rectangles and triangles. Calculate the separate areas and then add all of them together.
2. Measuring the square footage of a building, you should measure from outside the exterior wall.
3. Note that when measuring the square footage of the interior of a building, measure all common areas.
4. Convert measurement of feet and inches into inches before you multiply. After you have found the area in square inches, you should divide this number by 144 to get the square footage.
5. Double-check your measurements before multiplying.
6. If you are calculating for flooring it's best to increase your total square footage calculation by about ten percent (10%) to ensure you have enough material.

You must have realized that in measuring and calculating the area, all you need are the measurements and the right formulas.

We would advise all Government of Liberia MACS and entities to employ a professional Architect, Building Engineer or Surveyor to do a floor plan of your building and a site plan of the entire property. In the case of leasing a property it would be wise to get the Lessor to provide these prior to any agreement so that it is fully understood by all parties the exact nature of the agreement.

7. Deciding to Buy verses Lease

When deciding whether to buy commercial real estate, it's important to understand the potential risks. The last thing you want is to buy property and realize a year or two later that you would have been better off renting. Some of the potential risks in buying are:

1. Location may backfire: Today's 'good' location can become tomorrow's 'bad' location. The area you choose one day may become undesirable the next. Of course, the reverse can be true, as well.

2. Loss of liquidity: The GOL may tie up much of their liquidity buying real estate. It's not always easy to sell real estate, particularly in slumps. At the same time, by owning real estate, you have something to sell if you need a cash influx to revive a lagging or constrained budget.
3. Tenuous cash flow: Tenants sometimes stop paying their rent. Other times, buildings are in need of unexpected and expensive repairs. Your cash flow can become compromised, especially if you are forced to simultaneously pay repairs and attorney fees to handle a tenant situation.

In order to be aware of risks, undertake extensive due diligence before signing any contract. You also need to be hands on with your commercial property by overseeing every level of operation and making frequent on site visits. Otherwise, you may learn about problems after it's too late to do anything to fix them.

The decision ultimately comes down to the economics. You may want to have a real estate expert help you undertake a rent versus own analysis, taking into account growth forecasts for the GOL or any of its institutions and real estate market trends. It's really beneficial to sit down with an expert that can lay out options for you and discuss scenarios, such as; this is what our space needs will be in three years. A real estate expert can also help you figure out the costs of renting versus buying.

8. Building Maintenance

Building maintenance is the continuous upkeep of a building to ensure that it is always in a good state of repairs and can be effectively used for the purpose intended. Such upkeep includes, but not limited to, cleaning, repainting and repairs to damaged or decayed areas of the building, structural integrity of the building. It also ensures that all plumbing and electrical fitting are in proper working order .Please see the GOL 'Building Maintenance Guidelines'.

9. Building Security

Building security is a major component of building management because of the need of the building protection. There are basically two ways to provide protection for any building; with technology, such as alarm systems, cameras, etc., or with personnel who literally 'stand guard' over the premises. Within those two ideas, there are many different ways to accomplish the desired security result.

Whether you decide on a combination of hiring security personnel for few hours and supplement the other hours by using an inexpensive alarm system, or choose a top-of-the-line system, the important thing is to secure the building and the equipment, and maintain protection for employees and their property.

The decision will largely depend on the type of building, size and budget, and whether employees' safety needs to be safeguarded. There are many responsibilities in managing a building. However, the increasing crime rate adds pressure on building owners to provide security for employees, their belongings, and the equipment and supplies.

There is so much technology available now that can provide building security for employees and equipment. Metal detectors and X-ray machines would not be practical but they are rank high for detection of equipment and supplies. Notwithstanding, the GOL should create security standards for all public buildings.

In addition, what would also help the security of a building is 'Crime Prevention through Environmental Design' (CPTED). CPTED is a proven methodology that not only enhances the performance of these security and safety measures, but also provides aesthetics and value engineering. CPTED utilizes four (4) primary, overlapping principles; Natural Surveillance, Natural Access Control, Territoriality, and Maintenance. See definitions below:

Natural Surveillance follows the premise that criminals do not wish to be observed; placing legitimate 'eyes' on the street, such as providing window views and lighting increases the perceived risk to offenders, reduces fear for bona fide occupants and visitors, as well as lessening reliance on only camera surveillance.

Natural Access Control supplements physical security operational measures with walls, fences, ravines, or even hedges to define site boundaries, to channel legitimate occupants and visitors to designated entrances, and to reduce access points and escape routes.

Territoriality involves strategies to project a sense of ownership to spaces such that it becomes easier to identify intruders because they don't seem to belong. Clear differentiation between public, semi-public, and private spaces by using signage, fences, pavement treatment, art, and flowers are examples of ways to express ownership.

Maintenance is a key element to preserve lines of sight for surveillance, to retain the defensiveness of physical elements, and to project a sense of care and ownership. Together, the principles of CPTED increase the effectiveness of operational, technical, and physical safety methods, thereby lessening equipment and operating costs.

For total design efficiency and cost effectiveness, security, safety, and CPTED measures are best applied at the beginning of construction. Security design should be part of the initial planning for construction.

10. Customer Service and Quality

One of the difficulties building managers face is defining exactly who their clients are. In business, the customer is someone who buys a service or product. Implicit in this is the idea that the customer is not part of the company workforce or organization. Since building management is a corporate function supporting business objective, the term *customer service* acquires a different connotation. There are two basic groups of building management customers, distinguished by their needs and expectation:

1. *Internal customers:* are people who work in or visit the facility, such as employees, managers and executives of the organization, contractors, and business customers who come to the facility to conduct business. They depend on the facility to provide the physical infrastructure that supports their needs.
2. *External customers:* are people who expect performance from a facility. They may include members of the public, stockholders, constituencies, or stakeholders. They expect corporate financial performance, regulatory compliance, the projection of an appropriate corporate image, and a facility that contributes to the well-being of its community. Such external customers include investors and shareholders, government agencies, community groups and the general public.

Building management departments do not make sales in the customary sense, but they do provide and sell their services. It is important to understand the needs of customers especially because more and more corporate/government departments have the option to obtain building services from either the in-house building department or an external source. The distinction between internal and external customers is meaningful because very different approaches must be taken to provide and promote services that meet each customer group's needs and expectations.

Consumers of services have become more sophisticated, informed, and demanding. As customers become better at expressing what they need and want, the quality and value of service and process delivery provided by building management must improve as well.

Customer service and quality improvement are important topics. Total Quality Management (TQM) and Continuous Quality Improvement (CQI) are processes associated with the national and worldwide drive towards quality improvement and in this case improved government performance. The terms 'quality' and 'customer service' are becoming synonymous.

What is quality? The TQM/CQI literature informs us that quality is meeting or exceeding customer expectations. It is not simply more or the best of everything and includes three dimensions; input, process, and output.

With respect to customer service, *input* involves understanding the customer's needs and expectations, *process* is taking action to meet or exceed those needs and expectations, and *output* is following up to determine if the action was appropriate and if the customer is satisfied. Providing customer service is a continuous process of communication, action, and follow-up; always striving to meet and exceed customer expectations while operating effectively and efficiently.

The keys to providing any building service are to effectively manage service efforts and to maintain realistic expectations. It is important to establish the overall objectives for any service as well as develop the most cost-effective means of delivery.

After the objectives are determined, the appropriate levels of services (scope, frequency, quality) should be set based on how much demand exists, how critical each service is to operations, how much it costs, what its resource implications are, and what capabilities exist in-house or on contract. There is also a clear relationship between the cost of any buildings service and the demand for it. Customers have fewer requests for services they must pay for than for free services.