IDA 589

September 1, 2017

VICE CHANCELLOR AND CHIEF FINANCIAL OFFICER—PLANNING AND BUDGET
VICE CHANCELLOR—ADMINISTRATIVE AND BUSINESS SERVICES

RE: Delegation of Authority – Negotiation, Approval, and Execution of University-Related Real Property Rental Agreements (Leases)

The authority to negotiate, approve, and execute University-related real property rental agreements and other documents for the use of facilities for University-related purposes (Rental Agreements) was delegated to Chancellors by Presidential Delegation DA 2231, September 3, 2009.

I am redelegating to the Vice Chancellor and Chief Financial Officer–Planning and Budget and the Vice Chancellor–Administrative and Business Services the authority to negotiate and, with each vice chancellor’s office in consultation with the other, to approve and execute Rental Agreements (including subleases and excluding ground leases) subject to the Standing Orders of The Regents 100.4 (cc) and (ff), and to policies, procedures and guidelines which may be established by the Office of the President (including the UC Lease Administration Manual and applicable Business and Finance Bulletins), and following limitations:

1. The term of the Rental Agreement does not exceed 10 years, regardless of rent amount, excluding options when the University is the lessee, but including options granted by the University as lessor;

2. The Rental Agreement (1) is on a University standard form without material modifications, or (2) consideration for the initial year does not exceed $500,000, or (3) consideration for the initial year exceeds $500,000 and the Rental Agreement form has been reviewed and approved by the Office of General Counsel (OGC);

3. The Rental Agreement is not a capital lease, or a lease-purchase or similar transaction by which the University will ultimately take title to the property;

4. The Rental Agreement does not involve the assumption by the University of liability for the conduct of persons other than University officers, agents, employees, students, invitees, and guests, except that this restriction does not apply if, under the Rental Agreement, the University assumes responsibility for liability resulting from the
condition of leased property that the University is obliged to maintain [Standing Order 100.4(dd)(9)] or as otherwise authorized by The Regents;

5. The indemnity and insurance provisions of the Rental Agreement have been approved by the campus risk manager;

6. The Office of the President Real Estate Services & Strategies (RESS) and OGC must review and approve first right of offer or refusal or any purchase option language, if included in a Rental Agreement; and

7. The campus lease practitioner shall complete and retain in the official lease file the checklist attached to DA 2231 for Rental Agreements prepared pursuant to this delegated authority ("Lease/License Checklist"). The campus lease practitioner shall also send a copy of each fully executed Lease/License Checklist to RESS.

In cases in which the University is the tenant, you are delegated authority to exercise any option to extend the term of a Rental Agreement (Extension Option), provided that the terms of the option conform to the conditions set forth in paragraphs 1 through 6 above. An Extension Option is deemed to be a new Rental Agreement for purposes of determining whether the term of the option falls within this authority. Exercise of Extension Options shall be executed on a form of lease amendment or other document approved by the OGC. The exercise of options in Rental Agreements approved by The Regents shall be governed by the terms of that approval.

You are further delegated the authority to approve and execute ancillary documents, amendments or other modifications to a Rental Agreement consistent with the authority granted herein. Real Property Rental Agreements, ancillary documents and amendments that do not meet the conditions set out in this delegation must be submitted for approval and execution in accordance with the Standing Orders of The Regents.

RESS and OGC are available to consult on real property rental agreement negotiation, documentation matters, and capital lease evaluations. The campus shall be the office of record for original executed Rental Agreements and amendments thereto made pursuant to this delegation.

Annually, by July 31, you shall certify and submit to RESS a report listing each Rental Agreement approved and executed pursuant to this delegated authority during the preceding fiscal year, including total leased space, total cost of leased space and average cost/square foot, and attest that all terms referenced in this delegation and the Lease/License Checklist have been satisfied.
This authority may not be further redelegated and supersedes Chancellor Drake’s October 23, 2009, delegation of authority on the same subject (IDA 483).

Howard Gillman
Chancellor

cc: Provost and Executive Vice Chancellor
    Vice Chancellors
    Office of Campus Counsel
    Associate Provost and Executive Vice Chancellor
    Associate Vice Chancellor—Administration and Chief of Staff, Health Affairs
    Assistant Vice Chancellor—Accounting and Fiscal Services
    Assistant Vice Chancellor—Design & Construction Services
    Assistant Vice Chancellor—Facilities Management
    Director—Environmental Planning and Sustainability
    Director—Real Estate Services
    Director—Internal Audit
    Chief Procurement Officer—Procurement Services
    Risk Manager
    Manager—Administrative Policies