



HHS Circular C-004

Health and Human Services System Lease Policy

Purpose

The intent of this policy is to provide leasing options that may best meet the operational needs of the HHS agencies, while taking into consideration the consolidation and restructuring of health and human services agencies directed in Government Code, Title 4, Chapter 531, Section 531.0055.

Policy

When processing lease renewals or new lease requests for HHS agencies, the following options may be used:

- Option 1. One- to five-year renewal with a 180-day cancellation provision, if such a provision is appropriate for the business needs of the tenant agencies. The 180-day cancellation provision may become effective at a time during the lease that meets the business requirements of the tenant agencies. Cancellation provisions of different lengths, such as 90 days or 270 days, may be used if needed.
- Option 2. Two- to five-year leases, with or without renewal options.
- Option 3. Ten-year leases, with or without renewal options.
- Option 4. Other options that do not exceed 10 years for either the primary or renewal term, with or without renewal options, that meet the requirements of H.B. 2292 and the operational needs of the HHS agencies. Lease options 1-3 should be used unless business needs justify using other options.

Option 1 is intended to meet the needs of HHS agencies where it is possible that space will be vacated in the short term. Option 2 is preferred for most lease renewals or new leases. Option 3 may be used for areas of the state where there is relative certainty that a lease will be needed for a long term, there is little competition, or for other business reasons.



Leasing recommendations should address these objectives concerning office space:

- (1) To provide the office space needed to meet program needs.
- (2) To provide the best leasing alternative for the HHS agencies.
- (3) To reduce costs from office closings made possible as the result of a change in a program service delivery model that eliminates the need for the office.
- (4) To collocate offices to meet client service needs, or for cost savings resulting from the use of shared resources and/or reduced support costs, when such collocations do not negatively affect client services.
- (5) To utilize existing and new space to the fullest extent possible.

Staff Affected

All HHS agencies.

Responsibilities

An HHS agency requesting renewal of a lease, a new lease, or additional space in an existing lease or space to be added to an existing lease will have completed any funds certification and internal agency approval processes required by their agency prior to submitting the request to Regional Administrative Services, for regional leases, or Facility Management and Leasing, for state office locations. The funds certification should apply to all costs associated with the perspective move, including but not limited to the cost of move, additional office furnishings and equipment, telecommunications equipment, and any other necessary costs associated with the move.

HHS agency staff will cooperate with Regional Administrative Services and Facility Management and Leasing staff in complying with the C-004.

The HHSC Director of Regional Administrative Services is responsible for approval of all lease requests for HHS agencies for regional offices.

The HHSC Director of Facility Management and Leasing is responsible for approval of all lease requests for HHS agencies for state office locations.

The Texas Facilities Commission (TFC) is the lessor for all HHS agency leases. Leases are procured by TFC using processes described in the rules and legislation. TFC also has final authority to allocate space to HHS agencies to meet agency operational needs.



Inquiries

Inquiries regarding the content of this circular should be addressed to
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