

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.F.08

AREA: Asset Management

SUBJECT: Real Estate Transactions

1. PURPOSE

The purpose of this document is to prescribe policies and procedures related to the role and responsibilities of the UHS Office of Real Estate Services (“ORES”). All real estate transactions and services for the University of Houston System and its component universities shall be managed through the ORES, which is also responsible for coordinating the real estate activities of the System and its component universities with the various entities that form part of a particular real estate transaction.

ORES is responsible for ensuring the fulfillment of the requirements for approvals and reporting to the UHS Board of Regents as prescribed in [Board Policy 55.01.1](#). In concert with these responsibilities, University of Houston System (UHS) component universities shall be responsible for engaging ORES as early on as possible with regard to potential real estate transactions, including leases (whether lessee or lessor), purchase and sale transactions, easements or any other real estate transaction. ORES shall be involved in the initial planning stages of the process and shall guide or oversee communication and negotiation with the counterparty.

2. POLICY

This administrative memorandum applies to all institutions governed by UHS, including any campus, division, college/school, foundation or other UHS entity.

3. ROLES AND RESPONSIBILITIES OF OFFICE OF REAL ESTATE SERVICES

- 3.1. UHS institutions shall involve ORES in the early negotiations of real estate transactions. ORES will consult with the institution on any transaction.
- 3.2. All real estate transactions shall be directed to the ORES in writing by the administrator, department head, director, business office team member or the individual responsible for the management of the lease/transaction.
- 3.3. ORES exclusively provides UHS and its component universities real estate advice, information and market interpretations and related services. ORES will assist the requesting entity with research, gathering information and market interpretations and acquiring a required market survey/study completed by a qualified consultant to ensure the best value to UHS.

- 3.4. Lease contracts for space and easements shall be entered into in accordance with applicable law and as provided in this policy. Transactions related to the acquisition of real estate shall be entered into in accordance with applicable law, as provided in this policy, and as provided in [SAM 03.F.05](#).

4. INITIATING REAL ESTATE TRANSACTIONS WITHIN UHS

- 4.1. Each real estate transaction within UHS and its component universities shall begin by the requesting entity contacting ORES and submitting a transaction information packet to ORES. ORES shall require the following information via the transaction information packet which is available by contacting ORES or on ORES's website:

- 4.1.1. Date of transaction information packet submittal;
- 4.1.2. Name and title of person seeking advice, information or other real estate services;
- 4.1.3. Description of the purpose of the transaction, issues to be addressed or information or services sought;
- 4.1.4. Specific questions;
- 4.1.5. Deadlines for such advice, information or services;
- 4.1.6. Supporting documentation, if any; and
- 4.1.7. Recommendation for Award.

- 4.2. The Office of Real Estate Services will assign priorities to all transaction information packets received, based on factors including but not limited to deadlines, the availability of personnel to respond to the requests, and the potential consequences to the System or component university of postponing a response to such requests.

5. PROCESS OVERVIEW AND PROCEDURES

- 5.1. The requesting entity/department will define program requirements for the proposed transaction submitted to the Office of Real Estate Services and, as further described above, shall provide a complete transaction information packet to ORES.
- 5.2. The ORES will perform the following actions once a complete transaction information packet is submitted:
 - 5.2.1. Review completed transaction information packet.
 - 5.2.2. Draft documentation as appropriate.

- 5.2.3. Negotiate with relevant third party(ies) and finalize all business terms with the input of the department.
- 5.2.4. Ensure compliance with contracting policies.
- 5.2.5. Ensure proper review and approvals have been obtained, which may include, but are not limited to, the following:
 - a. Review and approval by UHS Facilities Planning and Construction;
 - b. Review and approval from the UH Fire Marshal's Office;
 - c. Review and approval from the UHS Office of Risk Management;
 - d. Review and approval from UHS Environmental Health and Life Safety; and
 - e. Review and approval by the UHS Board of Regents (in accordance with [BOR Policy 55.01.1](#)).
- 5.2.6. Submit completed transaction packet to the Office of Contracts Administration (OCA) for formal review and approval.
- 5.2.7. Facilitate any changes requested by the OCA.
- 5.2.8. Once all necessary approvals are obtained, route documents for final execution.
- 5.2.9. ORES shall submit a copy of the fully executed transaction document(s) to the initiating department.
- 5.2.10. ORES shall provide University of Houston Police Department, OCA, the Controller and Business Services a copy of the fully executed transaction document(s) and shall alert related parties such as Facilities Planning and Construction and Risk Management of the completion of the transaction.

6. REVIEW AND RESPONSIBILITY

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every three years on or before July 1

7. APPROVAL

Approved: Jim McShan
Senior Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: May 31, 2018

REVISION LOG

Revision Number	Approval Date	Description of Changes
1	12/04/2015	Initial version
2	05/31/2018	Changed title from “Requests for Services from the Office of Real Estate Services” to “Real Estate Transactions.” Updated documentation to reflect current operating practices. Combined Sections 4 and 5 into one area (Section 5) for process overview and procedures. Revised Section 4 to address real estate transactions within UHS. Changed responsible party from Associate Vice Chancellor for Administration to Senior Associate Vice Chancellor for Finance