



Validation Session
Real Estate (RE-FX)
December 9th & 10th

LaGov

Version 3.0
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Validation Session Agenda

- Purpose
- Work Session Recap
- To-Be Processes by Topic
 - Key Design Elements and Decisions
 - Changes and Challenges
 - Open Issues
 - Benefits/Improvements
- Supporting Master Data Design
 - Key Design Elements and Decisions
 - Changes and Challenges
 - Open Issues
 - Benefits/Improvements
- FRICE-W objects
- Conversion Strategy and Interim Solution
- Organizational Impacts
- Next Steps
- Questions



Purpose of Today's Validation Session

The purpose of this session is to provide some feedback on our plan to move forward with the implementation of SAP Real Estate (RE-FX) based on the requirements that you have provided through the blueprint sessions. We will review the key decisions by applying them in the To-Be Processes and discuss the issues that remain as action items.



Process To-Be

- The state currently uses SLABS as a tracking system. Through the implementation of SAP, we are going to change from a tracking system to a property management system. What does that mean for the state?

CHANGE



Process To-Be

- How will it change?
- We are going to manage our real estate instead of just tracking
- We don't know where available space is in all state buildings or where in a building the space is available – We will know where space is available in every building and at the floor level
- We will know what buildings are vacant and why
- We will know how space in all state buildings is being utilized
- We will know all costs/revenues associated with each building
- We will know what we own and where

Tomorrow's goal is to "Manage our real estate assets". We will accommodate "all" insurance requirements so ORM can meet their insurance obligations.



Process To-Be

- The way end users have been entering data into the existing systems will be different.
- We will not allow the lack of data now to determine the design of the best solution. This is our property and we should have this data readily available. We will begin now gathering the data needed to move forward.



Process To-Be

- We need to do the following in order to move forward:
 - * Train end-users
 - * Set up master data
 - * Set up real estate contracts – These contracts will represent all the types of contracts we have across the entire real estate life cycle – purchase, lease, sale, etc.



Workshop Session Recap

Business Process	Workshop Codes	Goals	Work Session Date
Master Data	FI-RE-001	<p>Determine the master data structure of the real estate portfolio (for leased and owned buildings)</p> <p>Design discussion of the characteristics that are to be tracked</p> <p>Discussion regarding the business partner relationships / data required relevant to the real estate portfolio.</p>	9/23/08-9/25/08
Transactions	FI-RE-002	<p>Main focus on acquisition and disposition of real estate</p> <p>Requirements and processes that need to be supported</p>	10/8/08
Leasing	FI-RE-003	<p>Determine the requirements to manage leases</p> <ul style="list-style-type: none"> - Ext. Lease-in's (external third-party / payable) - Ext. Lease-out's (external third-party / receivable) - Int. Lease-out's (internal occupancy agreements) - Other external third party agreements - Service agreements - Etc. 	10/30/08
Right of Ways	FI-RE-004	<p>Focus on the design for the master data structure for Right of Ways</p>	11/13/08



Topic

We have three main areas of review

- Acquisition of Land, Buildings, and Right of Ways
- Leasing of State-owned and Non-state owned buildings
- Disposal/Transfer/Sale of Land and Buildings



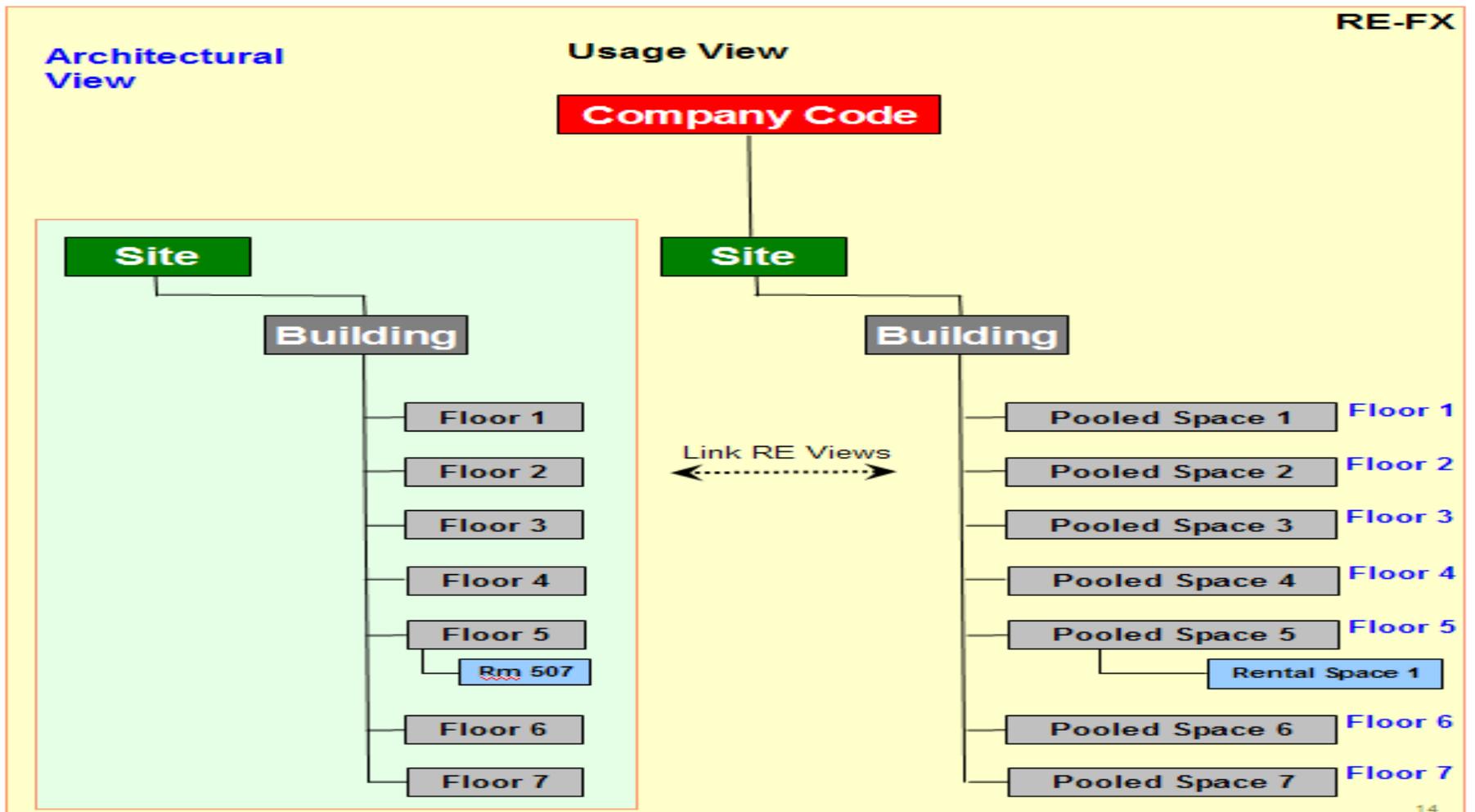
❖ Acquisition of Land and Buildings – Key Decisions

- ❖ To acquire a real estate object (land, building, or structure), a real estate object will be created and an acquisition contract will be created. Since real estate objects are funded through capital outlay, a WBS element will be setup to settle costs to that project.
- ❖ When the real estate object is created, ORM, OSL, FP&C, and OSRAP will be notified. OSRAP will be responsible for creating an asset (if applicable).
- ❖ DOTD will be responsible for creating Right of Ways.
- ❖ The agency that purchases the real estate object will be responsible for sending OSL all conveyance documents.



Master Data – Key Decisions

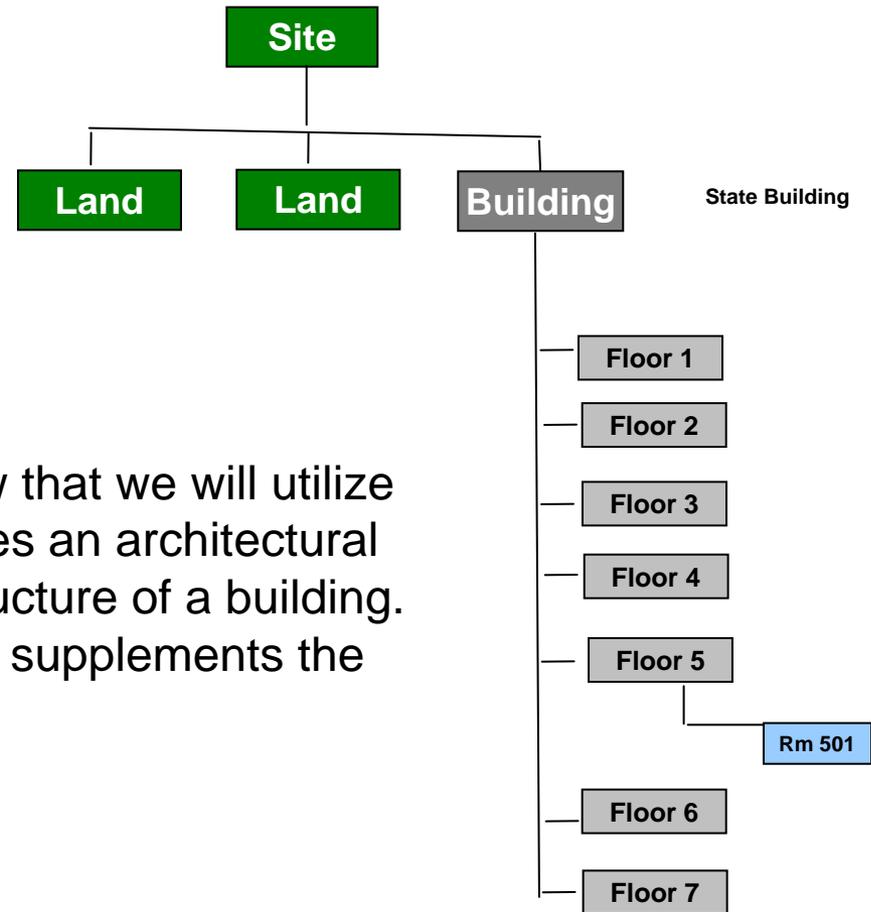
The Architectural View and Usage View will be utilized





➤ Acquisition of Land and Buildings – Process To-Be

Architectural View - AO



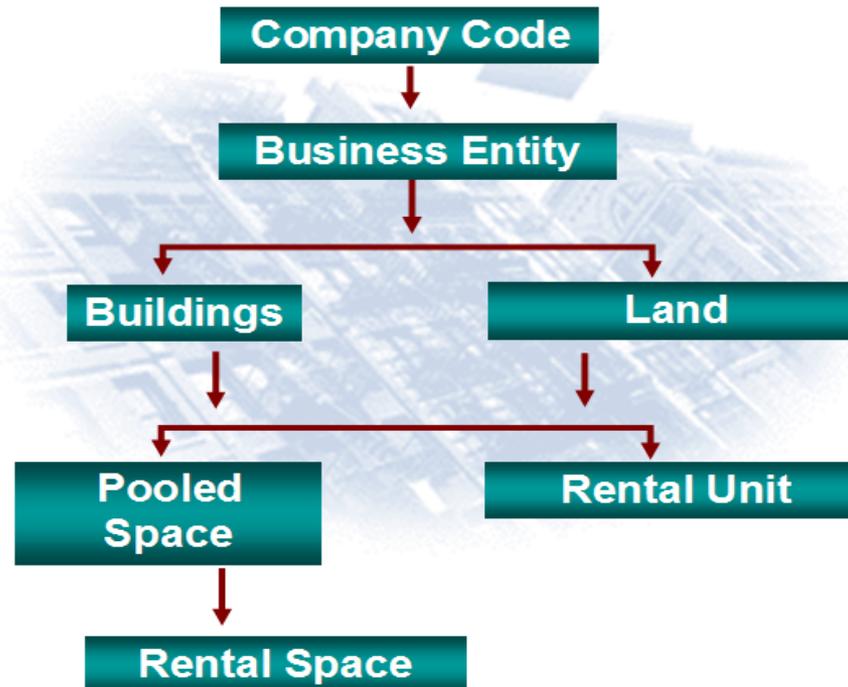
The Architectural View is an optional view that we will utilize to help manage our real estate. It provides an architectural Structure that represents the physical structure of a building. It is user-defined. The Architectural View supplements the master data of the Usage View.



Master Data – Key Decisions

Usage View - UO

The Usage View is mandatory and cannot be changed or realigned. All real estate objects that make up this view are controlling objects. This means that both costs and revenue can be posted to these real estate objects.





Master Data – Key Decisions

Number Ranges:

- ❖ SAP will generate BE numbers automatically (internal number assignment).
- ❖ Custom fields will be created that will allow legacy “Site Code Numbers” to be captured in SAP as part of the standard BE master data.
- ❖ We will enhance the SAP search capability to allow the end-user to search for sites (BE’s in SAP) by either the legacy “Site Code Numbers” or with any of SAP’s standard search criteria that is available.



Master Data – Key Decisions

Measurement types- This will be created according to current requirements as follows:

MeasType	Short Measurement Type Desc	Total	Area Ms.	Dflt Unit	Allow Site	Allow. Land	Allow. Rental Object	Allow. Bldg.	Allow. Conctrct
A100	Gross Building Area		X	FT ²	X			X	
A200	Rentable Area		X	FT ²	X		X	X	X
A300	Useable Area		X	FT ²	X		X	X	X
A400	Total Flood Area		X	FT ²				X	
A500	Flood Area (Ground Level)		X	FT ²				X	
A600	Flood Area (Basement)		X	FT ²				X	
A700	Land (Parcel) Area		X	FT ²	X	X	X		X
A800	Land (Parcel) Area		X	Acre	X	X	X		X
A900	Land (Parcel) Area		X	Arpents	X	X	X		X
A710	Land (ROW) Area		X	FT ²	X	X	X		X
A810	Land (ROW) Area		X	Acre	X	X	X		X
A910	Land (ROW) Area		X	Arpents	X	X	X		X



Master Data – Key Decisions

Total Measurements- are used to derive sub-totals of user-defined measurement types. These will be used to meet ORM requirements. The flood area of a building consists of the ground floor area and the basement areas.

Source Meas. Type	Source Name	Total Meas. Type	Total Name	Num.	Denom.
A500	Flood Area (Ground Level)	A400	Total Flood Area	1	1
A600	Flood Area (Basement)	A400	Total Flood Area	1	1



Master Data – Key Decisions

Regional Locations

This field is used to help classify sites into general geographic areas. Three SAP fields will be used as follows:

- 1) Regional Location - To capture Planning District/Parish
- 2) Location – To capture Planning District
- 3) Maintenance District – To capture Parish

These fields will allow reporting by grouping sites according to combinations of parishes or districts, or according to other criteria, such as type of building, buildings managed by the same agency or person, etc.



Master Data – Key Decisions

The following “Regional Locations” (Planning Districts/Parishes) will be configured as follows:

Reg. Location ID	Regional Location Long Text
5-12	Lake Charles / Cameron
5-27	Lake Charles / Jefferson Davis
6-05	Alexandria / Avoyelles
6-13	Alexandria / Catahoula
6-15	Alexandria / Concordia
6-22	Alexandria / Grant
6-30	Alexandria / Lasalle
6-40	Alexandria / Rapides
6-58	Alexandria / Vernon
6-64	Alexandria / Winn
7-07	Shreveport / Bienville
7-08	Shreveport / Bossier
7-09	Shreveport / Caddo
7-14	Shreveport / Claiborne
7-16	Shreveport / Desoto
7-31	Shreveport / Lincoln

Reg. Location ID	Regional Location Long Text
7-35	Shreveport / Natchitoches
7-41	Shreveport / Red River
7-43	Shreveport / Sabine
7-60	Shreveport / Webster
8-11	Monroe / Caldwell
8-18	Monroe / East Carroll
8-21	Monroe / Franklin
8-25	Monroe / Jackson
8-33	Monroe / Madison
8-34	Monroe / Morehouse
8-37	Monroe / Quachita
8-42	Monroe / Richland
8-54	Monroe / Tensas
8-56	Monroe / Union
8-62	Monroe / West Carroll
9-65	Out of State



Master Data – Key Decisions

The following “Regional Locations” (Planning Districts/Parishes) will be configured as follows:

Reg. Location ID	Regional Location Long Text
1-26	New Orleans / Jefferson
1-36	New Orleans / Orleans
1-38	New Orleans / Plaquemines
1-44	New Orleans / St.Bernard
1-52	New Orleans / Tammany
2-03	Baton Rouge / Ascension
2-17	Baton Rouge / East Baton Rouge
2-19	Baton Rouge / East Feliciana
2-24	Baton Rouge / Iberville
2--32	Baton Rouge / Livingston
2-39	Baton Rouge / Pointe Coupee
2-46	Baton Rouge / St.Helena
2-53	Baton Rouge / Tangipahoa
2-59	Baton Rouge / Washington
2-61	Baton Rouge / West Baton Rouge
2-63	Baton Rouge / West Feliciana

Reg. Location ID	Regional Location Long Text
3-04	Houma / Assumption
3-29	Houma / Lafourche
3-45	Houma / St.Charles
3-47	Houma / St.James
3-48	Houma / St.John
3-55	Houma / Terrebonne
4-01	Lafayette / Acadia
4-20	Lafayette / Evangeline
4-23	Lafayette / Iberia
4-28	Lafayette / Lafayette
4-49	Lafayette / St.Landry
4-50	Lafayette / St.Martin
4-51	Lafayette / St.Mary
4-57	Lafayette / Vermilion
5-02	Lake Charles / Allen
5-06	Lake Charles / Beauregard



Master Data – Key Decisions

Location - This field will be used to represent Planning Districts. The field will be renamed to “Planning district”.

Location	Business Entity Location
1	New Orleans
2	Baton Rouge
3	Houma
4	Lafayette
5	Lake Charles
6	Alexandria
7	Shreveport
8	Monroe
9	Out of State



Master Data – Key Decisions

Maintenance District - This field will be used to represent Parishes.
The field will be renamed “Parish”.

MDist	Maintenance Distr.	MDist	Maintenance Distr.	MDist	Maintenance Distr.	MDist	Maintenance Distr.
1	Acadia	33	Madison	18	East Carroll	50	St. Martin
2	Allen	34	Morehouse	19	East Feliciana	51	St. Mary
3	Ascension	35	Natchitoches	20	Evangeline	52	St. Tammany
4	Assumption	36	Orleans	21	Franklin	53	Tangipahoa
5	Avoyelles	37	Ouachita	22	Grant	54	Tensas
6	Beauregard	38	Plaquemines	23	Iberia	55	Terrebonne
7	Bienville	39	Pointe Coupee	24	Iberville	56	Union
8	Bossier	40	Rapides	25	Jackson	57	Vermilion
9	Caddo	41	Red River	26	Jefferson	58	Vernon
10	Calcasieu	42	Richland	27	Jefferson Davis	59	Washington
11	Caldwell	43	Sabine	28	Lafayette	60	Webster
12	Cameron	44	St. Bernard	29	Lafourche	61	West Baton Rouge
13	Catahoula	45	St. Charles	30	Lasalle	62	West Carroll
14	Claiborne	46	St. Helena	31	Lincoln	63	West Feliciana
15	Concordia	47	St. James	32	Livingston	64	Winn
16	Desoto	48	St. John the Baptist			65	Out of State
17	East Baton Rouge	49	St. Landry				



Master Data – Key Decisions

Buildings (BU):

The building real estate object in SAP represents any structure that is built upon land as an improvement of that land.

All state and non-state owned structures will be mapped as real estate objects in SAP.

Number Ranges:

The number ranges are company code and business entity (Site) dependent. Internally assigned number ranges will be used for both state and non-state owned structures. Custom fields will be created to allow legacy “Building ID Numbers” to be captured as part of the standard BU master data. The SAP search capability will also be enhanced to allow the end-user search and reporting capabilities.



Master Data – Key Decisions

Naming Convention:

The name of the building real estate object in SAP will be the name as currently found in SLABS. It will be created in UPPERCASE. The validity date of the building will be the date the building was acquired.

Main Usage Types:

The main usage type describes the primary purpose of a building. This is a changeable attribute. In the event a building is repurposed or undergoes major changes, the main usage type can be adjusted.



Master Data – Key Decisions

Main Usage Types- The main usage types will be configured as follows:

MUsagTyp	Main Usage Type
1	Agricultural
2	Commercial
3	Educational
4	Government
5	Industrial
6	Medical
7	Military
8	Other
9	Parking
10	Recreational
11	Religious
12	Residential
13	Storage
14	Transit Stations



Master Data – Key Decisions

Building Types- The building type is used to describe the type of building. The building type will be configured as follows:

No.	Building Type Long Name
1	AGR - Barn
2	AGR - Chicken coop
3	AGR - Farm house
4	AGR - Grainery
5	AGR - Greenhouse
6	AGR - Hay loft
7	AGR - Horse mill
8	AGR - Other
9	AGR - Pigpen or sty
10	AGR - Root cellar
11	AGR - Shed
12	AGR - Silo
13	AGR - Stable
14	AGR - Storm cellar
15	AGR - Tide mill
16	AGR - Watermill
17	AGR - Well house
18	AGR - Wind mill



Master Data – Key Decisions

More Building Types

No.	Building Type Long Name
19	COM - Bank
20	COM - Bar
21	COM - Casino
22	COM - Coffee house
23	COM - Convention center
24	COM - Forum
25	COM - Gas station
26	COM - Hotel
27	COM - Market
28	COM - Motel
29	COM - Nightclub
30	COM - Office building
31	COM - Other
32	COM - Restaurant
33	COM - Shopping mall
34	COM - Skyscraper
35	COM - Stock exchange
36	COM - Store
37	COM - Supermarket
38	COM - Warehouse

No.	Building Type Long Name
39	EDU - Amphitheater
40	EDU - Art gallery
41	EDU - Classroom Building
42	EDU - College
43	EDU - Concert hall
44	EDU - Dormitory
45	EDU - Gymnasium
46	EDU - Library
47	EDU - Museum
48	EDU - Other
49	EDU - School
50	EDU - Students' union
51	EDU - University



Master Data – Key Decisions

More Building Types

No.	Building Type Long Name
52	GOV - Capitol
53	GOV - City hall
54	GOV - Consulate
55	GOV - Correctional Institute
56	GOV - Courthouse
57	GOV - Embassy
58	GOV - Fire station
59	GOV - Other
60	GOV - Palace
61	GOV - Parliament
62	GOV - Police station
63	GOV - Post office

No.	Building Type Long Name
64	IND - Brewery
65	IND - Factory
66	IND - Foundry
67	IND - Mill
68	IND - Mining
69	IND - Other
70	IND - Power plant
71	IND - Refinery
72	MED - Clinic
73	MED - Hospice
74	MED - Hospital
75	MED - Other
76	MED - Outpatient facility



Master Data – Key Decisions

More Building Types

No.	Building Type Long Name
77	MIL - Barracks
78	MIL - Blockhouse
79	MIL - Bunker
80	MIL - Castle
81	MIL - Citadel
82	MIL - City gate
83	MIL - Defensive wall
84	MIL - Fort
85	MIL - Fortification
86	MIL - Other
87	MIL - Tower
88	OTH - Aqueduct
89	OTH - Water Tower
90	PRK - Aircraft hangar
91	PRK - Boathouse
92	PRK - Garage
93	PRK - Other

No.	Building Type Long Name
94	REC - Arena
95	REC - Bathhouse
96	REC - Marina
97	REC - Movie theater
98	REC - Opera house
99	REC - Other
100	REL - Other
101	REC - Stadium
102	REC - Symphony
103	REC - Theater
104	REL - Basilica
105	REL - Cathedral
106	REL - Chapel
107	REL - Church
108	REL - Duomo
109	REL - Fire Temple
110	REL - Gurdwara



Master Data – Key Decisions

More Building Types

No.	Building Type Long Name
111	REL - Imambargah
112	REL - Martyrium
113	REL - Mihrab
114	REL - Mithraeum
115	REL - Monastery
116	REL - Mosque
117	REL - Oratory
118	REL - Pagoda
119	REL - Pyramid
120	REL - Shrine
121	REL - Synagogue
122	REL - Temple
123	RES - Apartment block
124	RES - Asylum
125	RES - Condominium
126	RES - Dormitory

No.	Building Type Long Name
127	RES - Duplex
128	RES - House
129	RES - Nursing home
130	STR - Barn
131	STR - Other
132	STR - Shed
133	STR - Storage silo
134	STR - Warehouse
135	TRN - Airport terminal
136	TRN - Bus station
137	TRN - Ferry
138	TRN - Metro (subway, underground) station
139	TRN - Other
140	TRN - Signal box
141	TRN - Train station



Master Data – Key Decisions

Building Condition – The building condition field identifies the state or disrepair of a building, such as excellent, good, fair, poor, impaired, tear down, or functionally obsolete. This is an important indicator for disposal planning. It is a requirement that state buildings be classified to the International Organization for Standardization (ISO) Classes 1-6. The field will be renamed “ISO Class”. The classes are as follows:

Bl_Cnd	Building Condition
1	ISO Class 1
2	ISO Class 2
3	ISO Class 3
4	ISO Class 4
5	ISO Class 5
6	ISO Class 6



Master Data – Key Decisions

Custom Fields on the Building Record

A number of custom fields will be created in SAP to accommodate the state's needs. They are as follows:

- Insured or non-insured
- Flood Zone
- Building Shape classifications
- GIS Latitude and Longitude (two fields). These fields will be automatically populated via an automatic upload from a handheld device.
- Owned or Leased
- Legacy Building ID Number
- Coverage Code: P10 or P31 (Drop down list)
- ORM Area: Nine areas (Drop Down list)
- Marshall & Swift indicator: Yes or No (Drop down list)
- Marshall & Swift Occupancy Codes (Drop down list). This field will be created to allow for multiple occupancy codes per building. Included with the occupancy code will be the description, and sq. ft. amount.
- Building Replacement Cost
- Value Date (mm/dd/yy)
- Date Last Inspected



Master Data – Key Decisions

Fixtures and Fittings – This field is used to describe special building components. The fixtures and fittings that influence the insurability of a building have been established and will be configured into SAP. We are still investigating fixture and fittings for assessment purposes. Additional fixture and fittings will be added as needed.

Fixtures and Fittings that influence the insurability of buildings are:

Category	Fixture & Fittings
Sprinklers	<ul style="list-style-type: none">• Sprinklers: Dry Sprinklers• Sprinklers: Wet Sprinklers
Elevators	<ul style="list-style-type: none">• Elevators: Passenger Elevators• Elevators: Power Freight Elevators• Elevators: Manual Freight Elevators
HVAC	<ul style="list-style-type: none">• HVAC: Cooled Air• HVAC: Warmed Air• HVAC: Cooled and Warmed Air



Master Data – Key Decisions

System Status at the Building Record – The system status will be used to indicate current status of a building. Based on the system status, end users may not be able to perform any activity against the building including financial postings. System statuses include: CRTE (created), REL (released), and AALK (Account Assignment lock).

User Status at the Building Record – The user status field will also be utilized to help describe the building status. Examples of the “User Status” field include pending sale, sold, demolished, inactivated, etc.

Land (Parcels) – Land or Property only refers to the ground or land and does not include any improvement or structure that may be built on that land. The state will use this to model a land parcel. All OSL required fields will be accommodated in SAP.

Number Ranges – Land numbers are company code and business entity dependent and will be internally assigned by the system.



Master Data – Key Decisions

Naming Convention – The name of the land parcel will be the same as currently classified in SLABS. The validity date of the land will be the date the land was acquired. As there may be multiple parcels assigned to a site, the dates for each individual parcel will need to be maintained.

Main Usage Type – The main usage type describes the primary purpose of the parcel. This table supplements the main usage types that will be configured for buildings. The types will include:

15	Timberlands
16	Wetlands

Property Type – The property types to be configured are: ROW or Non-ROW

Ground Type – The ground type will be configured as: No contamination or Contamination Found

Overall Condition – the overall condition types will be configured as: Environmentally cleaned, Remediation required, or Environmentally Safe



Master Data – Key Decisions

Heritage Building Rights – This field will be used to indicate if a building was constructed on land subject to heritable rights. The characteristics are informational only. The following data will be configured: Rights given, Rights received, No inheritable Rights.

Enhancements for Parcels – A number of enhancements will be required to accommodate the data that needs to be captured. Fields that are required are as follows:

- 1) Parcel Number
- 2) Parcel Name

The following attributes of a parcel will also be required. In addition, the table (to be developed) must allow the capture of multiple attributes per parcel.

- 3) Section / Township / Range
- 4) Latitude / Longitude

In addition, the following free text fields will be created:

- 5) Free text field for a Meters and Bounds description
- 6) Free text field for Rights / Restrictions description (data sensitive)



Transactions - Key Decisions

Transaction Management

The acquisition and disposal of land and buildings requires the Usage View to be set up in RE-FX. It also requires a Business Partner (with either a vendor or customer master record) to be created. The real estate object and business partner are required in order to create a real estate contract in RE-FX.





Transactions - Key Decisions

Real Estate Contracts

Currently SLABS does not involve financial transactions, so this will be a new process. Since the acquisition or disposal of property involves financial transactions, financial business partners that are linked to the customer and vendor accounts will need to be set up in SAP.

We will set up the following:

- Partner with vendor account – for acquisition (purchase) contracts
- Partner with customer account – for disposal (sales) contracts



Transactions - Key Decisions

Contract Accounting – The Real Estate contract accounting is fully integrated with SAP Financials and SAP Controlling. The vendor and customer accounts will be setup in Accounts Receivable and Accounts Payable.

Each property owner (from whom the real estate object will be acquired) will be created as a business partner in RE-FX and will have a corresponding vendor master record in Accounts Payable.

Each property buyer (from whom the real estate object will be sold) will be created as a business partner in RE-FX and will have a corresponding customer master record in Accounts Receivable.



Transactions - Key Decisions

Contract Creation / Approval Process - Because of the command that the real estate contract has on financial postings in SAP Financials, controls will be put in place that require a person other than the creator of the contract to release the contract for payment.

Approval Process Flow - The real estate contract approval process will be controlled by workflow.

Contract Types - The State of Louisiana will be using the two contract types for the acquisition and disposal of property as follows:

- Purchase contract
- Sales contract.



Transactions - Key Decisions

Organizational Impact

There are a number of organizations that will/could be involved in the set up of acquisition and disposal contracts. They are as follows:

- Agencies (i.e. the agency that is designated the “owner” of the building, or DOTD for the acquisition of Right-of-Ways)
- Office of Facility Planning & Control (OFPC)
- Office of State Lands (OSL)
- It still has to be resolved as to which organization will be responsible for creating and executing contracts.



➤ Leasing of Land and Buildings – Key Decisions

The four processes that will be utilized for tracking leases, available and occupied space, and recovery costs are:

- **Lease-In**
 - a. Create master data for space being leased in non-state owned buildings
 - b. Create a lease-in contract to track leased space in non-state owned buildings

- **Internal Lease-Out**
 - a. Create master data for space being occupied in state owned and non-state owned buildings
 - b. Create an internal lease-out (occupancy agreement) for internal agencies occupying space in state owned and non-state owned buildings.

- **External Lease-Out**
 - a. Create master data for space available for leasing to external third-parties in state owned and non-state owned buildings
 - b. Create an external lease-out (third party agreement) for leasing out space to external third-parties (tenants).

- **Operating cost recovery**



➤ Leasing – Key Decisions

Contract Types - The real estate contract allows for configuration of various contract types. The following contract types for the leasing of buildings and the leasing of space will be as follows.

Cnt Type	Long Text	Short Text	Cat	O/U	Reference	Sec Dep	No Interval	Condition Group	Period
CO01	Commercial Lease-Out	Comm. Lease-Out	Ext	O	Objects/lease out		1	Com. Lease Out	2
CO02	Land Lease-Out	Land Lease-Out	Ext	O	Objects/lease out		1	Com. Lease Out	2
CI01	Commercial Lease-In	Comm. Lease-In	Ext	U	Objects/lease In		1	Com. Lease In	2
CI02	Land Lease-In	Land Lease-In	Ext	U	Objects/Lease In		1	Com. Lease In	2
CO03	Internal Lease-Out	Occupancy Agreement	Ext	O	Objects/lease out		1	Int. Lease Out	2

This list may not be conclusive. There may be other types of contracts, such as service agreements, permits etc. that have to still be identified. This list will be updated as more information becomes available during the Realization Phase.



➤ Leasing – Key Decisions

Renewal Rules - Renewal rules are created to renew fixed-term contracts. This is done by assigning renewal rules to the contracts. The following standard renewal rules will be created as templates for assigning to the contract.

RRule	Renewal Rule Name	Autom Renewal Type	Text Module
1000	1 Option for 1 Year, 3 Months Notice Period	One or More Repetitions	1000
1100	1 Option for 5 Years, 3 Months Notice Period	One or More Repetitions	1100
1200	2 Options for 1 Year, 6 Months Notice Period	One or More Repetitions	1200
1300	2 Options for 5 Years, 1 Year Notice Period	One or More Repetitions	1300
2000	Recurring Renewal of 1 Year, 3 Months Notice Period	Repetition of Las Rule	2000
3000	1 Option and 1 Renewal; Each for 1 Year; 3 Months Notice	One or More Repetitions	3000

This list may not be conclusive. Additional renewal rules identified during the Realization Phase will be added to this list.



➤ Leasing – Key Decisions

Termination Notices - Termination notice may be given on a contract with an early termination clause. When the notice is given, a reason is selected as to why the notice is given. This is for notice reporting. The following notice reasons will be configured.

RNo	Notice Reason Name	Name of Notice	Notice Given By
1	No reason given	Not Specified	Lessee
2	Rent increase demand	Rent Increase	Lessee
3	Restricted use	Restricted Use	Lessee
4	Bankruptcy/Out of business	Bnkrptcy/Closed	Lessee
5	Tenant requests relocation	Tenant Relo	Lessee
6	Economic advantage for tenant	Economic Advtg	Lessee
7	Unauthorized use	Unauthorized Us	Lessor
8	Economic advantage for LL	Economic Advtg	Lessor
9	Delinquent rent	Delinquent Rent	Lessor
10	LL exercises right to relocate	LL Right to Rel	Lessor
11	Exercise early term option	Early Term	Lessor

This list may not be conclusive. Additional notice reasons identified during the Realization Phase will be added to this list.



➤ Leasing – Key Decisions

Rejection Reason - When completing the contract notice screen, a drop down provides a list of reasons the notice was rejected. The reasons for rejection will be defined as follows.

R No	Reject Reason Name	Reject Reason
1	Notice period not adhered to	Notice Period
2	Separate notice not possible	Linked Notice
3	Form error	Form Error
4	Other reason	Other Reason
5	Fix-term contract not expired	Fix. Term Cnt

This list may not be conclusive. Additional rejection reasons identified during the Realization Phase will be added to this list.



➤ Leasing – Key Decisions

Calculation Formulas - The following calculation formulas will be configured for use on the state's real estate contracts for the leasing of buildings and space within buildings.

Ext Rule	Calculation Formula Name
A	Fixed Amount
B	Measurements

This list may not be conclusive. Additional calculation formulas identified during the Realization Phase will be added to this list.



➤ Leasing – Key Decisions

Condition Types - Condition types, or “charge amounts” are the most visible aspect when setting up the contract/lease accounting characteristics of a contract. The selection of a condition type specific to the real estate contract being created controls the account assignment (i.e. .which GL account gets posted to). Condition types are assigned to condition groups, which are assigned to contract types The following condition types will be set up for acquisition, disposal and leasing contracts.

Condition Type	Short Name	Long Name	Flow Type	Calc Formula	Dist Formula
I100	Basic LT Rent Exp	Basic Long-Term Rent Expense	I100	Fixed Amount	Divided Equally
I140	Operating Exp	Operating Expense	I140	Fixed Amount	Divided Equally
O100	Basic Rent Income	Basic Rent Income	O100	Fixed Amount	Divided Equally
O140	Operating Exp Rec.	Operating Expense Recovery	O140	Fixed Amount	Divided Equally

This list may not be conclusive. Additional condition types identified during the Realization Phase will be added to this list.



➤ Leasing – Key Decisions

Operating Cost Recovery

- CO will be used to capture and allocate overhead and indirect costs to buildings based upon SKF's (Statistical Key Figures)
- The area measurements will be used to determine the SKF's
- Direct costs will be posted to buildings via Accounts Payable. Where invoices apply to multiple buildings, the split amongst the various buildings will be at the invoice level.
- A real estate controlling report will be executed to determine the total cost per building. The report will also compute the cost per sq. ft. based upon the area of each building.



➤ Leasing – Key Decisions

Operating Cost Recovery

- DOA will apply their adjustment for inflation to determine the cost per sq. ft. to be charged to agencies. The DOA has the discretion to charge agencies the full amount, or to waive any charges.
- These all inclusive charges will be called “rent” and will be a condition type on both the external and internal lease-out (i.e. for spaces occupied by ‘external’ and ‘internal’ agencies).
- A transaction will be executed to carry out the financial posting. An invoice will be generated for the ‘external’ agency and the internal agency’s cost center will be debited.



➤ Leasing – Key Decisions

Key Business Process Decisions

#	Decision	Process Impact	
		Process Impact	Organizational Impact
1	The real estate contract will be used for the leasing of real estate (i.e. building) from an external party. In SAP, this is called a “lease-in” (payable). The business partner will be a landlord with vendor account.	None	None
2	The real estate contract will be used for sub-leasing excess/vacant space in a building to an external party. In SAP, this is called a “lease-out” (receivable). The business partner will be a tenant with customer account.	None	None
3	The real estate contract will be used for leasing space in a building internally to an agency. In SAP, this is called an “internal “lease-out””. This is also known as an occupancy agreement. Since it is internal to the organization, the agency’s cost center will be debited.		



➤ Leasing – Key Decisions

Conversions - All existing lease-in's and (external) lease-out's will be converted from SLABS. No conversion will be required for internal lease-out's as this is new functionality that will be used moving forward.

C - Conversions							
No.	Type of Data	Use	Source	Destination	Justification	Approach	Comments
1	Lease-In's	Lease buildings or space from landlords / building owners	SLABS		Required	Flat file / LSMW upload	Before the lease-in can be created, the site, building and business partner must exist in the system.
2	Lease-Out's	Lease space in a building to an external tenant	SLABS		Required	Flat file / LSMW upload	Before the lease-out can be created, the site, building, pooled space, rental space, and business partner must exist in the system.
3	Internal Lease-Out's	Lease space in a building to an internal agency			Required	Flat file / LSMW upload	Before the internal lease-out can be created, the site, building, pooled space, rental space, as well as the agency's cost center must exist in the system.



➤ Leasing – Key Decisions

Organizational Impact

There are a number of organizations that will/could be involved in the set up of lease-in's, lease-out's and internal lease-out's. They are as follows: Agencies (i.e. the agency that is designated the “owner” of the building) Office of Facility Planning & Control (OFPC). Currently, OFPC is responsible for creating lease-in's and external lease-out's. It still has to be resolved as to which organization will be responsible for creating internal lease-out's.



Right of Way Parcels - Key Decisions

Right of Way Parcels

Right of Way Parcels will be entered into SAP. The managing processes, tasks or activities that precede the acquisition and disposal of land parcels will be discussed at a later time.

We will focus on the acquisition of land parcels in fee and in servitude as well as the disposal of uneconomic remnants.



Right of Way Parcels - Key Decisions

Right of Way Parcels – The three processes are:

- Acquisition (in fee) –
 - Create master data for the land parcel(s) being acquired, and
 - Create an acquisition (purchase) contract to effect the one-time payment

- Disposition (in fee) –
 - Review existing land master data records for uneconomic remnants of Right-of-Way's and close off legal dependencies, and
 - Create a disposal (sales) contract to record the one-time sales transaction.

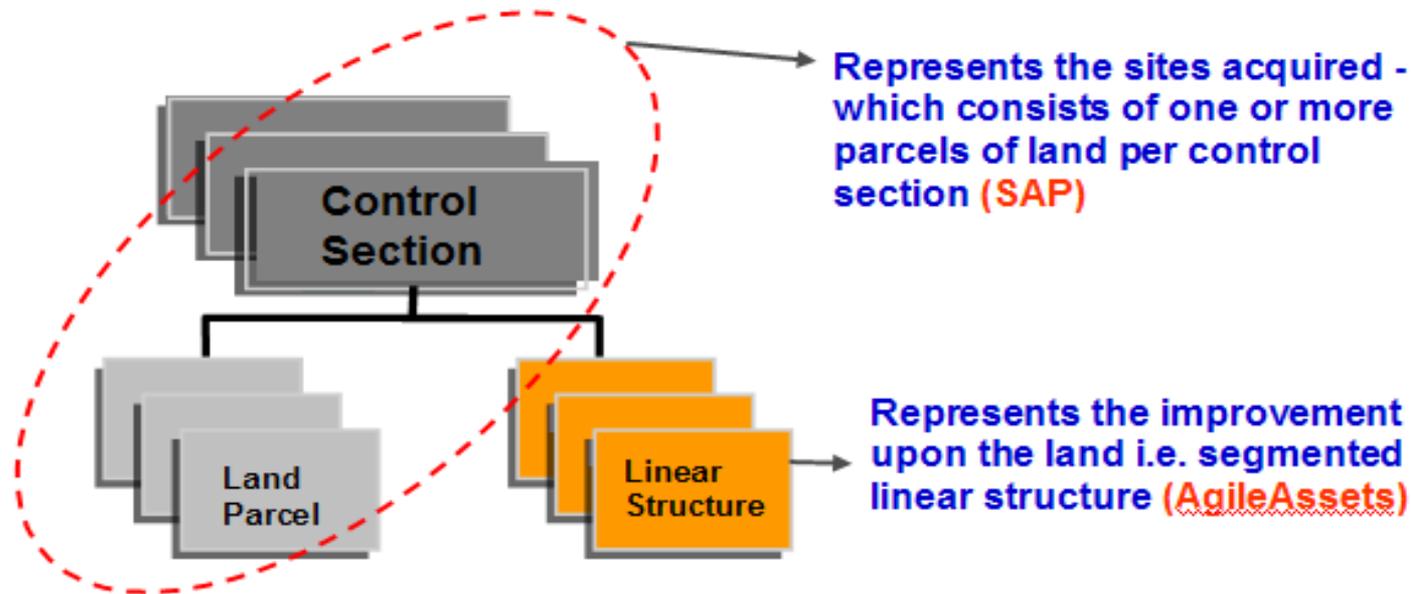
- Acquisition (in servitude) –
 - Create master data for the land parcel(s) being leased, and
 - Create a leasing contract to effect the periodic payments



Right of Way Parcels - Key Decisions

Business Entity (BE) - Site

A parcel of land will be modeled as a “Land” real estate object. The land object will be linked to a Business Entity. The BE for Right of Ways will represent a “Control Section”.



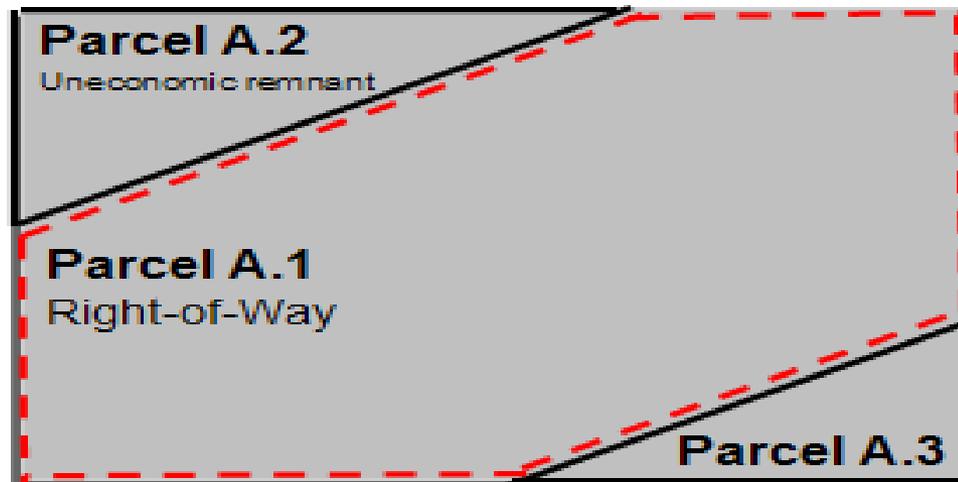


Right of Way Parcels - Key Decisions

Lease (Contract) Management

Usage View - In order to process the leasing of land, the real estate objects being leased out will need to be created in the Usage View first. The acquired land parcel will be sub-divided to separate out the uneconomic remnants only when it is decided to sell or lease out those remnants.

These will be created as individual land real estate objects as shown below.





Open Issues

- Set-up employees living in state property for employee payroll deductions
- Contact other agencies and make sure all needed lease types are included
- Security Levels – “tab” level or “field” level
- Flood Zones – Electronic listing from FEMA



FRICE-W Objects

- Search Capabilities on new fields
 - Need multiple search options: legacy Site Codes, legacy State ID's, legacy Lease Numbers, etc.
- Reports:
 - Report of fields that need to be keyed into Marshall and Swift
- Interfaces:
 - Marshall and Swift Upload
 - Sq. ft. entire building (exterior/ gross)
 - Replacement cost (updated for each building every 4 years)
 - Basement/ type
 - Fencing
 - Ground sq ft (1st floor and basement) not in Marshall and Swift



FRICE-W Objects (cont.)

- Conversions:
 - Systems impacting RE
 - SLABS
 - REELS
 - Data conversion of SLABS buildings may duplicate
 - Need to clean up data in SLABS
 - DOTD building setup by control section as part of road construction
- Enhancements:
 - Additional fields to accommodate land requirements
- Workflow



Overall Organizational Impact

- Need for all agencies to supply usable space per building per floor
- Memo from district admin will be needed to change ROW land to excess land
- Available space in non-DOA buildings are not controlled by OFPC. Data is not available to La Gov systems other than Sq. Ft in STAMPS for insured, occupied space via IFUN
- Site or Building number change would impact decades of paper filing system
- OFPC uses Filenet for electronic document storage and stores by site code
- State needs to identify owned property, ROW, and servitude not in any existing databases



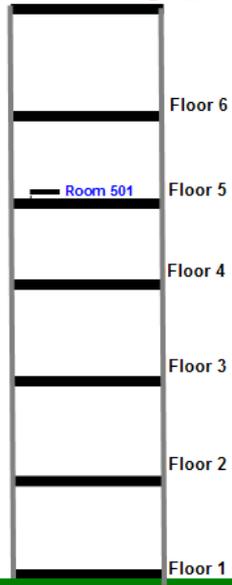
Responsibilities – Master Data

State Agencies State Agencies State Agencies State Agencies State Agencies State Agencies



SAP Master Data

DOTD Building Floor 7



Responsibility



- Design & Construction
- Real Estate Leasing Section
- Capital Outlay Budget Section
- Capital Outlay Contracts & Property

To provide appropriate owned or leased facilities to house the operations of state government and meet the space and functional needs of each user agency.



Capture building insurance data

Sites & Buildings



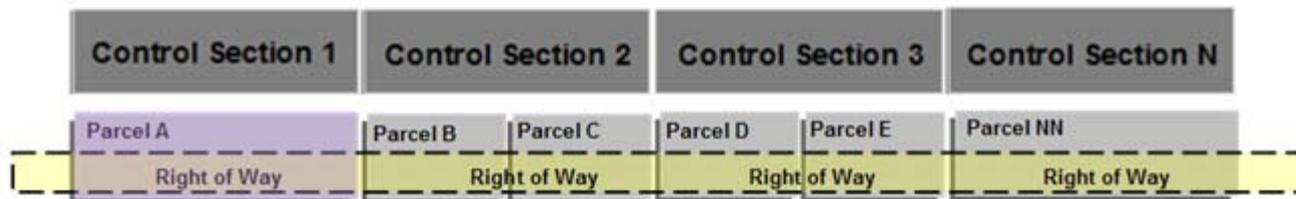
Responsibilities – Master Data



DOTD is generally responsible for transportation within the state. This includes the acquisition of private property for state programs designed to benefit the public as a whole.



Control Section & Land Parcels





Next Steps - General

- **Current Blueprinting Phase (Nov '08 – Jan '09):**
 - Validation Sessions and follow up items
 - Finalize PDD
 - State / PMO sign-off
- **Realization Phase (February 2009+):**
 - System Configuration
 - Unit and Confirmation Testing
 - Document Business Process Procedures (BPP's)
 - Define and Develop FRICE objects
 - Integration Testing
 - User Acceptance Testing



Questions?

