

## MEMORANDUM

**TO:** Board of Directors, Massachusetts School Building Authority  
**FROM:** James A. MacDonald, First Deputy Treasurer, Chief Executive Officer  
Mary Pichetti, Executive Director  
**DATE:** June 19, 2024  
**RE:** Authorization to Execute a Letter of Intent for Office Space

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The Massachusetts School Building Authority's ("MSBA") current lease agreement at 40 Broad Street expires on June 30, 2025. The MSBA published a Request for Proposals ("RFP") on March 27, 2024, inviting proposals for a new office lease in downtown Boston. The MSBA posted the RFP on the MSBA's website, on COMMBUYS (a web-based market center for the Commonwealth of Massachusetts) and advertised the RFP in the Central Register. The RFP included the MSBA's space program based on a hybrid work schedule and considering an expanded workforce.

The Director of Administration and Operations and the General Counsel appointed five MSBA staff members to serve on the Procurement Management Team ("PMT"): Madeline Esdale, Karl Brown, Matt Donovan, Brian Kelley, and Phil Daley. Siobhan Tolman, the Procurement and Contract Manager, participated in providing guidance to the PMT.

The MSBA received 16 proposals to the RFP by the April 29, 2024, deadline. Subsequently, the MSBA's PMT met on May 8, 2024, to review and discuss the 16 proposals based on the criteria established in the RFP. Based on a review of the 16 proposals to the RFP, the PMT shortlisted nine of the 16 proposals for further consideration, including the MSBA's current office space. The PMT conducted site visits at eight of the nine shortlisted office spaces. Subsequently, the PMT met again on May 15, 2024, and further shortlisted five office spaces for further review based on the criteria included in the RFP, the cost analysis, and the observations from the site visits.

The MSBA, in conjunction with its tenant representative, Jones Lang LaSalle, requested that each of the shortlisted landlords provide clarifications on their test fits based on the MSBA's space program needs and to further clarify their offer terms. The MSBA's architectural consultant, Dyer Brown & Associates, conducted reviews of the test fits provided by the shortlisted landlords. The MSBA may request additional test fit reviews from Dyer Brown & Associates to complete its final evaluation.

Once the MSBA completes its final evaluation of proposals, it will conditionally select one proposal and execute a letter of intent with the property owner and proceed into the negotiation process to establish the terms of a potential lease agreement.

The letter of intent does not represent a contract nor commit the MSBA to enter into a lease agreement. The MSBA reserves the right to terminate the letter of intent and lease negotiations due to unforeseen changes in the MSBA's requirements for office space. Landlords and tenants typically enter into a letter of intent that sets forth the fundamental business terms of a lease agreement to make sure the parties agree on basic terms before spending time and money negotiating a lease agreement. The MSBA will work with its outside legal counsel to finalize a letter of intent for the MSBA Executive Director to execute.

The proposals and costs are confidential until a lease is negotiated to protect the integrity of the procurement process. After the negotiation, staff anticipates recommending a final lease agreement to the MSBA Board for its consideration at the August 28, 2024, Board of Directors Meeting.

**Recommendation:** That the Executive Director is hereby authorized to execute a letter of intent with a prospective landlord, in such form as she may determine to be acceptable, the terms of which letter shall specify the intent to work in good faith with the prospective landlord to negotiate the terms for leased office space for the MSBA offices, provided that the execution of the office lease shall be subject to the approval of the Board of Directors, which approval is anticipated to be requested at the August 28, 2024, Board of Directors Meeting.