

**MEMORANDUM OF UNDERSTANDING
REGARDING CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF GENERAL SERVICES
AND
JONES LANG LASALLE AMERICAS, INC.
Agency Tracking No. 32101-00124, EDISON Record ID 36239 (the "Contract")**



This Memorandum of Understanding (this "Memorandum") is made and entered into as of this 17th day of July, 2015, by and between the **State of Tennessee, Department of General Services**, hereinafter referred to as the "State," and **Jones Lang LaSalle Americas, Inc.**, hereinafter referred to as the "Contractor." The parties desire to confirm approval of the FY 2105 budget and KPI results.

1. Fiscal Year 2015 JLL Budget – attached as Exhibit A is the approved FY 2015 budget for the Contractor.
2. Approved Key Performance Indicators – attached as Exhibit B is the approved Key Performance Indicators (KPIs) for FY 2015.



This instrument may be executed in one or more counterparts. It shall be fully executed when each party whose signature is required has signed at least one (1) counterpart, even though no one (1) counterpart contains the signatures of all the parties to this instrument. Electronic, scanned or facsimile signatures shall have the same force and effect as original signatures.

IN WITNESS WHEREOF,

JONES LANG LASALLE AMERICAS, INC.:

 _____ SIGNATURE	7-17-2015 _____ DATE
 _____ PRINTED NAME AND TITLE OF SIGNATORY (above)	

**STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES:**

 _____ SIGNATURE	7-28-15 _____ DATE
 _____ PRINTED NAME AND TITLE OF SIGNATORY (above)	

**Jones, Lang and LaSalle
Baseline for FY15 Budget**

FUNDS AVAILABLE (501.01)

51,342,700	501.01 FY15 Budget Request (Continuation Level)
<u>(216,200)</u>	FY15 Work Program Adjustment
<u>51,126,500</u>	501.01 FY15 Approved Budget

FUNDING ADJUSTMENTS

SERVICES OUTSIDE CONTRACT SCOPE

(23,236,000)	Utilities Expense (inc. waste management)
390,000	Waste Mgt contracts that will transfer to JLL responsibility
147,100	Other Liabilities/Insurance; Impact of Labor/Reclasses
64,250	Change in Tenant Requests
<u>(22,634,650)</u>	Sub-Total Services Outside Contract Scope

(22,634,650) TOTAL 501.01 FUNDING ADJUSTMENTS

FUNDS AVAILABLE 501.01 (ADJUSTED)

28,491,850	FY15 JLL Funds Available (Adjusted)
	<i>** To be allocated at building level</i>

FUNDS AVAILABLE 501.02

3,845,100	501.02 FY15 Budget Request (Continuation Level)
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2014-2015 501.01 FRF Budget Reconciliation
State of Tennessee - Jones Lang LaSalle
JUL-14 REVISED SUBMISSION- FINAL

Expense Category:	FY14 501.01 FRF SOT Budget	FY14 501.01 FRF SOT Budget, Before Base Reduction	FY14 JLL Budget	FY14 Non-Recurring Other (per SOT)	Total Scope Adj for FY14 JLL Budget	AP & Other Costs to stay with SOT	Total Reclasses for FY14 JLL Budget (net to 0)	FY15 Base Reduction Task (per SOT)	FY15 Impact - FY14 Portfolio Chgs/T3/TPS	FY15 Impact - FY15 Decomm Bldgs	Change in Tenant Requests	Other - Liab Insur / Full Yr Impact of Labor / Reclasses	2014-2015 501.01 FRF JLL Budget
704 Printing & Duplicating	1,000	1,000	0	-	-	-	-	-	-	-	-	(613)	0
705 Utilities & Fuel	25,958,000	786,700	250,000	-	(25,441,300)	all util except waste removal	250,000	-	1,643	(387)	-	(365,462)	390,000
706 Communications	65,000	93,900	90,000	-	(61,100)	11x BellSouth & non AP costs (portage)	90,000	-	-	-	-	(8,900)	85,000
707 Maintenance	20,300,000	20,807,500	507,500	-	-	State Employee Shuttle	507,500	(1,623,700)	(423,148)	(1,221,279)	64,232	738,691	18,342,297
708 Prof Svcs - 3rd Party	460,000	7,309,500	7,185,200	-	(335,700)	State Employee Shuttle	7,185,200	-	-	-	-	541,687	7,851,187
709 Prof Svcs - JLL Mgt Fee	-	597,600	597,600	-	-	State Employee Shuttle	597,600	-	(8,743)	(9,619)	-	2,980	582,218
710 Supplies	1,300,000	1,300,000	-	-	-	State Employee Shuttle	-	-	(43,580)	(87,140)	-	(459,654)	709,625
711 Rentals & Insurance	17,000	4,600	250,000	-	(12,400)	State Employee Shuttle	250,000	-	-	-	-	335,800	340,400
712 Motor Vehicle Op	20,000	270,000	-	-	-	State Employee Shuttle	-	-	-	-	-	(83,040)	186,960
714 Unclassified/Bank Fees	-	-	-	-	-	State Employee Shuttle	-	-	-	-	-	4,164	4,164
716 Equipment	-	-	-	-	-	State Employee Shuttle	-	-	-	-	-	-	-
722 Computer Related	15,600	-	-	-	-	State Employee Shuttle	-	-	-	-	-	-	-
25/737 Prof Svcs - State Agencies	13,730,000	-	-	-	-	State Employee Shuttle	-	-	-	-	-	-	-
Total	61,866,600	31,150,800	-	(1,000,000)	(27,952,100)	-	-	(1,763,700)	(473,828)	(1,331,306)	64,232	705,652	28,491,850
	60,866,600												
	1,000,000												
2013-2014 501.02 FRF *													
Maintenance	3,715,000	3,715,000	-	-	-	-	-	-	(150,700)	-	-	-	3,564,300
Prof Svcs - 3rd Party	20,000	20,000	-	-	-	-	-	-	-	-	-	-	20,000
Supplies	65,000	65,000	-	-	-	-	-	-	(4,200)	-	-	-	65,000
Prof Svcs - 3rd Party	200,000	200,000	-	-	-	-	-	-	-	-	-	-	195,800
Total	4,000,000	4,000,000	-	-	-	-	-	-	(154,900)	-	< per SOT	-	3,845,100
GRAND TOTAL	65,866,600	35,150,800	-	(1,000,000)	(27,952,100)	-	-	(1,623,700)	(473,828)	(1,486,206)	705,652	705,652	32,336,950

* 501.02 funds to be used for larger project-related maintenance expenses, either planned or unplanned.

Exhibit B

JLL - Key Performance Indicators July 2014 - June 2015

Category	Key Performance Indicator	Weighting	Goal	Description	Calculation	Frequency	Scoring Criteria
Financial	Savings Creation Operational	24%	20% of baseline spend - Year 2 goal of 15%	Ongoing savings realized by the vendor	Baseline of current expenses - new costs	Monthly	5 points = 17.0%+ 4 points = 16.0%+ 3 points = 15.0%+ 2 points = 14.0%+ 1 point = 13.0%+
Financial	Savings Creation Utilities	24%	15% of baseline usage - Year 2 goal of 4%	Measure and report energy usage/savings over the portfolio and by building	Baseline of current usage and expenses - new usage and costs	Monthly	5 points = 6.0%+ 4 points = 5.0%+ 3 points = 4.0%+ 2 points = 3.0%+ 1 point = 2.5%+
Financial	Budget Adherence	5%	Service delivery within the approved total budget	Report on financial metrics to include; total cost/sqft budget vs. actual overall and by building	Spend to date + anticipated costs - OAB	Monthly	5 points = -5.0%+ 4 points = -2.0%+ 3 points = -0.5% 0 points = over
Financial	Minority Spend Goal	3%	25% of annual spend	Percentage of managed spend going to minority vendors	Total Minority Spend divided by Total Managed Spend YTD	Monthly	5 points = 30%+ 4 points = 27%+ 3 points = 25%+ 2 points = 24%+ 1 point = 23%+
Operational	Reactive Maintenance Completion	4%	85% completed on-time within SLA	Effectiveness of maintenance work being performed	Percentage of service requests completed on-time YTD	Monthly	5 points = 92%+ 4 points = 88%+ 3 points = 85%+ 2 points = 80%+ 1 point = 75%+
Operational	Preventative Maintenance Completion (Standard Equipment)	8%	85% compliant based on monthly cycle	Effectiveness of preventative maintenance work being performed	Number completed - number not completed milestone plan date	Monthly	5 points = 92%+ 4 points = 88%+ 3 points = 85%+ 2 points = 80%+ 1 point = 75%+
Operational	Preventative Maintenance Adherence (Critical Equipment, Critical Tasks)	8%	98% compliant based on monthly cycle	Effectiveness of preventative maintenance work being performed	Number completed - number not completed milestone plan date	Monthly	5 points = 100% 4 points = 99%+ 3 points = 98%+ 2 points = 95%+ 1 point = 90%+
Operational	Equipment up time/downtime (Critical Environments)	8%	No unplanned downtime	No incidents which result in unplanned downtime	Number of unplanned incidents within JLL Control	Monthly	3 points = 0 0 points = 1+
Operational	Customer Satisfaction	8%	85% Satisfaction ("satisfied or highly satisfied")	Measure of overall customer satisfaction reported over the entire portfolio and by building	Results from independent client satisfaction surveys	Quarterly	5 points = 92%+ 4 points = 88%+ 3 points = 85%+ 2 points = 80%+ 1 point = 75%+
Operational	Customer Satisfaction	8%	85% Satisfaction ("satisfied or highly satisfied")	Relationship Survey	Subjective	Semi-Annual	5 points = 92%+ 4 points = 88%+ 3 points = 85%+ 2 points = 80%+ 1 point = 75%+

100%