Introduction

PS Business Parks (PSBP) is a publicly traded real estate investment trust that invests in office buildings and industrial properties. The Company owns and operates approximately 28.1 million rentable square feet of commercial space comprising of 99 business parks in the following states: California, Texas, Virginia, Florida, Maryland and Washington. The Company focuses on owning concentrated business parks which provide the Company with the greatest flexibility to meet the needs of its customers. Annually, the Company executes a large volume of new leases and renewals.

Property Management Case Study – Leases and Contracts: PS Business Parks

Automation goals

Managing this much property and related lease and proposal agreements is a complex and challenging task. PS Business Parks wished to add a secure electronic document storage solution and at the same time automate their processes even further by adding a document workflow review and approval system complete with electronic signature. The software needed to be able to process a very high volume of proposals, lease agreements, and legal documents which required their customers' review and approval via an electronic signature using Adobe Sign. This complex work is done by a number of employees and the software chosen to automate these processes had to be easy to use and eliminate reliance on paper documents.

PSBP chose FileHold document management and workflow software to manage documents of both electronic and paper origin. The project included adding review, approval, and electronic signature capability to their document completion.

Phase 1 - Converting the legacy paper documents to electronic format

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An initial part of the project was to digitize historical hard copy leases for preservation in FileHold. An outside document scanning bureau was contracted to do the scanning. The scanning vendor did the scanning work and prepared batches with images and corresponding metadata in a delimited text format. The vendor uploaded zip files with batch contents to an FTP site and sent notification email to a special email box. A Microsoft Windows task got the email from the email box, unzipped the contents and prepared them to be imported into the FileHold library using a feature called Automatic Document Importation (ADI). The FileHold ADI feature has the ability to add documents to the library automatically with no human intervention. ADI sees the newly scanned batch of documents and adds the documents to the queue for importing. Unlike new lease documents that are created entirely electronically, historical documents may not be modified, so the ADI job was configured to convert them into records which locks the documents from any changes. ADI clearly marks the source of these scanned documents as the scanning vendor.

There are a number of different document types that are created, reviewed, and processed by various teams at PSBP.

The leasing teams are responsible for preparing initial documents, signing off on the leases, and formalizing the documentation related to leases. These leasing documents require approval and signatures from various internal departments as well as the tenants.

PSBP is also responsible for managing construction projects. This includes the documentation for requests for proposals, bids, floor plans, contracts, and construction pre-approval forms. These construction document require approval and signatures from various internal departments and vendors.

FileHold workflow and Adobe Sign

A FileHold workflow is initiated on a lease contract and supporting documentation is added to the workflow. The workflow has many steps that are internal to PSBP, but eventually the lease contract is ready to execute with the client. At this point the Adobe Sign interface is opened from FileHold and the agreement is prepared for execution at Adobe Sign. The FileHold workflow knows the difference between documents that must be executed with the client and documents that are only there for supporting purposes.

When the client gets the signature request from Adobe Sign, they will only see the lease contract. When the PSBP signer gets the signature request from Adobe Sign, they are able to review both the contract and the supporting documents. The FileHold document workflow keeps all documents together even after the Adobe Sign process has completed. This process works uniformly across new leases, lease renewals, and construction documents. The executed documents are automatically downloaded from Adobe Sign, added as a new version in FileHold, and then converted to a record to prevent changes.

PSBP initiates a large volume of workflows each month and these documents are "touched" many times by various reviewers and approvers. The workflows are relatively complex; one of their most common ones has 13 activities and multiple documents in each workflow.

PSBP has a large number of enabled users actively working on the FileHold system at any one time. For such a high volume of document processing, customers are concerned about the length of time it might typically take to look up a lease document and put it into a workflow process for review and approval. FileHold asked this customer how long it took to look up and process a lease agreement. They said, "*Honestly, they both usually happen within a few seconds. Rarely do either take longer than that. When it does take about 10 to 15 seconds, it's on approval and usually only after we just checked in the document. Both processes almost always happen right away.*"

Adding Yardi data to the FileHold system

Yardi is a real estate investment and property management software. Data from Yardi is important to FileHold as it contains property and tenant information that is used for normal PS Business Parks daily operations.

A data synchronization process was setup to get critical data from Yardi into FileHold. Standard Yardi reporting is used to feed leases, jobs, properties, and vendors to the FileHold server. When new data from Yardi is present, the synchronization process compares it to the previous Yardi data and updates the system with any changes. This includes automatically updating lease documents with move out dates when leases are terminated.

As each related lease document is added to FileHold, the generated id is added in a metadata field. The new lease id is available by selecting the tenant from a dropdown menu and using the lookup feature to get the details.

FileHold also manages any documents related to "pre-lease" sales activities. A special type of document has been configured in FileHold to automatically manage a unique "pre-lease identifier". This pre-lease identifier is attached to all pre-lease documents. If the "pre-lease" converts to an actual lease, FileHold abstracts the lease information from Yardi using the pre-lease identifier that FileHold generates for them. The identifier is fed back to FileHold in the lease feed and FileHold automatically converts all pre-lease documents to contracted lease documents along with all the required lease contract details.

The end result

PS Business Parks has managed to convert a traditionally complex and paper heavy process into a completely automated electronic one. The combination of the FileHold secure library for storing active documents and longer term records, in combination with a powerful document workflow and e-signature tool, has reduced the time it takes to move leases and work contracts from inception to finished legally signed documents.

Melanie Arias, National Project Manager at PSBP says "*The FileHold software has streamlined our processes, we can accomplish more than we ever have and are delivering lease agreement to our clients on time with a traceable auditable process. FileHold has been great to work with, their product did most of what we needed 'out of the box' but we also required supportable modifications to meet a couple of our unique processes. The FileHold support and training team have been available as needed to answer questions or provide supplemental training. The FileCare program gives us comfort that we will be able to keep our software current with the ever changing demands of operating system upgrades.*"

The technology infrastructure

FileHold software can be installed on premise or in the cloud. The PSBP server is hosted in the "cloud" at Rackspace and IT management is provided by a FileHold business partner DocuSyst. Some users access the system using the FileHold "web client" via a browser but most use the FileHold "rich client" desktop environment. To power the system, the server has 2 vCPUs and 8 GB of RAM. The SQL server has 4 vCPUs and 16 GB RAM. Storage is near-line SAS with RAID 5.

FileHold
Document & Record Lifecycle Software