## PROSPECTUS - LEASE DEPARTMENT OF JUSTICE, CIVIL DIVISION WASHINGTON, DC

Prospectus Number: PDC-02-WA15

#### **Executive Summary**

The General Services Administration (GSA) proposes a replacement lease of up to 217,000 rentable square feet (RSF) of space to house the U.S. Department of Justice (DOJ) currently located at 1100 L Street, NW, and 20 Massachusetts Avenue, NW, in Washington, DC.

The replacement lease will provide continued housing for DOJ and will improve DOJ office and overall utilization rates from 160 to 130 usable square feet (USF) per person and 292 to 240 USF per person, respectively. As a result of the improved utilization, the replacement lease will reduce the rentable square footage of the requirement by 15 percent, a 38,972 RSF reduction from DOJ's current occupancies.

## **Description**

Occupant: Department of Justice

Lease Type Replacement

Current Rentable Square Feet (RSF): 255,972 (Current RSF/USF = 1.17) Proposed Maximum RSF: 217,000 (Proposed RSF/USF = 1.20)

Expansion/Reduction RSF: 38,972 RSF reduction

292 Current Usable Square Feet/Person: Proposed Usable Square Feet/Person: 240 Proposed Maximum Leasing Authority: 15 years

Expiration Dates of Current Lease(s): 1100 L Street NW – 5/19/2016

20 Massachusetts Avenue NW – 10/22/2016 Delineated Area: Washington, DC, Central Employment Area

Number of Official Parking Spaces':

2

Scoring: Operating Lease Maximum Proposed Rental Rate<sup>2</sup>: \$50.00 per RSF

DOJ's security requirements may necessitate control of the parking at the leased location(s). This may be accomplished as a lessor-furnished service, under an operating agreement with the lessor, or as part of the Government's leasehold interest in the building(s).

<sup>&</sup>lt;sup>2</sup> This estimate is for fiscal year 2017 and may be escalated by 2.0 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced-including all operating expenses-whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as a basis for negotiating with offerors to ensure that the lease award is in the best interest of the Government. The lease award shall not exceed the maximum rental rate as specified in this prospectus.

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Proposed Total Annual Cost<sup>3</sup>:

\$10,850,000

Current Total Annual Cost:

\$10,960,719 (leases effective

5/20/1996 and 9/24/2002)

## **Acquisition Strategy**

In order to acquire space that will meet DOJ's requirements, GSA may issue a single, multiple award solicitation that will allow offerors to provide blocks of space to meet the requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus.

#### **Justification**

The current leases at 1100 L Street NW and 20 Massachusetts NW expire May 19, 2016, and October 22, 2016, respectively, which would leave DOJ without housing. Also, DOJ wants to take the opportunity presented by this proposed lease action to reduce its space footprint and increase its space use efficiency. The proposed lease will reduce DOJ's space by 38,972 RSF or 15.2 percent of its current 255,972 RSF of leased space. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$12,798,600 per year.

#### **Summary of Energy Compliance**

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to exceed the minimum requirements in the procurement and to achieve an Energy Star performance rating of 75 or higher.

<sup>&</sup>lt;sup>3</sup>New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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## **Resolutions of Approval**

Resolutions approving this prospectus were adopted by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works. They will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

## **Interim Leasing**

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the proposed lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

### **Certification of Need**

The proposed project is the best solution to meet a validated Government need.

Submitted at Washin	gton, DC, on	September 29, 2014	
Recommended:	M		
	Commissioner	r, Public Buildings Service	
Approved:		That	
rippioved:	Administrator G	eneral Services Administration	