Prospectus Number: PMD-0778/1822-MD20

#### FY 2020 Project Summary

The General Services Administration (GSA) proposes a repair and alteration project for 4600 Silver Hill North and 4600 Silver Hill South at the Suitland Federal Center in Suitland, Maryland. The proposed project will upgrade building systems and renovate space to support the co-location of three agencies. This project will provide a more efficient layout that both improves agency utilization and allows for the recapture and backfill of approximately 367,000 rentable square feet (RSF) of underutilized federally owned space. The 4600 Silver Hill North and 4600 Silver Hill South buildings are currently occupied by the Census Bureau and the Bureau of Economic Analysis (BEA). Approximately 367,000 RSF of the space occupied by these agencies will be reconfigured to allow for the co-location of the Department of Labor-Bureau of Labor Statistics (BLS), currently located in 710,330 RSF (508,000 usable square feet [USF]) of leased space at the Postal Square Building, 2 Massachusetts Ave. NE in Washington, DC. Additional work will be undertaken to refresh the space occupied by Census to improve overall efficiency and to accommodate the staff relocated to make space available for the BLS personnel. BLS's 48-percent decrease in RSF and relocation to 4600 Silver Hill North and South will provide a Federal annual least cost avoidance of approximately \$19,400,000 and an agency rent savings of approximately \$9,700,000.

### FY 2020 Committee Approval and Appropriation Requested<sup>1</sup>

(Design, Construction, Management & Inspection) .....\$49,358,000

#### **Major Work Items**

Electrical, HVAC (heating, ventilation, and air conditioning), fire protection, and plumbing systems upgrades/replacements; interior construction; exterior construction; and demolition

Resolutions adopted by the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to extend the lease at Postal Square as described herein.

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#### **Estimated Project Budget**

Design	\$4,316,000
Estimated Construction Cost (ECC)	41,498,000
Management and Inspection (M&I)	3,544,000
Estimated Total Project Cost (ETPC)	\$49,358,000

\*Tenant agencies may fund an additional amount for tenant improvements above the standard normally provided by GSA.

Schedule	Start	End
Design and Construction	FY 2020	FY 2022

#### **Building**

The Suitland Federal Center comprises approximately 226 acres of land and several buildings totaling 2.6 million RSF of space. 4600 Silver Hill North and 4600 Silver Hill South are two office buildings that intersect in the middle of the building site, creating a triangular atrium. Built in 2006, the North building contains 1,368,566 gross square feet (GSF), of which there is approximately 804,435 RSF or 643,322 USF of office space. The South building contains 1,183,139 GSF, of which there is approximately 663,840 RSF or 524,310 USF. The Government completed construction of the South building in 2007. Both buildings have eight above-ground floors and one basement level, and are located near the Suitland Metro Station.

#### **Tenant Agencies**

Department of Labor-BLS; Department of Commerce-BEA and the Census Bureau; GSA

#### **Proposed Project**

The proposed project will allow for a higher density open office environment and the relocation and consolidation of BLS from leased space.

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To accommodate this consolidation, GSA will perform building demolition, interior alterations, and electrical, HVAC, plumbing, and life safety upgrades.

GSA currently leases space in the Postal Square Building for BLS. This lease expires on May 14, 2022. In order to allow for the proposed alterations and relocation to the Suitland Federal Center, GSA may need to extend the existing lease for a limited amount of time. GSA will execute such interim leasing actions as necessary to ensure continued housing of the tenant agency and will ensure the term of the lease extension coincides with the schedule of occupancy. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

#### Major Work Items

Electrical Upgrades/Replacement	\$9,950,000
HVAC Upgrades/Replacement	9,931,000
Interior Construction	9,855,000
Demolition	3,550,000
Fire Protection Upgrades/Replacement	3,008,000
Exterior Construction	2,588,000
Plumbing Upgrades/Replacement	2,616,000
Total ECC	\$41,498,000

#### **Justification**

BLS's current location in the Postal Square Building houses 1,801 personnel who are responsible for carrying out the Bureau's mission of collecting, analyzing, and disseminating essential economic information to support public and private decision-making. The current lease expires on May 14, 2022, and BLS requires continued housing to carry out its mission.

The proposed investment in and space optimization of the North and South buildings at the Suitland Federal Center will facilitate the achievement of more efficient utilization rates for all three Federal organizations, and reduce rental payments made by BLS, Census, and BEA. BLS will improve its utilization by downsizing its real estate footprint by almost half, from the current 710,330 RSF to approximately 367,000 RSF, a decrease of over 340,000 RSF. A portion of the project budget will fund alterations at the Center to facilitate BLS's occupancy of this space. This project will allow GSA to reduce private-sector lease payments by an estimated \$19 million.

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

This project will be designed to conform to requirements of the Facilities Standards for the Public Buildings Service. GSA encourages design opportunities to increase energy and water efficiency above the minimum performance criteria.

#### **Prior Appropriations**

None

#### **Prior Committee Approvals**

None

### Alternatives Considered (30-year, present-value cost analysis)

Alteration	\$270,301,000
Lease	

The 30-year, present-value cost of alteration is \$333,782,000 less than the cost of leasing, with an equivalent annual cost advantage of \$16,161,000.

### Recommendation

ALTERATION

#### Interim Leasing

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

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Certification of N	Need
The proposed proj	ject is the best solution to meet a validated Government need.
Submitted at Was	hington, DC, on September 6, 2019
Recommended: _	Commissioner, Public Buildings Service
Approved:	Administrator, General Services Administration