## PROSPECTUS – LEASE DEPARTMENT OF HEALTH AND HUMAN SERVICES WASHINGTON, DC

Prospectus Number: PDC-08-WA20

## **Executive Summary**

The General Services Administration (GSA) proposes a lease of approximately 172,000 rentable square feet (RSF) for the Department of Health and Human Services, Assistant Secretary for Preparedness and Response (ASPR), currently located in the O'Neill Building at 200 C Street SW in Washington, DC. ASPR has occupied space in the building since 2013 and since 2017 under an agreement between the Architect of the Capitol (AOC) and the Department of Health and Human Services that expires on December 31, 2021.

The lease will provide continued housing for ASPR after relocation from the O'Neill Building, and will improve the office and overall space utilization from 147 to 110 and 189 to 175 usable square feet (USF) per person, respectively.

## Description

Occupant: Assistant Secretary for Preparedness and

Response

Current RSF: 194,105 (Current RSF/USF 1.29)

Estimated/Proposed Maximum RSF<sup>1</sup>: 172,000 (Proposed RSF/USF 1.20)

Expansion/Reduction RSF: 22,105 Reduction

Current USF/Person: 189
Estimated/Proposed USF/Person: 175

Expiration Dates of Current Lease(s): 12/31/2021 Proposed Maximum Leasing Authority: 20 years

Delineated Area: Washington, DC, Central Employment

Area 25

Number of Official Parking Spaces: 2

Scoring: Operating

Current Total Annual Cost: \$11,862,000 (MOU effective 2013)

Estimated Rental Rate<sup>2</sup>: \$50.00 / RSF Estimated Total Annual Cost<sup>3</sup>: \$8,600,000

<sup>1</sup> The RSF/USF at the current location is approximately 1.29; however, to maximize competition a RSF/USF ratio of 1.20 is used for the estimated proposed maximum RSF as indicated in the housing plan.

<sup>&</sup>lt;sup>2</sup> This estimate is for fiscal year 2022 and may be escalated by 2 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including standard 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 the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.

New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

Approved:

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forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.
Resolutions of Approval
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 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 new 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 Washington, DC, on November 15, 2019
Recommended:  Commissioner, Public Buildings Service

Administrator, General Services Administration