

**PROSPECTUS – LEASE
INTERNAL REVENUE SERVICE
GUAYNABO, PR**

Prospectus Number: PPR-02-GU15
Congressional District: AL

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 92,500 rentable square feet (RSF) of space for the Internal Revenue Service (IRS), currently located at the San Patricio Office Center, at 7 Tabonuco Street, Guaynabo, Puerto Rico, under a lease expiring November 5, 2015.

The replacement lease will provide continued housing for IRS and will improve office and overall utilization rates from 87 to 64 usable square feet (USF) per person and 160 to 146 USF per person, respectively. As a result of the improved utilization, the replacement lease will reduce the rentable square footage of the requirement by approximately 10 percent, a 10,201 RSF reduction from IRS's current occupancy.

Description

Occupant:	Internal Revenue Service
Lease Type	Replacement
Current Rentable Square Feet (RSF)	102,701
Proposed Maximum RSF:	92,500
Expansion/Reduction RSF:	10,201 RSF reduction
Current Usable Square Feet/Person:	160
Proposed Usable Square Feet/Person:	146
Proposed Maximum Lease Term:	20 Years
Expiration Dates of Current Leases:	11/05/2015
Delineated Area:	Guaynabo and Hato Rey within the San Juan metropolitan area.
Number of Official Parking Spaces:	21
Scoring:	Operating lease
Maximum Proposed Rental Rate ¹ :	\$50.00 per RSF
Proposed Total Annual Cost ² :	\$4,625, 000
Current Total Annual Cost:	\$4,380,517 (lease effective 11/6/2000)

¹ This estimate is for fiscal year 2016 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 lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

²New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

**PROSPECTUS – LEASE
INTERNAL REVENUE SERVICE
GUAYNABO, PR**

Prospectus Number: PPR-02-GU15
Congressional District: AL

Justification

IRS is currently located at the San Patricio Office Center in Guaynabo and the ability of its personnel to operate efficiently is hindered by the distribution of work functions over several floors. As a result, IRS would like to consolidate its operations by reducing its space requirements by 10,201 rentable square feet. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$5,135,050 per year. A new consolidated location will provide IRS with efficient space to meet its current requirements as well as their long-term housing needs in the San Juan/Guaynabo area.

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 minimum requirements set 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.

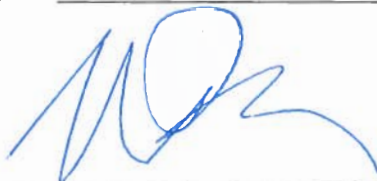
**PROSPECTUS – LEASE
INTERNAL REVENUE SERVICE
GUAYNABO, PR**


Prospectus Number: PPR-02-GU15
Congressional District: AL

Certification of Need

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

Submitted at Washington, DC, on September 29, 2014

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration