

**PROSPECTUS – LEASE
DEPARTMENT OF JUSTICE
WASHINGTON, DC**

Prospectus Number: PDC-03-WA15

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 382,000 rentable square feet (RSF) for the U.S. Department of Justice (DOJ) currently located at 555 4th Street, NW, and 501 3rd Street, NW, in Washington, DC.

The replacement lease will provide continued housing for DOJ and improve DOJ office and overall utilization rates from 166 to 130 usable square feet (USF) per person and 290 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 8 percent, a 33,684 RSF reduction from DOJ's current occupancies.

Description

Occupant:	Department of Justice
Lease Type:	Replacement
Current Rentable Square Feet (RSF):	415,684 (Current RSF/USF = 1.11)
Proposed Maximum RSF:	382,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	33,684 RSF reduction
Current Usable Square Feet/Person:	290
Proposed Usable Square Feet/Person:	240
Proposed Maximum Leasing Authority:	15 Years
Expiration Dates of Current Leases:	12/31/2017 - 555 4 th Street, NW 6/1/2019 - 501 3 rd Street, NW
Delineated Area:	Washington, DC Central Employment Area
Number of Official Parking Spaces ¹ :	15
Scoring:	Operating Lease
Maximum Proposed Rental Rate ² :	\$50.00 per RSF

¹ DOJ 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).

² This estimate is for fiscal year 2018 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.

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Proposed Total Annual Cost ³ :	\$19,100,000
Current Total Annual Cost:	\$18,404,286
	(555 4th St. – lease effective 01/01/1998)
	(501 3rd St. – lease effective 06/02/2004)

Acquisition Strategy

In order to maximize flexibility to acquire space that will house DOJ and meet their 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. A multiple building solution must house DOJ in geographically proximate locations. All offers must provide space consistent with the delineated area defined by this prospectus.

Justification

The current leases at 555 4th Street, NW, and 501 3rd Street, NW, expire December 31, 2017, and June 1, 2019, respectively, and DOJ requires continued housing to carry out its mission. The total space requested will reduce DOJ's footprint by 33,684 RSF or 8.1 percent of the 415,684 RSF currently occupied. In the absence of this reduction, the status quo cost of continued occupancy at the proposed market rental rate would be \$20,784,200 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 minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

³ 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 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 September 29, 2014

Recommended: 

Commissioner, Public Buildings Service

Approved: 

Administrator, General Services Administration