## PROSPECTUS - LEASE DEPARTMENT OF DEFENSE NORTHERN, VA

Prospectus Number:

PVA-01-WA22

Congressional District:

8, 10,11

### **Executive Summary**

The General Services Administration (GSA) proposes a lease of approximately 353,631 rentable square feet (RSF) for the Department of Defense (DoD) and several sub-agencies, currently located at 2521 S. Clark Street, Arlington, VA (Polk Building). components have occupied space in the building since 2010 under a lease that expires on September 14, 2025.

The new lease will provide continued housing for DoD and its sub-agencies and maintain the office and overall space utilization rates of 66 and 129 usable square feet (USF) per person, respectively.

### Description

Occupant: DoD

Current RSF: 353.631 (Current RSF/USF = 1.10) 353,631 (Proposed RSF/USF = 1.10) Estimated/Proposed Maximum RSF:

Expansion/Reduction RSF: Current USF/Person: 129 129 Estimated/Proposed USF/Person:

Expiration Dates of Current Lease(s): 09/14/2025 Proposed Maximum Leasing Authority: 20 years

Delineated Area: Northern Virginia

Number of Official Parking Spaces:

Scoring: Operating Lease

\$13,526,386 (lease effective 09/15/2010) Current Total Annual Cost:

Estimated Rental Rate<sup>1</sup>: \$39.00 / RSF Estimated Total Annual Cost<sup>2</sup>: \$13,791,609

<sup>&</sup>lt;sup>1</sup> This estimate is for fiscal year 2025 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 the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.

<sup>&</sup>lt;sup>2</sup> New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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#### **Acquisition Strategy**

To maximize the flexibility and competition in acquiring space for DoD and its sub-agencies, GSA may issue a single, multiple-award solicitation that will allow offerors to provide blocks of space able to meet requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus.

### Background

The DoD's mission is to provide the military forces needed to deter war and protect the security of our country.

Currently, the DoD tenants housed in the Polk Building facility include the Pentagon Force Protection Agency (PFPA), Department of the Navy, F-35 Lightning II Joint Program Office (JPO), Headquarters Department of the Army (HQDA), WHS/Boards, Commissions and Task Forces (BC&TF)/Cross Functional Teams (CFT), and the Defense Threat Reduction Agency (DTRA). The Joint Projects Office (JPO) is responsible for overseeing and ensuring the development and delivery of a highly complex weapon system to three U.S. Services, seven international partner nations, and multiple foreign military customers. The JPO has over 1,100 personnel located in Crystal City, Arlington, VA, and coordinates mission-essential functions supporting global operations. All the sub-agencies must remain as close as possible to the Pentagon campus to avoid disruptions that could have a negative impact on the agency's ability to meet the evolving security needs of our Nation.

GSA will consider whether DoD's continued housing needs should be satisfied in the existing location based on an analysis of other potential locations within the delineated area. Other potential locations have been identified through market research; however, an extension cost-benefit analysis will be conducted to determine whether the Government can expect to recover the relocation and duplication costs of real and personal property needed for the DoD agencies to accomplish their missions.

### **Justification**

The DoD and several of its sub-agencies are currently housed at 2521 S. Clark Street, Arlington, VA, in a lease that expires September 14, 2025. DoD and its sub-agencies require continued housing to carry out their missions.

These tenants interface daily with senior personnel who are in the Pentagon and on Capitol Hill; proximity to the Pentagon remains a critical factor, along with the ability to remain co-located with other staff sections in the adjacent Zachary Taylor building. The missions

GSA PBS

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of these staff sections vary, but all support the warfighter, defend the Constitution, protect the American people, and further the mission of the United States Army, Air Force and Navy to fight and win the Nation's wars.

There are also other national security implications attached to this location. Changes to the current configuration could lead to disjointed efforts and solutions impairing mission readiness for several of the agencies housed at the Polk Building. To meet the current and future requirements for system migration and transformation efforts, it is critical to maintain close proximity to the headquarters offices at the Pentagon and have the capacity to expand for onsite civilian staff and their respective contractor support required to complete various mission requirements.

### **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.

# OMB Memorandum M-21-25 Implementations and Long-Term Space Requirements

The requirements within this prospectus reflect the known space needs prior to its submission to Congress. Agencies continue to develop their return to physical workplaces strategies consistent with OMB Memorandum M-21-25, incorporate lessons learned while working both in-person and under maximum telework during the COVID-19 pandemic, and determine each agency's long-term space posture. Accordingly, the requirements outlined in this prospectus may change prior to award of a lease. In the event that a change results in a revised requirement that makes a material change and does not fit within the

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acceptable parameters of the congressional resolutions, GSA will submit an amended prospectus for consideration by the House Committee on Transportation and Infrastructure and Senate Committee on Environment and Public Works.

### **Certification of Need**

The proposed proje	ect is the best solution to meet a validated Government need.
Submitted at Wash	ington, DC, on
Recommended:	Commissioner, Public Buildings Service
Approved:	Administrator, General Services Administration