PROSPECTUS – LEASE
DEPARTMENT OF STATE
WASHINGTON, DC

Prospectus Number: PDC-05-WA16

Executive Summary

The U.S. General Services Administration (GSA) proposes a replacement lease of up to 115,000 rentable square feet (RSF) of space for the Department of State (DOS), currently housed at 2121 Virginia Ave., NW, Washington, DC.

The replacement lease will provide continued housing for DOS and will improve DOS office and overall utilization rates from 130 to 121 usable square feet (USF) per person and 209 to 195 USF per person, respectively.

Description

Occupant:	Department of State
Lease Type	Replacement
Current Rentable Square Feet (RSF)	110,294 (Current RSF/USF = 1.16)
Proposed Maximum RSF[1]:	115,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	None
Current Usable Square Feet/Person:	209
Proposed Usable Square Feet/Person:	195
Proposed Maximum Leasing Authority:	15 years
Expiration Dates of Current Lease(s):	10/31/ 2017
Delineated Area:	Washington, DC CEA
Number of Official Parking Spaces:	None
Scoring:	Operating Lease
Maximum Proposed Rental Rate[2]:	$50.00 / RSF

[1] The RSF/USF at the current location is approximately 1.16; however, to maximize competition, a RSF/USF ratio of 1.2 is used for the proposed maximum RSF as indicated in the housing plan.

[2] This estimate is for fiscal year 2018 and may be escalated by 1.9 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. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

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Proposed Total Annual Cost[3]:	$5,750,000
Current Total Annual Cost:	$5,691,805 (leases effective 11/1/2007)

Justification

The current lease at 2121 Virginia Ave., NW, expires October 31, 2017. DOS requires continued housing for 456 personnel currently working in this location and will consolidate an additional 34 personnel by relocating existing functions dispersed in other locations. The proposed leases will streamline current DOS operations and allow for more efficient use of space.

The FY 2016 President's Budget includes the purchase of the American Red Cross Building located at 2025 E Street, NW. If the purchase is executed as proposed, the Federal Government would eliminate $12 million in annual private sector lease costs. The DOS personnel housed under this prospectus would relocate into the purchased facility. This prospectus will be necessary if that purchase is not funded or cannot be executed.

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.

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

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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.

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Certification of Need

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

Submitted at Washington, DC, on November 24, 2015

Recommended: _____
Commissioner, Public Buildings Service

Approved: _____
Administrator, General Services Administration

Locations	CURRENT						PROPOSED					
	Personnel		Usable Square Feet (USF)[1]				Personnel		Usable Square Feet (USF)			
	Office	Total	Office	Storage	Special	Total	Office	Total	Office	Storage	Special	Total
2121 Virginia Avenue, NW	456	456	76,280	3,507	15,535	95,322						
Proposed Lease							490	490	76,280	3,507	15,535	95,322
Total	**456**	**456**	**76,280**	**3,507**	**15,535**	**95,322**	**490**	**490**	**76,280**	**3,507**	**15,535**	**95,322**

Office Utilization Rate (UR)[2]		
	Current	**Proposed**
Rate	130	121

UR = average amount of office space per person
Current UR excludes 16,782 usf of office support space
Proposed UR excludes 16,782 usf of office support space

Overall UR[3]		
	Current	**Proposed**
Rate	209	195

R/U Factor[4]	Total USF	RSF/USF	Max. RSF
Current	95,322	1.16	110,294
Proposed	95,322	1.20	115,000

Special Space	USF
Conference/Training/Inte	5,164
ADP	540
File Rooms	1,754
Break Rooms	1,023
Training	600
SCIFs	5,000
Security	48
Copy Rooms	1,406
Total	**15,535**

NOTES:

[1] USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.

[2] Calculation excludes Judiciary, Congress and agencies with less than 10 people

[3] USF/Person = housing plan total USF divided by total personnel.

[4] R/U Factor = Max RSF divided by total USF