

Procedures for Giving Price Preference to Historic Properties in Lease Acquisitions

1. General. The procedures in this RSL must be applied in lease acquisitions in urban areas when suitable historic properties are identified within the approved delineated area. The procedures do not apply to acquisitions for space in rural areas identified under the requirements of the Rural Development Act of 1972.
2. Qualifying for historic preference. Offerors must provide documentation with their offer to substantiate their property as one of the following types of historic properties. Realty specialists having questions about the documentation submitted must consult with their regional historic preservation officers.
 - a. A historic property within a historic district;
 - b. A non-historic developed or undeveloped site within a historic district; or
 - c. A historic property outside of a historic district.
3. Applying historic preference when award is based on lowest priced technically acceptable source selection process.
 - a. Realty specialists or support contractors must evaluate all technically acceptable offers in accordance with the Price Evaluation (Present Value) paragraph included in the Solicitation for Offers (SFO) to determine the lowest priced offer.
 - b. After determining the ANSI/BOMA Office Area per square foot present value cost (PVC) of each offer, realty specialists or support contractors must perform a further evaluation of the offers when there are offers that qualify for a historic price preference and the lowest priced offer is not a historic property or a property in a historic district.
 - i. If there is a suitable historic property located in a historic district, the realty specialist or support contractor must reduce the per square foot PVC of the offer for the historic property by 10 percent. This rate will be used only for price comparison purposes.
 - ii. If no suitable historic property within a historic district is offered or the 10 percent preference does not result in this property being the lowest priced technically acceptable offer, the realty specialist or support contractor must then give preference to suitable non-historic developed or undeveloped sites within historic districts by reducing the per square foot PVC of the offer for the non-historic developed or undeveloped site within a historic district by 2.5 percent. This rate will be used only for price comparison purposes.
 - iii. If no suitable non-historic developed or undeveloped site within a historic district is offered or the 2.5 percent preference does not result in this property being the lowest priced technically acceptable offer, the realty specialist or support contractor must then give preference to suitable historic properties outside of a historic district by reducing the per square foot PVC of the offer for the historic property outside of a historic district by 10 percent. This rate will be used only for price comparison purposes.
 - iv. If no suitable historic property outside of a historic district is offered, and no other historic properties or properties in historic districts are offered, then no historic price preference is applied.

4. Applying historic preference when award is based on best value tradeoff source selection process.
 - a. When price is not the basis for award, the applicable price preference is still applied. The award is made to the offeror whose offer is most advantageous to the Government, considering price and other factors.
 - b. The price preference is applied in the same manner it is applied when awards are based on the lowest priced technically acceptable source selection process. However, the language in the clause is changed to reflect the best value tradeoff process and to acknowledge that some offers for historic properties may not remain in the competition because of the evaluation of the technical evaluation factors. The price preference would be applied as prescribed in paragraph 3.b above. Price is still only a factor to be evaluated in best value trade off procurements and award will still be made on the basis stated in the SFO, with price-technical trade offs conducted as necessary.
5. Calculating the price evaluation preference. The example below demonstrates how the tiered historic preference consideration is calculated in lowest price technically acceptable procurements.

Example:

Four offers conforming to the requirements of the SFO are submitted. The PVC of the offers has been calculated and listed for comparison purposes as follows:

Offer A \$13.90 PVC - Offer A is not a historic property or a non-historic developed or undeveloped site in a historic district.

Offer B \$16.37 PVC - Offer B is a historic property in a historic district.
10 percent preference applies.

Offer C \$16.78 PVC - Offer C is a non-historic developed or undeveloped site in a historic district.
2.5 percent preference applies.

Offer D \$15.40 PVC - Offer D is a historic property outside of a historic district.
10 percent preference applies.

While Offer A is the lowest priced offer, it is not a historic property. Since suitable historic properties were offered, the historic price preference hierarchy of consideration applies.

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In this example, Offer B qualifies as a historic property in a historic district. The preference is calculated as follows.

PVC per square foot of Offer B	\$16.37
Preference reduction (10 percent)	<u>- 1.64</u>
Adjusted cost for comparison	\$14.73

The adjusted cost of Offer B when compared to Offer A (the lowest priced offer following the present value price evaluation) is 83 cents higher. The historic property does not receive the award.

Since the adjusted cost for the historic property (Offer B) is more than the non-historic property (Offer A), the realty specialist or support contractor must then give preference to any offers for suitable non-historic developed or undeveloped sites in a historic district.

In this example, Offer C qualifies as a non-historic developed site in a historic district. The preference is calculated as follows:

PVC per square foot of Offer C	\$16.78
Preference reduction (2.5 percent)	<u>- .42</u>
Adjusted cost for comparison	\$16.36

The adjusted cost of Offer C when compared to Offer A (the lowest priced offer following the present value price evaluation) is \$2.46 higher. The non-historic developed site in a historic district does not receive the award.

Since the adjusted cost for the non-historic developed site in a historic district (Offer C) is more than the non-historic property (Offer A), the realty specialist or support contractor must then give preference to any offers for suitable historic properties outside of a historic district.

In this example, Offer D qualifies as a historic property outside of a historic district. The preference is calculated as follows:

PVC per square foot of Offer D	\$15.40
Preference reduction (10 percent)	<u>-1.54</u>
Adjusted cost for comparison	\$13.86

The adjusted cost of Offer D when compared to Offer A (the lowest priced offer following the present value price evaluation) is 4 cents lower. The historic property outside of a historic district becomes the lowest priced technically acceptable offer and receives the award.

Reminder: The example above demonstrates how the tiered historic preference consideration is calculated in lowest price technically acceptable procurements. If the best value tradeoff source selection process is used, Offer D may or may not receive the award based on consideration of other technical evaluation factors as specified in the SFO. The offer that represents the best value to the Government would receive the award.