

**PROSPECTUS – LEASE
DEPARTMENT OF HOMELAND SECURITY
OFFICE OF THE INSPECTOR GENERAL
WASHINGTON, DC**

Prospectus Number: PDC-02-WA13

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 110,000 rentable square feet (RSF) of space for the Department of Homeland Security (DHS), Office of the Inspector General (OIG), currently located under multiple leases at 1120 Vermont Avenue, NW, Washington, DC.

In meeting its mission requirements, DHS-OIG will improve its office utilization rate from 143 usable square feet (USF) to 114 USF per person and its overall utilization rate from 256 USF to 211 USF per person. This will result in a 13,976 RSF space reduction in relation to its current occupancy of 123,976 RSF.

Description

Occupant:	DHS / OIG
Lease Type:	Replacement
Current RSF:	123,976 (Current RSF/USF = 1.12)
Proposed Maximum RSF ¹ :	110,000 (Proposed RSF/USF = 1.2)
Expansion Space:	Reduction of 13,976 RSF
Current USF/Person:	256
Proposed USF/Person:	211
Proposed Maximum Leasing Authority:	15 years
Expiration Dates of Current Leases:	09/15/13, 01/21/14 and 03/31/14
Delineated Area:	Washington, DC Central Employment Area
Number of Official Parking Spaces:	None
Scoring:	Operating lease
Maximum Proposed Rental Rate:	\$50.00 per RSF
Proposed Total Annual Cost ² :	\$5,500,000
Current Total Annual Cost ³ :	\$5,403,856 (lease effective dates 9/16/03, 1/22/98, and 4/1/04)

¹ The RSF/USF at the current location is approximately 1.12; however, to maximize competition, a RSF/USF ratio of 1.2 is used for the proposed maximum RSF as indicated on the housing plan.

² This estimate is for fiscal year 2014 and may be escalated by 1.75 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.

³ Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

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Justification

The current leases are expiring as noted above, and DHS OIG requires continued housing to carry out its mission. A replacement lease will provide the opportunity to improve the agency's utilization of space and reduce the overall rsf leased.

The maximum proposed rental rate in this prospectus is a projected rate for lease transactions with a future effective (rent start) date consistent with the expiration of the current leases from September 2013 to March 2014. 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 the 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.

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 work with energy service providers 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

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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 21, 2012

Recommended:

Commissioner, Public Buildings Service

Approved:

Acting Administrator, General Services Administration