Executive Summary

The General Services Administration (GSA) proposes a lease of 264,807 rentable square feet (RSF) for the Small Business Administration (SBA), currently housed at 409 Third Street SW in Washington, DC.

The lease will provide continued housing for SBA and will reduce the office and overall space utilization rates from 98 and 185 usable square feet (USF) per person to 94 and 181 USF per person, respectively.

Description

Occupant: Small Business Administration  
Current RSF: 270,933 (Current RSF/USF = 1.16)  
Estimated Maximum RSF: 264,807 (Proposed RSF/USF = 1.16)  
Expansion/Reduction RSF: 6,126 Reduction  
Current Usable Square Feet/Person: 185  
Estimated Usable Square Feet/Person: 181  
Expiration Dates of Current Lease(s): 11/23/2020, 8/31/2021  
Proposed Maximum Leasing Authority: 20 years  
Delineated Area: Washington, DC, Central Employment Area  
Number of Official Parking Spaces: 6  
Scoring: Operating Lease  
Current Total Annual Cost: $12,399,273 (leases effective 11/24/2010, 9/1/2016)  
Estimated Rental Rate¹: $50.00 / RSF  
Estimated Total Annual Cost²: $13,240,350

Background

The mission of the Small Business Administration is to help Americans start, build, and grow businesses, throughout the United States, Puerto Rico, the U.S. Virgin Islands, and Guam, by stressing the importance of creating entrepreneurs and small businesses. SBA does so through its contracting opportunities for small, small disadvantaged (including

¹ This estimate is for fiscal year 2021 and may be escalated by 2 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including standard 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.

² New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.
8(a) Business Development concerns), women-owned small, Historically Underutilized Business Zone (HUBZone), veteran-owned small, and service disabled veteran-owned small business concerns, while increasing overall competition in the Federal acquisition process.

GSA will consider whether SBA’s continued housing needs should be satisfied in the existing location based on an analysis of other potential locations within the delineated area. If other potential locations are identified, GSA will conduct a cost-benefit analysis to determine whether the Government can expect to recover the relocation and duplication costs of real and personal property needed for SBA to accomplish its mission.

**Acquisition Strategy**

To maximize the flexibility and competition in acquiring space for SBA, 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.

**Justification**

The current location, 409 Third Street SW, houses the SBA Administrator, staff, and the SBA Program Offices’ Headquarters. The SBA Program Offices’ Headquarters establishes policy for the agency. The SBA facilitates small business growth throughout the nation. To bring small businesses the support they need, SBA is divided into several key functional areas: Advocacy, Laws and Regulations, Contracting, Counseling and Training, Disaster Assistance, Financial Assistance, International Trade, Management, and Small Business Audiences.

The current leases expire on November 23, 2020, and August 31, 2021. SBA requires continued housing to carry out its mission.

**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.

Certification of Need

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

Submitted at Washington, DC, on December 21, 2018

Recommended: [Signature]
Commissioner, Public Buildings Service

Approved: [Signature]
Administrator, General Services Administration