

**PROSPECTUS – LEASE
DEPARTMENT OF DEFENSE
ARLINGTON, VA**

Prospectus Number: PVA-01-WA23
Congressional District: 8

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 313,595 rentable square feet (RSF) for the Department of Defense's (DoD) Washington Headquarters Services (WHS) tenants currently located at 875 N. Randolph Street, Arlington, VA. DoD has occupied space in the building since 2012 under a lease that expires on September 30, 2027.

The new lease will provide continued housing for six DoD tenant agencies and maintain the office and overall space utilization rates of 137 and 202 usable square feet (USF) per person, respectively.

Description

Occupant:	DoD
Current RSF:	313,595 (Current RSF/USF 1.15)
Estimated/Proposed Maximum RSF:	313,595 (Proposed RSF/USF 1.15)
Expansion/Reduction RSF:	None
Current USF/Person:	202
Estimated/Proposed USF/Person:	202
Expiration Dates of Current Lease(s):	9/30/2027
Proposed Maximum Lease Term:	20 years
Delineated Area:	Suburban VA
Number of Official Parking Spaces ¹ :	0
Scoring:	Operating
Current Total Annual Cost:	\$13,346,685
Estimated Rental Rate: ²	\$39.00 / RSF
Estimated Total Annual Cost: ³	\$12,230,205

¹ Security requirements may necessitate control of parking at the leased location in addition to the official parking spaces identified in the prospectus. This may be accomplished as a lessor-furnished service, under an operating agreement with the lessor or part of the Government's leasehold interest in the building(s). If the additional parking resulting from security requirements is included in the leasehold interest in the building, the proposed total annual cost and maximum proposed rental rate may exceed the amounts indicated above.

² This estimate is for fiscal year 2027 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 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.

³ 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 the WHS, 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 WHS's mission is to provide support to multiple DoD components and military departments in the National Capitol region and beyond.

Currently, there are six DoD tenants housed in this facility to include the Pentagon Force Protection Agency (PFPA), Defense Office of Hearings and Appeals (DOHA), Department of the Navy (DON), Headquarters Department of the Army (HQDA), WHS/Cross Functional Teams (CFT), and the Air Force.

Justification

DoD is currently housed at 875 N. Randolph Street, Arlington, VA, in a lease that expires September 30, 2027. DoD requires continued housing to carry out its mission.

GSA will consider whether the Department of Defense'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 ensure that award to any other lessor would result in substantial relocation costs or duplication costs of real and personal property needed for the Department of Defense to accomplish its mission that the Government would not recover through competition.

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.

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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 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.


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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 10/13/2022

Recommended:  _____
Commissioner, Public Buildings Service

Approved:  _____
Administrator, General Services Administration