

**PROSPECTUS – LEASE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BETHESDA, MD**

Prospectus Number: PMD-01-WA19
Congressional District: 4,5,6,8

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 121,000 rentable square feet (RSF) for the Department of Health and Human Services (HHS), Program Support Center (PSC), currently located at 7700 Wisconsin Avenue in Bethesda, MD. PSC has occupied space in the building since 2010 under two leases that expire on September 29, 2020, and January 31, 2021.

The lease will provide continued housing for PSC and will maintain its efficient office and overall space utilization rates at 117 and 161 usable square feet (USF) per person, respectively.

Description

Occupant:	Health and Human Services
Current RSF	119,536 (Current RSF/USF = 1.19)
Estimated/Proposed Maximum RSF ¹ :	121,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	None
Current USF/Person:	161
Estimated USF/Person:	161
Expiration Dates of Current Lease(s):	09/29/2020, 01/31/2021
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	Suburban Maryland
Number of Official Parking Spaces:	7
Scoring:	Operating
Current Total Annual Cost:	\$4,216,332 (leases effective 09/28/2010)
Estimated Rental Rate ² :	\$35.00 / RSF
Estimated Total Annual Cost ³ :	\$4,235,000

¹ The RSF/USF at the current location is approximately 1.19; however, to maximize competition a RSF/USF ratio of 1.20 is used for the estimated proposed maximum RSF as indicated in the housing plan.

² 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 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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Background

The mission of HHS is to enhance the health and well-being of Americans by providing for effective health and human services, and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social service.

Justification

GSA maintains two leases located at 7700 Wisconsin Avenue in Bethesda, Maryland, for PSC. The PSC mission is a shared services organization dedicated to providing support services to HHS and other Federal agencies to achieve mission-critical results. More than 40 services and products are offered by PSC's four portfolios that include Administrative Operations, Financial Management and Procurement, Occupational Health, and Real Estate and Logistics. The current leases terminate in September 2020 and January 2021, respectively. PSC has a continuing need for office and support space to fulfill its mission. Consolidating the two existing leases will reduce costs and streamline operations.

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.

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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 2, 2018.

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Administrator, General Services Administration