

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF AGRICULTURE
NEW ORLEANS, LA**

Prospectus Number: LA-01-NO19
Congressional District: 02,06

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 199,000 rentable square feet (RSF) for the Department of Agriculture (USDA), currently located in two leases: a delegated lease in New Orleans, LA; and a GSA lease in Bossier City, LA. The leases expire on July 10, 2020, and July 22, 2022, respectively.

The proposed lease will enable USDA to consolidate the Financial Management Service (FMS) and the National Finance Center (NFC) under one lease. The consolidation will significantly improve the office and overall space utilization rates from 165 to 98 and 225 to 168 usable square feet (USF) per person, respectively.

Description

Occupant:	USDA-NFC and FMS
Current RSF:	396,159 (Current RSF/USF = 1.15)
Estimated/Proposed Maximum RSF:	199,000 (Proposed RSF/USF = 1.15)
Expansion/Reduction RSF:	197,159 RSF reduction
Current USF/Person:	225
Estimated/Proposed USF/Person:	168
Expiration Dates of Current Lease(s):	07/22/2022 (GSA Lease) 07/10/2020 (USDA Delegated Lease)
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	North: Highway 12, continuing on to I-10 to the intersection of N. Military Road; East: Highway 190 to Highway 90 south and west to Old Gentilly Road; South: Old Gentilly Road and Almonaster Ave. to the Industrial Canal to the Mississippi River and along the Intracoastal Waterway to LA 3017 and on to Highway 90; West: I-310 to Highway 61 along I-55 north.
Number of Official Parking Spaces:	30
Scoring:	Operating Lease
Current Total Annual Cost:	\$11,741,000 (GSA lease effective 07/23/2012 ¹)

¹ Because a February 2017 tornado destroyed the lease files for the delegated lease, an actual originating lease date could not be identified.

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Estimated Rental Rate ² :	\$27.00 / RSF
Estimated Total Annual Cost ³ :	\$5,373,000

Acquisition Strategy

To maximize the flexibility and competition in acquiring space for USDA, 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

USDA provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management.

NFC and FMS were established in 1973 and service more than 170 agencies, providing payroll services to more than 650,000 Federal employees. NFC's mission is to provide reliable, cost-effective employee-centric systems and services to Federal organizations, allowing their customers to focus on serving this Nation through their mission delivery.

Justification

USDA currently has an interagency agreement with the National Aeronautics and Space Administration for NFC for approximately 362,000 rentable square feet of space in New Orleans, LA. The space previously occupied by NFC was significantly damaged by a tornado in February 2017. USDA has submitted requirements for a new lease to consolidate NFC and FMS. Consolidating these two USDA components into one location will reduce space requirements, improve utilization, and result in significant savings.

USDA requires continued housing to carry out its mission.

² This estimate is for fiscal year 2020 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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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 May 10, 2019

Recommended: 

Commissioner, Public Buildings Service

Approved: 

Administrator, General Services Administration