

U.S. General Services Administration

GSA Region 9

Leasing

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

PROJECT NUMBER: 7NV2092

Agency Name: SOCIAL SECURITY ADMINISTRATION

1. NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED.

The General Services Administration currently leases 28,489 ABOA/29,913 rentable square feet (RSF) of office space at SOUTH BUFFALO, 1250 S Buffalo Dr, LAS VEGAS, NV under lease number LNV01481 for the SOCIAL SECURITY ADMINISTRATION. The current lease expires 03/31/2023. Approval is requested to negotiate a succeeding lease with the incumbent Lessor without full and open competition for continued occupancy at this leased location. The procedures for pursuing a succeeding lease are detailed in GSAR 570.402: Succeeding Leases.

2. DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS (INCLUDING ESTIMATED VALUE).

SOCIAL SECURITY ADMINISTRATION submitted a continuing need letter on 08/07/2017 for 29,913 rentable square feet of office and related space. To satisfy the SOCIAL SECURITY ADMINISTRATION mission requirements, Space shall be located not more than 1,056 walkable linear feet, from a primary or secondary street and from public transportation stop(s). The primary or secondary street must have scheduled public transportation in both directions if a two-way street. Employee and visitor parking are to be on-site or within two walkable blocks of location, not to exceed 1,056 walkable linear feet, to the entrance of the offered building.

This requirement is for 28,489 ABOA/29,913 RSF of space for a 10-year term to commence on 04/01/2023. The estimated cost of this fully serviced lease is [REDACTED] per rentable square feet per year for an annual cost of [REDACTED] and a total contract value of [REDACTED]. The delineated area is North: Summerlin Parkway; East: Decatur Boulevard; South: Flamingo Road; West: Fort Apache Road/South Rampart Road in Las Vegas, California. There is no vacant Federal Space available.

3. IDENTIFICATION OF STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION.

41 U.S.C. 3304(a)(1): Only one responsible source and no other supplies or services will satisfy agency requirements. This statutory authority is implemented through GSAR 570.402. In accordance with GSAR 570.402, use of the sole source authority is appropriate where it is determined that award to any other offeror would result in substantial duplication of costs to the Government that are not expected to be recovered through competition.

4. DEMONSTRATION THAT THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS OR NATURE OF THE ACQUISITION REQUIRES THE USE OF THE AUTHORITY CITED.

It is in the best interest of the Government to remain at the current location. Award to other than the current Lessor would require relocation of the entire requirement and would cause SOCIAL SECURITY ADMINISTRATION to incur move and replication costs that would not be recovered through competition. Relocation costs are estimated to be [REDACTED]. Additionally, this allows the Government to make use of existing tenant improvements, avoiding replication costs of [REDACTED]. A cost-benefit analysis

was completed following the procedures set forth in GSAR 570.402-6. The cost of relocating SSA using the low-cost quote exceeds the cost of remaining at 1250 S Buffalo Drive, Las Vegas, NV, 89117. The total savings to the Government is \$[REDACTED].

5. **DESCRIPTION OF EFFORTS MADE TO ENSURE THAT OFFERS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS IS PRACTICABLE.**

Per the requirements of GSAR 570.402, the GSA Lease Contracting Officer placed an advertisement on the Contracting Opportunities domain of SAM.gov on February 12, 2020 through March 3, 2020 (for 21 days). In addition, national broker contractor Laura Strohbach of Carpenter/Robbins Commercial Real Estate, Inc. conducted market research using CoStar.com to identify potential locations.

6. **DEMONSTRATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE.**

Market research conducted by Carpenter/Robbins Commercial Real Estate, Inc. showed the full-service rental rate within the delineated area ranges from [REDACTED] per RSF according to REIS data and comparative vacant spaces listed on CoStar.

Therefore, the proposed full-service rental rate for this succeeding lease of [REDACTED], is within the current market range for this submarket and is deemed fair and reasonable by the GSA Lease Contracting Officer.

7. **DESCRIPTION OF MARKET RESEARCH CONDUCTED AND THE RESULTS.**

GSAR 570.402-5 allows for negotiation with the incumbent Lessor when a cost-benefit analysis shows that the Government cannot expect to recover relocation and duplication costs through competition.

On February 4, 2020, national broker contractor Laura Strohbach conducted market research using CoStar and identified three potentially acceptable locations (for a total of four, including the incumbent) that might could potentially meet the agency's requirements within the delineated area. Each property represented in the table below appears to be a professional Class A or B building with the agency's minimum square footage available in a contiguous manner. In addition, PBS posted an advertisement conforming to GSAR 570.402-2 on the Contract Opportunities domain of SAM.gov website on February 12, 2020. The incumbent Lessor's expression of interest indicated that the rate would be approximately [REDACTED] per RSF for shell and operating expenses. The incumbent lessor is the only party that responded to the advertisement.

See Figure 1 below for the results of the market research and SAM.gov advertisement, including the incumbent.

| Address                 | Source [EOI/CoStar, etc.] | Asking Full Service Rental Rate |
|-------------------------|---------------------------|---------------------------------|
| 1250 S Buffalo Dr.      | Incumbent                 | [REDACTED]                      |
| 7401 W Charleston Blvd. | CoStar                    | [REDACTED]                      |
| 350 S Rampart Blvd.     | CoStar                    | [REDACTED]                      |
| 6226 W Sahara Ave.      | CoStar                    | [REDACTED]                      |

Figure 1: Market Research Comparables

8. **OTHER FACTS SUPPORTING USE OF OTHER THAN FULL AND OPEN COMPETITION.**

GSA Lease Administration Manager Robert Weekly inspected the incumbent location on December 20, 2020 and there were not outstanding concerns noted.

9. **LIST OF SOURCES, IF ANY, THAT EXPRESSED, IN WRITING, AN INTEREST IN THE ACQUISITION.**

Only one expression of interest was received and that was the incumbents building.

10. STATEMENT OF ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE ANY SUBSEQUENT ACQUISITION.

In advance of an existing lease contract's expiration, considerations will be given to allow for sufficient time to conduct a full and open procurement. The Government will consider the time and cost of moving from the existing location, and the time and cost to build out new space when deciding whether it is economically advantageous to stay at the existing building or to undergo a competitive action.

Additionally, consideration will be given to the customer agency's mission and security requirements (if applicable) to include limiting any agency space requirements that may be deemed unduly restrictive and thus favor the incumbent. The Government will remain conscious of the effort to continuously encourage competition when practicable.

11. CONTRACTING OFFICER CERTIFICATION.

By signature on this Justification for Other than Full and Open Competition, the GSA Lease Contracting Officer certifies that the award of a succeeding lease of 29,913 RSF is in the Government's best interest and that this Justification is accurate and complete to the best of the GSA Lease Contracting Officer's knowledge and belief.

 Date 11-16-2022

Regina Nickerson, Lease Contracting Officer

12. PREPARER'S TECHNICAL CERTIFICATION.

I certify that the supporting data used to form the basis of this Justification is complete and accurate to the best of my knowledge and belief.

 Date 11-16-2022

Regina Nickerson, Leasing Specialist

Concur

 Date \_\_\_\_\_

Pamela Collins, Director, R9 Real Estate Acquisitions Division