

U.S. General Services Administration

GSA Region 9

Real Estate Acquisition Division

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

PROJECT NUMBER: 2NV0180

Agency Name: [REDACTED]

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

The General Services Administration currently leases 14,370 ABOA/15,799 rentable square feet (RSF) of office space at 8790 Double Diamond Parkway, Reno, Nevada under lease number GS-09B-01430 for the [REDACTED]. The current lease has a rental rate of \$33.71 per RSF per year and expires 07/31/2024. Approval is requested to negotiate two renewal options with the incumbent Lessor without full and open competition for continued occupancy at this leased location. The right to pursue a renewal option is detailed in GSAR 570.401: Renewal Options.

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

GSA has confirmed the need for a renewal option(s) at this leased location.

This requirement is to add two five-year renewal options. The estimated cost of the first option is \$ [REDACTED] per RSF per year for an annual cost of \$ [REDACTED]. The estimated cost of the second option is \$ [REDACTED] per RSF per year for an annual cost of \$ [REDACTED]. The total contract value of these options is estimated to be \$ [REDACTED].

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. In accordance with FAR 6.302-1, 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 the [REDACTED] 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].

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

Per the requirements of GSAR 570.401, the GSA Lease Contracting Officer placed a notice in the System for Award Management, Contracting Opportunities (SAM) on 5/28/23 for 15 days.

In addition, GSA conducted market research using CoStar.

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

An analysis of the market in Reno, Nevada showed the rental rate within the delineated area ranges from \$36.10 - \$50.79 per RSF, as identified via CoStar Market Report, and accounting for 5% market escalations per year (Source: CoStar).

Therefore, the anticipated rental rates for the renewal options of \$ [REDACTED] /RSF and \$ [REDACTED] are within the current market range for this submarket and are deemed fair and reasonable by the GSA Lease Contracting Officer.

7. DESCRIPTION OF MARKET RESEARCH CONDUCTED AND THE RESULTS.

On 7/5/2023, GSA conducted market research using CoStar reports and identified no alternative locations that might meet the agency's needs within the delineated area. However, the market research did identify 3 buildings near the delineated area to serve as comparison.

In addition, GSA placed a notice conforming to GSAR 570.402-2 on SAM on 5/28/2023. There were no expressions of interest in response to the SAM Notice, as of 5/24/2023. The incumbent Lessor's expression of interest indicated that the rate would be \$ [REDACTED] per RSF for the first term and \$ [REDACTED] per RSF for the second term..

See Figure 1 below for the results of the market research and SAM notice, including the incumbent's estimated rates.

Address	Source [EOI/CoStar, etc.]	Estimated Full Service Rental Rate
8790 Double Diamond Parkway	EOI	\$ [REDACTED] /RSF (1 st renewal) \$ [REDACTED] /RSF (2 nd renewal)
9850 Double R Blvd	CoStar	\$ [REDACTED] /RSF (1 st renewal)* † \$ [REDACTED] (2 nd renewal)* †
9390 Gateway Dr	CoStar	\$ [REDACTED] /RSF (1 st renewal)* \$ [REDACTED] /RSF (2 nd renewal)* †
6100 Neil Rd	CoStar	\$ [REDACTED] /RSF (1 st renewal)* † \$ [REDACTED] (2 nd renewal)* †
223 Court St	CoStar	\$ [REDACTED] /RSF (1 st renewal) \$ [REDACTED] /RSF (2 nd Renewal)*

100 N Sierra St	CoStar	\$ [REDACTED] /RSF (1st renewal)* \$ [REDACTED] /RSF (2nd renewal)* †
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*\$ [REDACTED] added to advertised rate to account for operating costs per Costar submarket report

† Averaged over 5 years with 5% escalations per year

Figure 1: Market Research Comparables

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

The [REDACTED] is satisfied with the leased space and the GSA Lease Administration Manager confirmed the Lessor is responsive. There are no documented fire protection and life safety deficiencies for the location. There have been no previous renewal options added to this lease and there is no increase in square footage.

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

Glenbrook Robertson LLC (incumbent)

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

There are no systemic barriers to competition. If the agency has a continuing need for space upon lease expiration, GSA will follow all authorities, regulations and policies applicable to lease acquisition. Should there be remaining useful life in the Government's tenant improvements, the Government will consider the cost of moving from the existing location, and the cost to build out new space when deciding whether to undergo a competitive action.

Additionally, objective scrutiny will be given to the customer agency's mission and security requirements (if applicable) to eliminate unnecessary agency space requirements that may be deemed unduly restrictive.

11. CONTRACTING OFFICER CERTIFICATION.

By signature on this Justification for Other than Full and Open Competition, the GSA Lease Contracting Officer certifies that the addition of two renewal options 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 7/11/2023

Susan Baghdikian, 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 7/11/2023

Gabriela Mills, Leasing Specialist

CONCUR:  Date 7/11/2023

Guadalupe Flores, Branch Chief

 Date 7/17/2023

Pamela Collins, Director

Real Estate Acquisition Division

APPROVED:  Date 7/17/2023

Jessica L. Escobedo

R9 Regional Competition Advocate (Leasing)