

Justification for Other Than Full and Open Competition, Succeeding Lease

U.S. General Services Administration

GSA Region 5

Real Estate Division

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

PROJECT NUMBER: 2IL0425

Agency Name: [REDACTED]

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

The General Services Administration currently leases 6,220 ABOA/6,656 rentable square feet (RSF) of office space at 1005 Factory Outlet Drive, West Frankfort, IL 62896 under lease number GS-05B-16471 for the [REDACTED]. The current lease expires 3/22/2023. 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).

[REDACTED] submitted a continuing need letter on July 14, 2022, for 6,656 rentable square feet of office and related space.

This requirement is for 6,220 ABOA/6,656 RSF of space for an 8-year term to commence on 3/23/2023. The estimated cost of this lease is [REDACTED] per rentable square foot per year for an annual cost of [REDACTED] and a total contract value of [REDACTED]. The delineated area is the city limits of West Frankfort, IL.

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 the contracting officer does not identify any potential acceptable locations.

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. Per the requirements of GSAR 570.402, the GSA Lease Contracting Officer placed an advertisement on the Contracting Opportunities module of SAM.gov on 8/24/2022 for 21 days. In addition, PBS conducted market research using CoStar and a market survey on 9/20/2022. A letter was also sent to the mayor of West

Frankfort, IL, on 7/28/2022 requesting any information that might aid in the procurement. We received no interest beyond the current lessor.

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 8/24/2022 for 21 days. In addition, PBS conducted market research using CoStar, LoopNet, and a market survey on 9/20/2022. A letter was also sent to the mayor of West Frankfort, IL, requesting any information that might aid in the procurement.

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

Recent surveys of the market conducted by PBS in West Frankfort, IL, showed the rental rate within the delineated area ranges from [REDACTED] per RSF. [CoStar]

Therefore, the estimated rental rates for this succeeding lease of [REDACTED]/RSF, 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.

GSAR 570.402-5 allows for negotiation with the incumbent Lessor when the contracting officer does not identify any potential acceptable locations through the advertisement or the market survey.

On 5/17/2022, PBS conducted market research using CoStar and identified 1 potentially acceptable location (the incumbent) that might meet the agency's needs within the delineated area. There were 3 buildings approximately 15 miles outside of the delineated area, 2 of which did not have adequate space available to meet the agency's requirements. In addition, PBS posted an advertisement conforming to GSAR 570.402-2 on the Contract Opportunities domain of SAM.gov website on 8/24/2022. The incumbent Lessor's expression of interest indicated that the rate would be approximately [REDACTED] per RSF. The interested party that provided the lowest cost quoted a rate of [REDACTED] per RSF in its expression of interest.

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
[incumbent] 1005 Factory Outlet Drive	Lessor	[REDACTED] [REDACTED] [REDACTED]

Figure 1: Market Research Comparables

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

The current lessor's past performance has been timely and responsive, and the most recent inspection report shows that the space is well maintained and in good condition. The tenant is very satisfied with their space.

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

N/A

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 the lease contract's expiration, considerations were given to allow for sufficient time to conduct a full and open procurement. The Government during the initial planning stages for this project did consider the cost of moving from the existing location, and the cost to build out new space when making an initial suggestion of completing a succeeding lease. The information gathered during the advertisement and market research process confirmed that moving forward with a succeeding lease was in the best interest of the Government. Besides the lack of competition, all indications are that it is economically advantageous to stay at the existing building. Additionally, consideration was given to the customer agency's mission and security requirements 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 6,656 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.

Thomas Nisivaco, Lease Contracting Officer

_____ Date _____

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.

Carolyn McNealy, Leasing Specialist

_____ Date _____