

“LEASE EXTENSION” JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

LEASE NUMBER: L02PL00244
DELEGATED PROJECT NO. DMT09916-001
LEASE LOCATION: Lewistown, MT
AGENCY NAME: Bureau of Land Management (BLM)

1. IDENTIFICATION AND DESCRIPTION OF ACTION BEING APPROVED.

The BLM currently leases and occupies a total of 26,567 rentable square feet (RSF) consisting of 17,025 USF of office space; 8,025 USF of warehouse space, 1,517 SF of common area, and 100,000 SF of wareyard space located at 920 NE Main Street, Lewistown, MT 59457 under BLM's delegated lease authority for the operation of BLM's Lewistown Field Office. The current lease expires on 1/2/2025. Delegated authority is requested to enter into a lease amendment with the current landlord for continued occupancy, without full and open competition, to extend the lease Term an additional sixty (60) months, twelve (12) months firm, ending January 2, 2030.

2. DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED.

The BLM has a continuing need for 26,567 RSF of office and related space in Lewistown, MT.

BLM's Agency Specific Requirements (ASR) package is anticipated to be submitted to the General Services Administration (GSA) in 2025. The lease extension will provide GSA the time it needs to acquire a new lease, as well as make tenant improvements or renovations as may be necessary.

The estimated annual rental cost for the extended Term is [REDACTED]. The total contract value, not including estimated annual CPI or real estate tax adjustments pursuant to the terms of the current Lease, is approximately [REDACTED].

3. IDENTIFICATION OF STATUTORY AUTHORITY.

41 U.S.C. §3304, Use of noncompetitive procedures; and GSAM 570.405, Lease Extensions.

4. DEMONSTRATION THAT THE ACQUISITION REQUIRES THE USE OF THE AUTHORITY CITED.

GSAM 570.405. Subsection (a): applies to extension of the Term of a lease to provide for continued occupancy on a short-term basis; and subsection (c): FAR 6.302-1 permits contracting without providing for full and open competition when the property or services needed by the agency are available from only one responsible source and no other type of property or services will satisfy the needs of the agency. 41 U.S. Code §3304, subsection (a)(1): the property or services needed by the executive agency are available from only one responsible source and no other type of property or services will satisfy the needs of the executive agency.

5. DESCRIPTION OF EFFORTS TO SOLICIT AS MANY OFFERS AS PRACTICAL.

On August 16, 2021 the BLM, National Operations Center (NOC) duly published a pre-solicitation notice in BETA SAM in accordance with the provisions of GSAM 570.402-2. [REDACTED] responses were received from qualified sources. The incumbent lessor expressed an interest in entering into a lease extension.

6. DEMONSTRATION THAT THE ANTICIPATED COST WILL BE FAIR AND REASONABLE.

In accordance with FAR 6.303-2(b)(7), the Contracting Officer determined by certifying this document that the anticipated cost to the Government of [REDACTED] is fair and reasonable, as further explained below.

7. DESCRIPTION OF MARKET SURVEY CONDUCTED.

BLM staff conducted a preliminary market analysis, including federally-owned and leased facilities, within the subject area to determine the availability of comparable and more economical sites, and was unable to identify any sites in the survey area that could accommodate this requirement.

Based upon the survey, it was determined that the annual rental range for similar space is between [REDACTED] and [REDACTED]. Therefore, the estimated annual rental rate of [REDACTED] represents a rate within the market range for the area.

As reflected in Paragraph 5, a pre-solicitation notice was published pursuant to GSAM Section 570.402-2. There are no qualified sources who meet BLM's requirements. The current lessor expressed an interest in entering into a lease extension.

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

With the current lack of suitable facilities available and estimated time frame for submitting the ASR to GSA, the time remaining on the current the Lease will not be adequate to obtain a new lease. The current space continues to meet the needs of the Lewistown Field Office. Approval of the proposed lease extension will provide BLM with the continuous operations of the field office to provide services to the public while providing flexibility through a right to terminate clause after the expiration of the first 36 months of the extended lease Term.

Cost Benefit Analysis Results:

Cost of Alternate Space for 5 years	\$ [REDACTED]
Moving Costs for Telecom and Data	\$ [REDACTED]
Moving Costs for Physical Move	\$ [REDACTED]
Tenant Improvement Allowance (5 yr amortization)	\$ [REDACTED]
RWA for above TI Allowance Cost	\$ [REDACTED]
Total Costs Expected for Alternate Location	\$ [REDACTED]

Cost of Existing Space for 5 years

Cost of Existing Space for 5 years	\$ [REDACTED]
Moving Costs for Telecom and Data	\$ [REDACTED]
Moving Costs for Physical Move	\$ [REDACTED]
Tenant Improvement Allowance	\$ [REDACTED]
RWA for above TI Allowance cost	\$ [REDACTED]
Total Costs Expected for Existing Location	\$ [REDACTED]

Minimum Savings to the Government to Remain in Current Facility	\$ [REDACTED]
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9. LIST OF SOURCES THAT EXPRESSED INTEREST IN THE ACQUISITION.

[REDACTED] interested parties responded to the SAM advertisement, other than the current lessor.

10. STATEMENT OF ACTIONS TO OVERCOME BARRIERS TO COMPETITION IN A FUTURE PROCUREMENT FOR THIS SPACE REQUIREMENT.

Full and open competition will be undertaken by GSA upon receipt of BLM's ASR.

11. CERTIFICATIONS AND APPROVAL

The Contracting Officer certifies that the information provided in this requested justification is accurate to the best of his/her knowledge and belief, and believes award of the requested lease extension without full and open competition is valid and in the Government's best interest.

Prepared by:	Nick Gilida	Date	8/13/2022
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Concurred by:	[Redacted]	Date	[Redacted]
	[Redacted] Lease Contracting Officer		
Concurred by:	[Redacted]	Date	[Redacted]
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