



SINGLE SOURCE JUSTIFICATION FOR REAL PROPERTY TEMPLATE

1. Title of Procurement

Lease DTFAWN-12-L-00029, which expired on 09/30/2021 will be succeeded by lease 690EG4-23-L-00034 for the Helena Flight Standards District Office (FSDO)/ Airport District Office (ADO).

2. Service Organization and Points of Contact

State the title of the requiring organization(s) and name, email, and phone number of the responsible program official. State the name, email, and phone number for the Aviation Property Management (APM) Portfolio Manager and Project Manager, as applicable.

- A. [REDACTED], HLN FSDO Manager [REDACTED]
- B. [REDACTED] ADO, Acting Manager [REDACTED]
- C. [REDACTED], APM 210, [REDACTED]

3. Nature of Procurement Action

Select the nature of the procurement action from the choices below. If an urgent requirement, also state the date by which the procurement action must be awarded.

- ☐ New Contract Award, where there is no pre-existing contract at the proposed location (includes new space procurement in an existing facility)
- ☐ Modification of Existing Contract, where there is a preexisting contract, and the scope and/or location of the contract is modified
- ☐ Contract Extension, where there is a non-expired, preexisting contract at the same location
- ☒ Succeeding Lease, where there is an expired, preexisting contract at the same location (See Note 1, below, for further instruction.)

Required by: 2/28/2023

4. Total Estimated Value

The service rental rate will be \$[REDACTED] for a 10 year term (Gas and Electric separate) for a total \$[REDACTED] annually, \$[REDACTED] the 10 year term, with a 90 termination right and no TI's to reimburse should we opt to terminate in the future. This is based on actual figures from the current Lessor.

The estimated value based on a market search of CoStar data indicates the average rental rate is \$[REDACTED]sf which would equate to \$[REDACTED] annually for the first 5 years with an increase to \$[REDACTED]sf for the second 5 years at \$[REDACTED] annually, for a total of \$2[REDACTED] over the 10 year term.

5. Description of Real Property Requirement

- a) Intended use as Administrative space for the FSDO and ADO. Eventually it will be for the FSDO and SSC once the ADO relocates to their new location which is anticipated to take place within the next 6 months. The SSC is somewhat displaced as they will have 4 employees attempting to occupy 100sf located in the HLN ATCT.. The FSDO occupies approximately 87% of the space and the ADO occupies approximately 17%.
- b) Amount of space/land needed –9,150sf class A or B office space
- c) Delineated area – Helena, Montana with specific boundaries as:
 - 1. North: Lincoln Rd
 - 2. East: Lake Helena Dr
 - 3. South: Hwy 287 to N Montana Ave to Lyndale Ave to Euclid Ave
 - 4. West: Henderson St to W Custer Ave to Green Meadow Dr to Lincoln Rd



- d) Estimated length of need – 10+ years
- e) Time factors – Time to identify, possibly procure and build out new space that can accommodate both the Helena FSDO and SSC.
- f) Opportunities (or lack thereof) for collocation – The ADO which is currently co-located with the FSDO, will be moving out of their space and the SSC will move into the ADOs vacated space.
- g) Special requirements – N/A
- h) Other special requirements – N/A

6. Authority

Authority for single source procurement is provided by AMS policy section 3.2.2.4.

7. Rationale Supporting Use of a Single Source

Explain why it is in the FAA's best interest not to compete the action as evidenced by the data collected from the market. Research must be (1) requirement specific; and (2) tailored to the cited rationale below.

Cite Rationale –

- ☐ Only one available Lessor/Grantor/Seller/Contractor
- ☒ Cost/benefit analysis (See Note 1, below, for further instruction.)

Note 1:

The ADO's requirement package was completed separately from the FSDOs, both currently are co-located, The ADO outgrew their current space they occupy and no additional space is available in the building. The ADOs space was solicited, and a new space was selected. This lease is currently being drafted and the space is being designed for buildout.

The FSDO also had a requirements package completed which was intended to be solicited, although they preferred to stay in place. The displaced SSC was informed they could move into the ADO's old space once it was vacated. The SSC does not have a completed requirements package, yet there are emails stating that they could move into the ADO space. The SSC has a 100sf space that was once used to house 1 employee, they now have 4 employees and the space is not sufficient, nor should they be co-located with the ATCT.

The current location meets or exceeds all existing health and safety requirements of the FAA. There is no need or cost for any additional buildout or system furniture for the SSC. The current space although combined and on one lease contract, the space is adjacent with some common area shared between both LOBS. The current Lessor has an excellent history with the FAA and several other federal agencies. The building and space currently meet all the FAA's requirements and it is well maintained.

Address other factors as applicable, such as the following:

- + **Impact.** The current FSDO/ADO lease is expired (9/30/2021). DTFAWN-12-L-00029 has no holdover clause putting the government at risk for trespass. The current lessor is the only one that can offer the agency immediate occupancy. Selecting any other lessor whether by competition or single source award would incur time delays for buildout and relocation.
- +
- + If the FAA were to relocate there would be buildout costs and furniture costs that would not be needed at the current location. Even if time constraints and trespass were not an issue the cost to stay in place is more beneficial to the government and the lessor has offered a flat rental rate for a 10-year term that is lower than the average rental rate in today's market as stated in clause 4 of this SSJ.



- + **Succeeding Contracts.** There would be no buildout cost for the SSC to occupy the current ADO space. If the FSDO remains in place, there would be no buildout, furniture or moving costs. Additionally, the SSC will be taking over the ADO space and system furniture as is, therefore this will also eliminate the cost for furniture.

8. Market Analysis.

- + Market research was conducted to determine the fair market rental rate to be used in negotiations with the current Lessor. In conducting the market research, it was found that no space was available within the delineated area as shown in clause 5 of this SSJ, that could meet the FAA's needs. Outside of the delineated area there were two spaces available, however in addition to the location, both had other concerns as stated below that would prevent them from meeting the FAA's requirements.

Within the delineated area there were no available space to meet the FAA's needs. There were 3 total spaces that did not have adequate square footage.

- 1 [REDACTED], Helena MT – 5,000sf available
- 2 [REDACTED], Helena MT – 972sf available
- 3 [REDACTED], Helena MT – 3,742sf available.

Outside of the delineated area within the city limits of Helena there are two spaces that were of adequate size, yet both had additional concerns other than location that could not meet our requirements.

1. [REDACTED] Helena MT – 9,000sf [REDACTED]sf mg(modified gross) and does not include janitorial or utilities. The rental rate will adjust with yearly based on property taxes, common area fees, maintenance, etc.) This is a two-story building constructed in 1890 and does not meet ABAAS or seismic requirements. The rental rate does not include tenant improvements.
2. [REDACTED] Helena MT – 8,948 \$ [REDACTED]sf mg(modified gross) and does not include janitorial or utilities. The rental rate will adjust yearly based on property taxes, common area fees, maintenance, etc.). This is a one-story multi-tenant building in a car dependent location with no nearby transit.

NOTE: When the Helena ADO space was solicited, it was done for all of Helena, Montana with no delineated area. We only received one response, which happens to be the current lessor, Helena Airport Authority. There is little to no interest in this area to lease to the government.

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- + CoStar reports were obtained within the delineated area for class A and B office space, which did not provide any adequate space. Another CoStar report was pulled for all of Helena that provided two spaces that could meet the size neither meet other FAA requirements. Both had a rental rate that was greater than the current location..
- + No SIR Request for Information was issued

Other Facts Supporting Use of Single Source

Remaining in place is in the best interest of the Government as it provides us with the required square footage, in a building that currently meets all of the FAA's requirements, with a Lessor with exceptional past performance. It includes a rental rate that is below the fair market value, requires no move, buildout or system furniture cost, it continues to co-locate our LOBs while preventing a trespass violation and can immediately accommodate our needs. There is no other potential lessor out there that can do the same. Remaining in place is the best option both logistically and financially for the FAA to secure adequate space that meets our needs to fulfill our mission.

ENDORSEMENT

I certify that the supporting data under my cognizance that are included in this justification are accurate and



complete to the best of my knowledge and belief.

I further certify that I will be involved in Screening Information Request (SIR) activities pertaining to this procurement. I will have knowledge of and access to confidential and proprietary procurement information and data concerning the selection process such as, procurement strategy, the offeror's proposal, results of evaluations, and the final selection actions. I will not disclose any information of a commercially sensitive or source selection sensitive nature, which is obtained by virtue of participation on the procurement team. Further I will ensure that such information is not used by other persons, companies or organizations to obtain an unfair advantage. I further certify that I have not requested any proposal information as identified in AMS Guidance T3.1.8A.2(1), communicated any source selection information as identified in AMS Guidance T3.1.8A.2(2), nor communicated an intent to execute a single source contract from or to only the source identified in section 7 prior to the full execution of this single-source justification.

CONFLICT OF INTEREST

As a member of the procurement team, I hereby agree to abide by the FAA Acquisition Management System; the Standards of Ethical Conduct for Employees of the Executive Branch, 5 C.F.R. pt. 2635; federal criminal law regarding bribery, graft, and conflicts of interest, 18 U.S.C. §§ 201-209, 216; and the Procurement Integrity Act, 41 U.S.C. §§ 2101-2107. Further, as a participant in the procurement selection activities, I hereby certify to the following:

- (1) I have not been employed by the source identified in Section 7 above nor any of its subsidiaries. In addition, neither I, my spouse, or any of my dependent children, or other blood relatives who are residents of my household (hereinafter "I"), now own any bonds, stocks, or stock options, or have any other financial interest, including but not limited to current or future employment or contract rights, in or with respect to the aforementioned Source. I do not have any financial commitments to the source. I am not currently serving as an officer, director, trustee, general partner or employee of the Source.*
- (2) Neither I, nor to the best of my knowledge and belief, my spouse or any of my minor children have any intention or expectation of obtaining employment with, contracting with, or acquiring stocks, stock options, or bonds in or with respect to the Source for this requirement.*

I understand that failure to comply with the above will result in termination of my participation in this procurement and may result in disciplinary action and/or referral for civil or criminal action.



Service Organization Official (Aviation Property Management) Approval

Name:

Signature:

Organization:

Date:

Requiring Organization/Contracting Officer's Representative (COR) Approval

Name:

Signature:

Organization:

Date:

Real Estate Contracting Officer Concurrence

Name:

Signature:

Organization:

Date:

AAQ Branch Manager Concurrence

Name:

Signature:

Organization:

Date:

Legal Sufficiency

Name:

Signature:

Organization:

Date: