

Justification for Other Than Full and Open Competition, Extension

U.S. General Services Administration

GSA Region 2 Leasing

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

PROJECT NUMBER: 3NY0903

Agency Name:

(b) (7)(B)

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

The General Services Administration currently leases 9,159 ABOA/10,000 rentable square feet (RSF) of office space at (b) (7)(B), under lease number LNY23370, for the (b) (7)(B). The current lease expires April 1, 2023. Approval is requested to negotiate a lease extension with the incumbent Lessor without full and open competition for continued occupancy at this leased location. The procedures for pursuing a lease extension are detailed in GSAR 570.405: Lease extensions.

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

The Government requires an extension of the current lease for two (2) months to commence on April 2, 2023, extension rent is (b) (5) per rentable square foot for an annual cost of (b) (5) and a total contract value of (b) (5). The delineated area is located within the perimeter of Staten Island, NY.

Approval is requested to negotiate Lease Amendment 11, an extension with the incumbent Lessor without full and open competition for continued occupancy at this leased location.

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 570.405. In accordance with GSAR 570.405, use of the sole source authority is appropriate when the Government experiences a delay in acquiring replacement space. Project No. 8NY2569/Lease No. LNY00410 has post lease award delays finalizing ties tables and approving project contractor before Notice to Proceed (NTP). Consequently, Project No. 3NY0903/Lease No. LNY23370 must be extended for two (2) months before construction commencement.

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 during the extension period. Lease No. LNY00410 is fully signed and awarded to the Lessor. This (b) (7)(B) office requires a complex office space construction, which includes the installation of a new building elevator. This is an existing (b) (7)(B). Award to other than the current Lessor would require the GSA to restart the (b) (7)(B) relocation process, which would take approximately twenty-four (24) additional months to

complete. Moreover, the (b) (7)(B) will incur move and replication costs that would not be recovered through competition. The attached Cost Benefit Analysis demonstrates an overall savings of (b) (5) in comparison to moving to CoStar Market Research Report's lowest priced alternative (b) (4).

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

In accordance with GSAM 570.106(d) and 570.405, an advertisement is not required for extensions.

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

On March 15, 2023, a GSA CoStar market research conducted by a Lease Contracting Officer in New York, NY 10017 showed the rental rate within the Staten Island market area for class "B" and class "C" buildings ranges from (b) (4) to (b) (4), fully serviced.

Therefore, the anticipated rental rate for this lease extension of (b) (5) 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 March 15, 2023, PBS CoStar Market Research identified six (6) potentially acceptable locations including the incumbent location that might meet the agency's needs within the delineated area. In addition, the incumbent Lessor's expression of interest indicated that the rate would be (b) (5), which is the existing rent. The CoStar lowest cost alternative, (b) (4) listed a rate of (b) (4) fully serviced.

See Figure 1 below for the results of the GSA CoStar market research, including the incumbent:

Figure 1

<u>Address</u>	<u>Source</u>	<u>Asking Full-Service Rental Rate</u>
(b) (7)(B)	<i>Incumbent Location</i>	(b) (5)
(b) (4)	CoStar Market Research	(b) (4)
(b) (4)	CoStar Market Research	(b) (4)
(b) (4)	CoStar Market Research	(b) (4)
(b) (4)	CoStar Market Research	(b) (4)
(b) (4)	CoStar Market Research	(b) (4)

The market research shows a rental rate within the market area ranging from (b) (4) to (b) (4), fully serviced.

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

Remaining at the current location under a two (2) month extension avoids a holdover and allows the Government to continue operations without disruption.

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 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 lease extension of two (2) months for LNY23370 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 _____
(b) (7)(B)
Lease Contracting Officer (2PRM)

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 _____
(b) (7)(B)
Leasing Specialist (2PRM)

13. APPROVED BY:

_____, Date _____
(b) (7)(B)