

Leasing Justification – Succeeding Lease

Justification for Other Than Full and Open Competition, Succeeding Lease

U.S. General Services Administration

GSA Region (5)

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

PROJECT NUMBER: 1MI2199

Agency Name: [REDACTED]

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

The General Services Administration currently leases 13,800 ABOA/14,577 rentable square feet (RSF) of office space at 300 W 2nd St, Flint, MI 48502 under lease number LMI6622 for the [REDACTED]. The current lease expires 06/22/2023. 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 10/28/2022 for 13,434 rentable square feet of office and related space. To satisfy the [REDACTED] mission requirements, the facility must be within a walkable distance of the nearest bus stop. The estimated cost (from the response to the advertisement) of this lease is [REDACTED] per rentable square feet per year for an estimated annual cost of [REDACTED] and a total contract value of [REDACTED]. The delineated area is the Flint, MI Central Business District. 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 GSAM 570.402. In accordance with GSAM 570.402, use of the sole source authority is appropriate where 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.**

GSAM 570.402-4 allows for negotiation with the current Lessor when we are unable to identify any potential alternative locations, and the Government cannot expect to recover relocation and duplication costs through competition. An advertisement was placed in SAM.gov and market outreach was conducted by the GSA Broker Contact from market research received from CoSTAR. The existing location was the only location that expressed an interest, and the existing location can adequately provide for the agency's space requirements. Further, relocation would cause substantial duplication of cost to the Government that is not expected to be recovered through competition.

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 Broker Contact placed an advertisement on the Contracting Opportunities domain of SAM.gov on November 22, 2022 until December 12, 2022. In addition, Jones Lang LaSalle Americas, Inc conducted market outreach using CoStar and internal market research. Filtering a search from the delineated area and the large USF requirement, but there were no (zero) buildings that met the requirements within the Flint, MI CBD. The advertisement was also sent out to representatives from local Flint commercial real estate firms ABC Real Estate Development and Commercial Financial Management, but did not receive a response.

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

Recent market surveys conducted by JLL in Flint, MI showed the rental rate within the delineated area ranges from [REDACTED] per RSF. JLL used CoStar, Loopnet comparables and current market research. Tenant Improvement and move costs would also increase this rate.

The Incumbent Lessor at 300 West 2nd Street has quoted a rate of [REDACTED] per RSF in response to the advertisement. This rate is at the high end of the market but fair and reasonable.

7. **DESCRIPTION OF MARKET RESEARCH CONDUCTED AND THE RESULTS.**

GSAM 570.402-4 allows for negotiation with the incumbent lessor when if the contracting officer does not identify any potential acceptable locations through the advertisement or the market outreach.

JLL conducted market research using local market research and identified zero (0) potentially acceptable locations within the delineated area that could meet the agency's needs. Brokers in this market in which the advertisement was sent to were also unresponsive. The Incumbent Lessor at 300 West 2nd Street was the expression of interest from the advertisement.

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-300 W 2nd St. Flint Mi 48507	EOI	[REDACTED] RSF

Figure 1: Market Research Comparables

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

The lessor has had a favorable history with GSA and currently has no outstanding issues which would preclude GSA from engaging the lessor in a succeeding lease transaction. [REDACTED] enjoys it's use of the space at 300 West 2nd Street and the space meets their requirements. The quoted rate is at the high end of the market, but the Lease Contracting Officer will attempt to negotiate a rate more in line with the market.

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


Incumbent- 300 W 2 nd St, Flint, MI 48507
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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 14,577 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.

DocuSigned by:

 84FCAD43AAD54C1... Date 12/13/2022
 Dave Rauen, 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 belief.

DocuSigned by:

 84FCAD43AAD54C1... Date 12/13/2022
 Dave Rauen, Lease Contracting Officer

See FAR 6.304 for appropriate signature threshold levels.

If Senior Procurement Executive (SPE) approval is required, must include signatures from Regional Contracting [Leasing] Director, Regional Counsel, and Head of Contracting Activity (HCA). Use of a separate signature page is required.

Use of a separate signature page is required.

Concurred by

DocuSigned by:

C615E1950E434B3... Date 12/13/2022

Tom Nisivaco, Leasing Supervisor

Concurred by

DocuSigned by:

5012693106E3428... Date 12/14/2022

Kim Gill, Branch Manager

Concurred by

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F5F206D8394B4BC... Date 12/14/2022

Chris Gronwold, Lease Policy & Programs Branch


Concurred by

DocuSigned by:

2EA934EFA9DF429... Date 12/16/2022

Shery Wittstock, Leasing Director

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DocuSigned by:

F5B015CE0CA84FC... Date 12/16/2022

Tom Hawkins, Regional Counsel

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DocuSigned by:

29A96F84E3D5494... Date 12/19/2022

Mike Wolff, Regional Competition Advocate