



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES**



**REQUEST FOR SPACE (“RFS”)
DGS-RFS- DGS Warehouse-2023-02
Department of General Services Warehouse**

The District of Columbia’s Department of General Services (DGS) is seeking offers for 20,000 to 25,000 SF pf warehouse space that satisfy the criteria listed below. Responsive offers, among other things, should provide space that is within one building or project. DGS is the agency identified to initially utilize the proposed space.

Background

The Department of General Services is an agency of the District of Columbia government with more than 700 skilled employees that’s mission is to build, maintain, and sustain the District of Columbia’s real estate portfolio to foster economic viability, environmental stewardship and equity across all 8 wards of the District.

Evaluation Criteria

The Evaluation Criteria are as follows:

- A. Serves the Agency’s operations
- B. Rental Rate and Rent Structure consistent with DGS’s typical standards
- C. Location that meets the preferred criteria

Submission Instructions

Offerors shall submit their proposals by responding to or accepting each of the terms included under the Evaluation Criteria in the order and format presented below. Please clearly state any exceptions or substitute language to any of the terms listed below.

Section A. Landlord Qualifications, Financial Feasibility and Agency Operations – To be evaluated and scored based on the Landlord’s financial resources, capacity, and ability to successfully complete a lease with the District and perform ongoing operations of suitable space that meets the operational needs of DGS.

Tenant: The District of Columbia, a municipal corporation, acting by and through its Department of General Services (the “District”).

The District agency(s) initially occupying the premises will be DGS. The District retains the right to change occupying agencies without such substitution constituting a sublet of the Premises or an assignment of the Lease, or otherwise requiring Offeror's consent.

Landlord Qualifications:

Please provide ownership information including:

- Evidence of control of property and timely availability of the Building and Premises (if offeror does not currently own the property please provide evidence of site control and timing and all contingencies (if any) for closing); and,
- Management structure.

Landlord's Financial Capability:

- Please provide a detailed description of any lenders with financing associated with the building and any liens and/or ground leases that may or will encumber the building.
- Evidence of Offeror's wherewithal to fund development (where appropriate) ongoing building operations, a tenant improvement allowance and, if applicable, other property improvements.

District's Operational Support Services Requirements:

Please propose from 20,000 to 25,000 Rentable Square Feet ("RSF") of space to accommodate the storage needs of DGS.

If there are existing tenants in the space proposed, please provide evidence including dates for the existing tenant's plans to vacate the space.

Building, please provide building name and address and the following:

- A description of any renovations planned for the building, including timeline.
- A description of building systems, including HVAC system servicing any office space, its capacity and additional capacity available within the building;
- Description of the loading docks (type and number), bay doors and ceiling heights; and,
- Description of building's security and access control; and,
- Please provide the following:

- Floor plans delineating specific floor and square footage; and,
- Description of the condition of space;

Section B. Rental Rate / Rent Structure and Required Lease Terms – To be evaluated and scored in context of the overall value to the District and the competitiveness relative to market, considering such factors as condition of space, efficiency of space, proposed TIA and flexibility in the utilization of the TIA, rental abatement period, escalations, etc. Rent structure should be submitted based on the following proposed structure. The terms below are based on RSF.

Net Rent: Escalations will be allowed on the Net Rent only. Do not include any escalation on the Annual Rent (as hereinafter defined).

Operating Expenses: The Annual Rent for the first year shall include operating expenses (“OpEx”). OpEx is subject to annual escalations according to changes in the Consumer Price Index (CPI). The amount of the OpEx for the first year proposed by Offeror will be subject to verification by the District and may be subject to revision prior to Lease execution.

Real Estate Taxes: The Annual Rent for the first Lease year shall include the “Real Estate Tax Base,” which shall be equal to the District’s proportionate share of real estate taxes for the building for such first year.

Commencing on the anniversary of the first Lease year, the District will owe its proportionate share of real estate taxes for the building that exceeds the Real Estate Tax Base. The Real Estate Tax Base will be subject to verification by the District and the amount may be subject to revision prior to Lease execution.

Tenant Improvement Allowance Amortization: Annual Rent shall include TIA amortized over the initial Lease Term.

Annual Rent: Total of all of the above factors. Please provide an aggressive, market sensitive rent proposal (**including concessions such as rent abatement**). Please use a full-service gross rental structure.

Below is an **EXAMPLE ONLY** of how the proposed rent structure should be presented:

Net Rent	\$12.00
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Operating Expenses	\$1.50
Real Estate Tax Base	\$ 2.00
TIA Amortization	<u>\$TBD</u>
Annual Rent for first Lease year	\$14.50 RSF

Test Fit: After thorough analysis of all proposals, the District will notify Offerors whose proposals have been short listed by the District for purposes of building/property tours. After the building/property tours are complete, the District shall deliver programming requirements to such Offerors and each such Offeror shall, at its sole cost and expense, without any reimbursement from the District, provide \$0.15/RSF in funding for and deliver one test fit for the Premises based upon the programming requirements provided by the District, which shall include two (2) revisions to the test fit, together with the architect’s detailed pricing notes. The architect selected by each Offeror shall be subject to the District’s prior approval.

Lease Term: Ten (10) years.

Option Term: The District requests an option to extend the term for one (1) additional period of five (5) years.

Rent Commencement Date: The District shall commence paying rent when the Premises is delivered to the District with any work to be performed by the Offeror completed to the Premises, Base Building, Parking Areas and Site, as evidenced by a certificate of occupancy. Please confirm Offeror can deliver the substantially completed Premises by the 3rd quarter of 2023.

Use: Primarily warehouse storage with ancillary office and any other lawful use. If relevant, please provide the names of the other tenants in the building.

Assignment/Subletting: Please confirm the District shall have the right, subject to Offeror’s consent, which consent shall not be unreasonably withheld, conditioned or delayed, to assign the Lease or sublease all or any portion of the Premises.

Building Hours: 24 hours a day, 7 days a week access.

The District shall have the right to design the appropriate card access system for the Building or utilize Offeror's base building card access system to the building and building elevators and shall be provided with a sufficient number of access cards for each District employee.

Parking: Please reference the availability and type of parking. The District requests at least ten (10) parking spaces . Please provide the cost per parking space on a monthly basis (if any), including any scheduled escalations in cost.

Tenant Improvement Allowance: The District requires a Tenant Improvement Allowance (“TIA”) for racks, tenant build-out and HVAC for the small office portion (if not already provided with in the space). The District requires a non-restrictive TIA. Specifically, the District may use its allowance for hard and soft construction costs, IT, FF&E, specific electronic equipment and relocation services. The District may require the Offeror to contract for the build-out of the space.

If the District requires that the Offeror build-out the Premises, the Lease shall include a Work Exhibit. In such event, the TIA thereunder shall be subject to the requirements of D.C Code Section 2-218.46 regarding the use of Small Business Enterprises and Certified Business Enterprises (as such term is defined under D.C. Code Section 2-218.02), provided that 50% SBE/CBE participation shall be required (rather than 35% as included in the current Statute). The Work Exhibit shall set forth the foregoing requirement.

Brokerage: Savills, Inc. (“Savills”) is recognized as the exclusive broker representing the District in this proposed transaction. Upon execution of a Lease with the District, Landlord shall compensate Savills with a commission equivalent to 4.0% of the Lease value based on the Annual Rent (as defined above) over the initial Lease Term.

Section C: Location– To be evaluated and scored based on their responsiveness to the goals and objectives of the District’s requirements as summarized below:

Location:

- A preference will be centralized locations in Washington DC with good access to the rest of the District.

- Briefly describe the proximity (distance to the access point of the building) and accessibility to multiple modes of public transportation, including color of metro train line and major highway/freeway access proximate to the building.

Submission Format and Due Date

Please submit two (2) electronic copies in Microsoft Word and PDF by email to nikki.turner@dc.gov, mattie.rogers@dc.gov and cc.tfoley@savills.us. The offers shall be written in 12-point font size. Offers must also include a **signed** DC DGS FORM S-103 (attached).

Within the body of the email please reference “**Offer in Response to DGS-RFS-DGS-2023-02.**” Offers must be submitted to DGS by email with all required information and documentation by 5:00 PM on Friday May 5, 2023 in order to be considered.

Addendum: If it becomes necessary to revise any part of this RFS or if additional data is necessary to enable interpretation of provisions of this RFS, such revisions or additional data will be made available online.

Any matters that are not addressed in this RFS and that would further distinguish the building from other competing buildings should be addressed in your response.

This Request for Space shall not be considered an offer to lease and DGS reserves the right to withdraw this Request for Space at any time.