



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



REQUEST FOR SPACE (“RFS”)
DGS-RFS- PSC-2024-08
Public Service Commission

The Department of General Services (“DGS”) is seeking offers for office space that satisfies the criteria listed below. Responsive offers, among other things, should provide space that is within one building and on contiguous floors. The Public Service Commission is the agency identified to initially occupy the proposed space.

Background

The Public Service Commission of the District of Columbia was established by Congress in 1913 as an independent District government agency to regulate the electric, natural gas, and telephone companies serving the city.

As an independent, quasi-judicial agency in the District government, the DCPSC functions like a court and the Commissioners fill the role of judges. All staff involved in formal cases are advisors to the Commissioners. This includes the Commissioners’ staff, the Office of the General Counsel (OGC), the Office of the Executive Director, the Office of Technical and Regulatory Analysis (OTRA) and, in some cases, the Office of Consumer Services (OCS).

Additionally, our administrative staff serve the role of a court clerk and OCS provides mediation services to consumers and businesses when complaints against utility companies arise. OGC staff serve as hearing officers when formal hearings are requested and OTRA manages the natural gas pipeline safety program.

The mission of the Public Service Commission of the District of Columbia is to serve the public interest by ensuring that financially healthy utility companies provide safe, reliable and quality utility services at reasonable rates for District of Columbia customers, while fostering grid modernization, conservation of natural resources, preservation of environmental quality, and advancement of the District’s climate policy commitments.

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 the Public Service Commission.

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

The District agency initially occupying the premises will be the Public Services Commission. 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 Requirements:

Please propose 35,000 to 40,000 Rentable Square Feet (“RSF”) of office space to accommodate the Public Service Commission. It is preferred that the Public Service Commission be in contiguous space within one building.

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 the building name and address and the following:

- A description of any renovations planned for the building, including a timeline;
- A description of building systems, including HVAC system servicing the space, its capacity and additional capacity available within the building;
- Description of building’s security and access control;
- Detailed description of maintenance and cleaning;
- Description of recycling programs;

- Level of LEED designation existing or the design intent including a description of energy efficiency programs and equipment;
- Statement as to ADA compliance; and
- Please provide the following:
 - Floor plans delineating specific floor and square footage;
 - Description of the condition of space;
 - Common area factor; and,
 - Offeror’s agreement to utilize BOMA standard of measurement for the building and Premises.

Please note that:

- Offered space must meet the District’s requirements for fire, safety, handicapped accessibility, and sustainability.

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	\$17.50
Operating Expenses	\$10.00
Real Estate Tax Base	\$ 9.00
TIA Amortization	<u>\$15.50</u>
Annual Rent for first Lease year	\$52.00 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 or fifteen (15) 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 June 2025.
- Use:** Primarily administrative office and any other lawful use. If relevant, please provide the names of the other tenants in the building.
- Amenities:** Please describe the amenities or special services that will be available in the building (deli/restaurant, building conference rooms, teleconferencing, health/fitness center, security escort services, etc.).
- 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:** Required building hours are 7:00 am to 6:00 pm, Monday through Friday; and 9:00 am to 2:00 pm on Saturday. However, the District's employees shall require 24-hour Premises access for 52 weeks per year.
- 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 enough access cards for each District employee.

Parking: Please reference the availability and type of parking (i.e. structured vs. surface). Please offer the District a competitive parking ratio for the building. Please provide the cost per parking space on a monthly basis, including any scheduled escalations in cost.

Tenant Improvement Allowance/Rental Abatement: The District seeks market based rental abatement and Tenant Improvement Allowance (“TIA”). The District will give preference to spaces that are built out at a ratio of approximately 80:20 office space : conference rooms and assembly space that need less construction. The District also requires an approximately 1,500-2,000 SF column-less hearing room that accommodates approximately 120 people. In this scenario, The District would have a TIA requirement of \$125-\$150 per RSF to complete the construction and furnishing of its premises. If the space is in shell condition, recent experience suggests the District will require at least \$285.00 per RSF to complete the construction and furnishing of its premises. The District has historically utilized both rental abatement and TIA to meet the funding requirements of its construction therefore, The District requires a non- restrictive rental abatement and TIA. Specifically, the District may use the allowances 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). In addition, all work performed by Offeror’s contractor and its trade subcontractors shall comply with the wage and reporting requirements imposed by the Davis-Bacon Act (40 U.S.C. §§ 276a-276a-7) and Title 29 Code of Federal Regulations. The Work Exhibit shall set forth the foregoing requirement.

Midterm Refresh Allowance: For a ten year term, Between the fourth (4th) and sixth (6th) lease year, Landlord shall provide twenty dollars (\$20.00 per RSF) of Midterm Refresh Allowance (“MRA”) to be used by Tenant to refresh the Premises.

For a fifteen year term, Between the seventh (7th) and ninth (9th) lease year, Landlord shall provide twenty dollars (\$30.00 per RSF) of

Midterm Refresh Allowance (“MRA”) to be used by Tenant to refresh the Premises.

The MRA will be a non-restrictive allowance, meaning the District may use its allowance for hard construction costs (e.g., paint and carpet), and soft construction costs, IT, Tele-Date and IT Infrastructure, FF&E, specific electronic equipment. Any unused portion of the MRA can be converted to Rent Abatement.

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.

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

Location:

- Options must be within five (5) blocks of 1325 G Street, NW.
 - Briefly describe the proximity (distance to the access points 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.

Environmental Benefits:

- A preference will be given to sustainable buildings that have minimal impact on the environment. Please provide the level of LEED certification and energy star ratings.

Submission Format and Due Date:

Please submit two (2) electronic copies in Microsoft Word and PDF by email to morgan.hall@dc.gov, scott.clark@dc.gov, ndichiara@savills.us, and cc bquinby@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-PSC-2024-08.**” Offers must be submitted to DGS by email with all required information and documentation by August 26, 2024 in order to be 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.