

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES



REQUEST FOR SPACE (“RFS”)
DGS-RFS-PSRC-2022-02
Parole and Supervised Release Council

The District of Columbia’s Parole and Supervised Release Council (“PSRC”) is seeking offers to lease or purchase a building to serve as an administrative space that satisfy the criteria listed below. Responsive offers, among other things, should provide space that is within one building and on contiguous floors. Parole is the agency identified to initially occupy the proposed space.

Background

The Federal legislation authorizing the U.S. Parole Commission (USPC) is currently set to expire on October 31, 2022. Consistent with the District’s push for statehood and additional autonomy, Representative Norton and Mayor Bowser have expressed the intention to assume local control of the parole board’s functions. The Mayor plans to introduce legislation in the coming months to establish a new local parole agency to replace the USPC.

Evaluation Criteria

The Evaluation Criteria are as follows:

- A. Serves the Agency’s operations
- B. Rental Rate & Rent Structure consistent with DGS’s Typical Standards and/or Purchase Price
- C. Location

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. Agency Operation – Landlord/Seller Qualifications, Financial Feasibility and Agency Operations – To be evaluated and scored based on the Landlord’s/Seller’s financial resources, capacity, and ability to successfully complete a lease or close with the District and perform ongoing operations (as applicable) of suitable space that meets the operational needs of PSRC.

Tenant/Purchaser: 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 PSRC. In the case of a lease, 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/Seller: 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);
- Management structure; and
- Evidence of Offeror’s wherewithal to fund development (where appropriate) ongoing building operations, a tenant improvement allowance and, if applicable, other property improvements.

Lender: Please provide a detailed description of the lender(s) associated with this property and any liens and/or ground leases that may or will encumber this Building.

District’s Operational Requirements: Please propose from 11,000 to 14,000 Rentable Square Feet (“RSF”) of space to accommodate PSRC.

The space shall be delivered for occupancy by April 1, 2023.

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 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;
- Statement as to ADA compliance; and

- Please provide the following:
 - Floor plans delineating specific floor and square footage;
 - Description of the condition of space;
 - 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.

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.

Section B. Purchase Price or Rental Rate and Rent Structure – To be evaluated in context of the overall value to the District and the competitiveness relative to market. For lease proposals, the District will consider 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.

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	\$20.00
Operating Expenses	\$12.00
Real Estate Tax Base	\$8.00
TIA Amortization	<u>\$15.50</u>
Annual Rent for first Lease year	\$55.50

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 2nd quarter of 2023. If this delivery timeframe cannot be accommodated, please propose a alternative delivery date for the District's consideration.

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, health/fitness center, security 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: 7 days a week/24 hour access

Parking: Please reference the availability and type of parking (i.e. structured vs. service and reserved). Please offer the District a minimum of 10 parking spaces, a preference will be given to options that can exceed 10 parking spaces. Please provide the cost per parking space on a monthly basis, including any scheduled escalations in cost.

Tenant Improvement Allowance: The District requires a Tenant Improvement Allowance (“TIA”) of at least \$155.00 per RSF. 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 6 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.

Open Book Process: Please note, the Landlord and District shall arrive at a final Annual Rent through an open book and collaborative process.

Purchase Price: Please provide a purchase price for the land and/or building.

Inspection Period and Closing Period: Please propose an Inspection Period duration and a Closing timeframe following the conclusion of the Inspection Period.

Brokerage: Savills, Inc. (“Savills”) and Civitas Commercial Real Estate LLC are recognized as the exclusive brokers representing the District in this proposed transaction. Upon execution of a Lease with the District, Landlord shall compensate Savills and Civitas 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 & Environmental– To be evaluated and scored based on their responsiveness to the goals and objectives of the District’s requirements as summarized below:

Location: Ward 7 and 8 neighborhoods that are close to public transportation

Submission Format and Due Date

Please submit two (2) electronic copies in Microsoft Word and PDF by email to dawit.beru@dc.gov and cc bisaac@civitasre.com 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-PSRC-2022-02.” Offers must be submitted to DGS by email with all required information and documentation by 3:00 PM on Friday March 25, 2022 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.