

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES



**REQUEST FOR SPACE (“RFS”)
DGS-RFS-DHS-2018-6
THE DEPARTMENT OF HUMAN SERVICES SERVICE CENTER**

The District of Columbia’s Department of General Services (DGS) is seeking offers office or retail space with parking that satisfy the following minimum criteria:

- 23,000 SF to 35,000 SF
- 20 to 30 parking spaces
- Stand-alone buildings preferred

Responsive offers, among other things, should propose a space option that is located in a single location within one mile of the Columbia Heights or Petworth Metro station. The Department of Human Service (DHS) of the District of Columbia, is the organization designated to initially occupy the proposed property.

Background

The mission of the D.C. Department of Human Services is to empower every District resident to reach their full potential by providing meaningful connections to work opportunities, economic assistance and supportive services.

Evaluation Criteria

The Evaluation Criteria are as follows:

- A. Agency Operation
- B. Rental Rate and Rent Structure
- 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.

<p>A. Agency Operation – To be evaluated based on the suitability of space to meet the operational needs of DHS.</p>

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

The District agencies initially occupying the premises will be DHS. 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.

Use: Primarily a Service Center / Administrative Use and any other lawful use.

Site and /or Building: Please provide site information, description of existing improvements and address. Please provide:

- Please provide legal address and current zoning;
- Please describe location and size of all existing and approved curb cuts;
- Please describe nearby cross streets and major thoroughfares;
- Description of existing improvements including building systems; and,
- Pending zoning applications.

Landlord: Please provide ownership information including:

- Evidence of control of property and timely availability of the Premises;
- Management structure; and,
- Evidence of Offeror's wherewithal to fund ongoing building operations, a tenant improvement allowance and, if applicable, other Premises improvements.

Lenders: 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.

Premises: Please propose up to 23,000 RSF to 35,000 RSF of office or retail space, with ample parking (20 to 30 parking spaces preferred). Please provide the following:

- Description of any existing improvements and the conditions of the respective improvements.

Test Fit:

The District will notify Offerors whose proposals have been short listed by the District for purposes of building and site tours. After the building and site tours are complete, the District shall deliver programming requirements to such Offerors. Within 10 business days, each such Offeror shall, at its sole cost and expense, without any reimbursement from the District: provide one test fit for the Premises based upon the programming requirements provided by the District, which shall include one (1) revision to the test fit, together with the architect's detailed pricing notes.

Lease Term:

Ten (10) to 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 upon completion of any and all work to be performed by the Offeror, as evidenced by a Certificate of Occupancy. Please provide a timeframe by which the Offeror can deliver the substantially completed Premises (preference will be given to options that can demonstrate their ability to deliver in 1st or 2nd quarter 2020).

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 Saturday. However, the District's employees shall require 24-hour Premises access for 52 weeks per year.

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

Tenant Improvement Allowance:

The District requires a Tenant Improvement Allowance (“TIA”) of at least \$120.00 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 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%). The Work Exhibit shall set forth the foregoing requirement.

Brokerage:

Savills Studley, Inc. 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 Studley, Inc. with a commission equivalent to 3.0% of the Lease value based on the Annual Rent (as defined below) over the initial Lease Term.

Section B. Rental Rate and Rent Structure – To be evaluated 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.

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	\$ 8.00
Real Estate Tax	\$ 5.00
Base	
<u>Tenant</u>	<u>\$12.00</u>
<u>Improvement</u>	
<u>Amortization</u>	
Annual Rent for first Lease year	\$ 45.00 RSF

C: Location – To be evaluated based on the location’s accessibility to the constituents it serves.

Preferred Locations: The District will consider all locations within 1 mile of the either the Columbia Heights or Petworth Metro train station. Briefly describe the proximity (distance to the access point of the building) and accessibility to multiple modes of public transportation. A preference will be given to options in close proximity to multiple modes of public transportation.

Submission Format and Due Date

Please provide one (1) hard copy and two (2) electronic copies in Microsoft Word and PDF of the written offers in 12-point font size on 8.5”x 11” paper. Offers must also include **signed DC DGS FORM S-103** attached to this RFS (Exhibit 1).

Offers must be hand delivered to:

Department of General Services
ATTENTION: Charleen Ward
REFERENCE: DGS-RFS-DHS- 2018-6
2000 14th Street, NW - 8th Floor
Washington, DC 20009
No phone calls please.

Electronic mail and facsimile Offers will not be accepted. Each Offer shall be submitted in a sealed envelope conspicuously marked: “**Offer in Response to DGS-RFS-DHS-2018-6**”. Offers **must be** submitted to DGS with all required information and documentation by **3:00 pm on Friday, November 30, 2018** in order to be considered.

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

