



**Request for Offers
to Lease or Purchase
District of Columbia Property**

903 Franklin Street, NE
Washington, DC 20019



Issued: Friday, 6/8/2012

Issued by:

**The Government of the District of Columbia
Department of General Services
ATTENTION: Ian Zipfel
2000 14th Street NW, Suite 800
Washington, DC 20009
<http://DGS.dc.gov>**

Offers due by: Monday, 7/23/2012; no later than 12:00 PM

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Section # 1: Overview and District’s Goal for this Solicitation

The Government of the District of Columbia (“District”), through its Department of General Services (“DGS”), invites interested Offerors (“Offerors”) to respond to this Request for Offers (“RFO”) with offers (“Offers”) to **LEASE** or **PURCHASE** the following District of Columbia asset:

903 FRANKLIN STREET, NE, CONSISTING OF A TWO STORY BUILDING WITH APPROXIMATELY 3,700 ± RENTABLE SQUARE FEET (“RSF”). THE DISTRICT WILL ONLY ACCEPT OFFERS FOR THE ENTIRE PROPERTY, (all of the property being referred to as the “Premises”).

The District’s goal, in issuing this solicitation, is to receive Offers to lease or purchase all of the Premises. The District will evaluate Offers and will select one Offer determined, in the District’s sole discretion, to be in the best interest of the District for negotiation of a lease or purchase agreement for the entirety of the Premises. DGS will not accept Offers to lease the Premises for a term of less than five (5) years or more than twenty five (25) years.

A purchase of the Premises is subject to the process set forth in § 10-801 of the D.C. Official Code, including the District holding a public hearing regarding the District’s determination that the Premises are no longer required for public purposes and submitting to DC Council (for their approval) a resolution providing that the Premises are no longer required for public purposes and a disposition resolution (“**Disposition Resolution**”).

Section # 2: General Property Description & Space Condition

GENERAL PROPERTY DESCRIPTION

The property is 903 Franklin Street, NE, Washington, DC, and contains a building with approximately 3,700 RSF. The Square and Lot are 3841 0829 and the building is zoned C-M-2.

SPACE CONDITION

The Premises have public access along 9th Street, NE. The Premises are in an unfinished condition. The Premises will be leased or sold in an “**AS-IS**”, “**WHERE-IS**” condition with all faults, without any representations or warranties. Any initial tenant improvements or subsequent alterations to the Premises must be reviewed and approved by the District, in its sole and absolute discretion. **All costs to reconfigure the Premises for the Offeror’s use will be done at the Offeror’s sole cost and expense.**

All costs, expenses and obligations of every kind and nature whatsoever relating to the Premises shall be paid by Offeror (including without limitation possessory taxes assessed against the Premises, water and sewer use fees, insurance premiums, utility expenses, and any and all costs of operating, maintaining, repairing or replacing all or any portion of the Premises, including all capital expenditures as well).

Please see Exhibit A: Property Details for additional information including location map, aerial map, and a photo.

Section # 3: Information to include in Submitted Offers

An Offer shall be in a narrative form responding to each Offer Criterion in this Section # 3. An Offer must be submitted timely and comply with the terms of this RFO. Please see Section # 4 for additional information on submitted Offer format, delivery, and site visit requirements.

OFFER CRITERION # 1: PROPOSED USE and BUSINESS PLAN

A) PROPOSED USE

Offerors should describe in their Offers how their proposed use addresses the following concerns and goals.

1) PROPOSED USES:

Describe what type of business the Offeror plans to operate. The Premises are available for use as permitted by applicable laws, regulations, and zoning. Offeror should state whether proposed use is permitted under current applicable laws and if not, Offeror's plan for obtaining approval for the proposed use.

2) APPROPRIATENESS:

Describe how the proposed use would complement the broader community context and may benefit the community or provide an amenity to neighboring residents or workers. Offerors are encouraged to obtain community feedback on the proposed use, for example by contacting the local Advisory Neighborhood Commission for input. 903 Franklin Avenue, NE is located within Advisory Neighborhood Commission 5B, which may be contacted at 5B01@anc.dc.gov

B) BUSINESS PLAN

Offeror's should provide a narrative description of their business plan including details on the business mission and objectives, operations plan, and projected annual revenue.

1) OPERATIONS PLAN:

Describe how the business will operate. Describe what the Offeror envisions the space to look like when fully built-out. Describe how many employees will work at the space. Provide the name, title, and job description of key personnel who will run the business. Provide resumes for the key personnel who will run the business. Provide an estimate (in months) for how long the Offeror anticipates it will take from lease or purchase execution to ready the space and open for business.

2) PROJECTED ANNUAL REVENUE:

Provide an annual revenue forecast for the first 3 years of operation.

3) FIRST SOURCE AND CERTIFIED BUSINESS ENTERPRISE UTILIZATION:

The District is committed to promoting hiring of District residents and to ensuring significant participation and inclusion of Certified Business Enterprises ("CBE") – and, in particular, Local Small

Disadvantaged Business Enterprises (“LSDBE”) – in the contracting opportunities derived from the reuse of District-controlled property. The Offer should describe how the Offeror would generate opportunities to hire District residents and contract with LSDBE’s. Offerors who commit to meeting the District’s CBE goal must execute a Certified Business Enterprise Utilization Agreement (“CBE Agreement”) with the District Department of Small and Local Business Development (“DSLBD”) that outlines a specific CBE utilization plan prior to or simultaneously with execution of the lease. For more detailed information on CBE utilization please visit DSLBD’s website at <http://dslbd.dc.gov> or call (202) 727-3900. Offerors who commit to the District’s resident hiring goal must execute a First Source Agreement with the Department of Employment Services. For more detailed information on the First Source Program please visit <http://does.dc.gov> or call (202) 698-6001.

OFFER CRITERION # 2: OFFEROR QUALIFICATIONS

(FINANCIAL CAPACITY, EXPERIENCE, and OFFEROR IDENTIFICATION INFORMATION)

A) FINANCIAL CAPACITY

Offeror must describe and demonstrate its financial capacity to pay all costs, including without limitation: lease rent, if applicable, required build out improvement costs including furniture, fixtures and equipment purchases (as applicable), as well as the Offeror’s entity costs and other costs of doing business, such as franchise fees and other business taxes and any necessary licenses, permits or registrations.

1) SOURCES AND USES FUND STATEMENT:

Offeror should provide a “Sources and Uses Fund Statement”. This statement should provide an account of where the Offeror will obtain funding for the business and what anticipated expenditures will be incurred during the start up. An example of a basic Sources and Uses Fund Statement is available at: <http://biztaxlaw.about.com/od/businessplan/f/sources-uses.htm>

2) CONSTRUCTION AND TENANT BUILD OUT BUDGET:

Offeror’s must provide an initial budget for the costs that will be incurred to begin operation of the proposed use at the Premises. This initial budget must include at minimum the Offeror’s initial cost estimate for construction and furniture, fixtures and equipment.

3) FINANCIAL STATEMENTS:

Offeror should provide the following financial statements:

- a) Federal Tax Returns for the past two years.
- b) DC or State Tax Returns for the past two years.
- c) Certified or Audited Financial Statements for the past two years.

The above financial statements should be for either an existing business operation or, if none, then the Offeror’s individual financial statements. If the Offeror will be a business partnership with more than one principal, then financial statements must be provided for all principals. For new businesses, where certified or audited financial statements are not available, Offeror must provide personal financial statements demonstrating net worth.

4) FINANCING COMMITMENT LETTERS:

If Offeror plans to fully self-fund the start up costs, then this financial capacity must be demonstrated in the Sources and Uses Fund Statement and the financial statements required above. If the Offeror will need or plans to obtain additional funds through equity or debt financing, then the Offeror must provide copies of commitment letters from such investors and lenders.

DGS reserves the right to request additional financial information, in its sole discretion.

B) OFFEROR IDENTIFICATION INFORMATION:

Offeror must provide the following information to the District.

1) CONTACT INFORMATION:

Offeror’s full address and contact information.

2) CERTIFICATE OF GOOD STANDING (DC):

A Certificate of Good Standing which demonstrates the individual and/or business has no outstanding tax liability with the District of Columbia. A Certificate of Good Standing may be obtained by contacting the District’s Office of Tax and Revenue at (202) 727-4829 or at the following website: <http://otr.cfo.dc.gov/otr/cwp/view,A,1329,Q,637465.asp>

3) BUSINESS LICENSE:

A copy of any business licenses applicable to the proposed operation. Business licenses are issued through the District of Columbia’s Department of Consumer and Regulatory Affairs (DCRA). DCRA may be contacted at (202) 442-4400 or at website: <http://www.dc.gov/DC/DCRA>

4) CERTIFIED BUSINESS ENTERPRISE STATUS:

If the Offeror is already a CBE, provide proof of certification by DSLBD, including the CBE Number and expiration date. If the Offeror intends to register as a CBE, describe what steps the Offeror has already taken to become a registered CBE. The DSLBD may be contacted at (202) 727-3900 or at the website: <http://dslbd.dc.gov/DC/DSLBD>

5) DISTRICT RESIDENT STATUS:

Offeror should indicate if, and to what extent, the principals and employees are District residents. The Offer must include proof of residency. District residency will receive a preference over non-District residents.

OFFER CRITERION # 3: FINANCIAL OFFER

Offeror’s submitting an Offer to lease must submit a financial offer which includes the following components: length of lease term, annual base rent, and annual base rent escalations. **An Offer to lease which does not include these components will be deemed an “Unresponsive Lease Offer”.**

Offeror’s submitting an offer to purchase must submit a financial offer which includes the following components: purchase price; due diligence period; number of days from approval of the Disposition Resolution

to closing date. **An Offer to purchase which does not include these components will be deemed an “Unresponsive Purchase Offer.”**

***Property Tax:** Offeror’s leasehold interest may be subject to possessory interest tax pursuant to applicable law, including DC Official Code: § 47-1005.01.

ADDITIONAL FINANCIAL OFFER CONSIDERATION:

The District will use the Offeror’s Financial Offer for Evaluation Criterion #3, however, as described below in Section # 5, “Selection and Negotiation”, the District reserves the right to negotiate final terms and conditions based on the totality of the financial and other terms in the Offer.

Section # 4: Submission Requirements

All Submission Requirements apply to all Offerors.

Site Visit

A site tour at the Premises will be held on June 25, 2012 at 10:00AM to 11:00AM. Any changes to this date and time for the site tour will be posted on the website: <http://DGS.dc.gov>. Interested parties should RSVP to ian.zipfel@dc.gov

Formatting

- **Page Limit:** Offers should not exceed twenty-five (25) pages.
- **Copies:** Offerors should provide five (5) hard copies and one (1) electronic copy of the written Offer in 12 point font size on 8.5” x 11” paper. Electronic copies should be in PDF format and may be submitted via email to ian.zipfel@dc.gov
- Overly elaborate proposals are neither necessary nor desired.

Delivery

- **Delivery:** Each Offer shall be delivered by hand or courier to the contact identified in the box below. Each Offer shall be submitted in a sealed envelope conspicuously marked: **“Offer in Response to RFO for 903 Franklin Avenue, NE dated 6/8/2012”**. Facsimile Offers will not be accepted. Email submissions will be accepted only for the electronic copy required above. An email transmitting the electronic copy of an Offer must contain the subject line **“Electronic Copy: Offer in Response to RFO for 903 Franklin Avenue, NE dated 6/8/2012.”**
- **Deadline:** Both hard and electronic copies of Offers must be submitted no later than the response deadline specified in Section # 5.

Clarifying Questions

Any questions regarding this RFO should be submitted **via e-mail only** to the contact listed in the box below. Offerors shall not direct questions to any other person affiliated directly or indirectly with the District. **Questions submitted later than five (5) business days prior to the submission deadline identified in Section 5**

will not be answered. The text of any Offeror questions, responses thereto, and other clarifications will be posted to the Department of General Services website at: <http://DGS.dc.gov>.

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Washington, DC 20009
Ian.Zipfel@DC.Gov

Section # 5: Selection Process

Timetable for Evaluation of RFO Responses

The District will endeavor to follow the timetable set forth below; however, this timetable is a guideline only and is subject to change in the District’s sole discretion. Any changes will be posted at the DGS website: <http://DGS.dc.gov>.

RFO ISSUED:	JUNE 8, 2012
SITE VISIT:	JUNE 25, 2012 @ 10:00AM-11:00AM
OFFERS DUE:	JULY 23, 2012, NO LATER THAN 12:00 PM
NOTIFICATION:	[TBD]

Selection and Negotiation

The District will evaluate all proposals based on the responses to the Offer Criteria in Section # 3. The Offer Criteria will be weighted as follows for evaluation purposes:

OFFER CRITERION # 1: PROPOSED USE and BUSINESS PLAN	35.00%
OFFER CRITERION # 2: OFFEROR QUALIFICATIONS	25.00%
OFFER CRITERION # 3: FINANCIAL OFFER	40.00%
Total	100.00%

Only Responsive Offers will be evaluated. The District will determine, in its sole discretion, whether each Offer received in response to this RFO is a Responsive Offer.

A Selection Panel will be established to review and evaluate the Offers. The composition of the Selection Panel will be determined by the District, in its sole discretion. In addition, the Selection Panel may consult with professional outside consultants for technical assistance in the District’s sole discretion.

Upon receipt of Offers, the District, in its sole and absolute discretion, may choose to:

1. Require oral presentations by Offerors to the Selection Panel;

2. Select a short list of Offerors and require additional information from the short-listed Offerors or that they modify their Offers or provide a “Best and Final Offer” for the District’s review;
3. Enter into exclusive negotiations with one or more selected Offeror(s) without requesting more detailed information or selecting a short list of Offerors;
4. Request more detailed information leading to a final Offeror(s) selection;
5. Take no action on the Offers received.

The Selection Panel will select, in its sole and absolute discretion, one or no Responsive Offer. Upon completion of the review and selection processes, DGS shall notify the selected Offeror, if any.

If one Offeror is thereby chosen, the parties shall proceed to negotiate final terms consistent with the selected Offeror’s proposed terms. If the District and the selected Offeror are unable to agree on the final lease or purchase agreement within sixty (60) days of the receipt by Offeror of the selection letter, the District, in its absolute and sole discretion, may terminate negotiations and (i) select a different Offeror that responded to the RFO; (ii) re-issue the RFO; or (iii) take such other measures as it deems reasonable, appropriate, and/or necessary.

Updates and Modifications

The Department of General Services shall post on its website (<http://DGS.dc.gov>) any notices or information regarding cancellations, withdrawals, modifications to deadlines, and other modifications to this RFO. Offerors shall have an obligation to check the website for any such notices and information, and the District shall have no duty to provide direct notice to Offerors.

No Conflicts Of Interest

By submitting an Offer, the Offeror represents and warrants the following to the District.

1. The compensation to be requested, offered, paid or received in connection with this RFO has been developed and provided independently and without consultation, communication or other interaction with any other competitor for the purpose of restricting competition related to this RFO or otherwise.
2. No person or entity employed by the District or otherwise involved in preparing this RFO on behalf of the District (i) has provided any information to potential Offerors which was not made available to all entities potentially responding to this RFO, (ii) is affiliated with or employed by or has any financial interest in any potential Offeror, (iii) has provided any assistance to potential Offeror in responding to this RFO, or (iv) will benefit financially if any Offeror is selected in response to this RFO.
3. The Offeror has not offered or given to any District officer or employee any gratuity or anything of value intended to obtain favorable treatment under this RFO or any other solicitation or other contract, and Offeror has not taken any action to induce any District officer or employee to violate the rules of ethics governing the District and its employees. Offeror has not and shall not offer, give or agree to give anything of value either to the District or any of its employees, agents, job shoppers, consultants, managers or other person or firm representing the District, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing. Any such conduct shall be deemed a violation of this RFO. As used herein, "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that

contemplated by this RFO, if any, or any other contract with the District), etc., which might tend to obligate a District employee to Offeror, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include work or services rendered pursuant to any other valid District contract.

Section # 6: Reservation of Rights and Miscellaneous Provisions

- **DGS reserves the right to:**

- Cancel or withdraw the RFO at any time prior to or after the submission deadline;
- Modify or issue clarifications to the RFO prior to the submission deadline;
- Reject any submission it deems incomplete or unresponsive;
- Reject all submissions that are submitted under the RFO;
- Consider one or more Offers that are noncompliant with the Solicitation requirements;
- Modify the deadline for submissions or other actions;
- Reissue (i) the RFO, (ii) a modified RFO, or (iii) a new solicitation or request for offers whether or not any submissions have been received in response to the initial RFO issuance;
- Subdivide the Solicitation into multiple, separately negotiated and leased components; and
- Enter into negotiations with one or more Offerors based on Offers submitted in response to the Solicitation.

DGS may exercise one or more of these rights, in its sole discretion, as it deems necessary, appropriate, or beneficial to the District.

- **Change in Offeror Information**

If information provided in a submission changes (e.g., change or addition to any of the Offeror's team members or new financial information) the Offeror shall provide updated information in the same format for the appropriate section of the RFO and DGS may consider the modified submission.

- **Ownership and Use of Submissions**

All submissions shall be the property of the District. The District may use any and all ideas in any submission, whether the submission is selected or rejected. No Offeror shall be entitled to compensation or reimbursement of costs in connection with its submission of an Offer in response to this RFO.

- **Further Efforts**

DGS may request that Offerors clarify their submissions and/or submit additional information pertaining to their submissions. DGS may request best and final submissions from any Offeror and/or request an oral presentation from any Offeror.

- **Restricted Communications**

Upon release of this RFO and until the end of the notification period set forth in Section 5, above, potential Offerors shall not communicate with DGS, or other District staff about the RFO or issues

related to the RFO except as authorized in this RFO or in public meetings called in connection with this RFO.

- **Limitation on the District’s Authority to Convey**

Offerors should be aware that the District’s disposition of certain real property interests is subject to prior Council authorization in accordance with D.C. Official Code § 10-801 (2012 Supp.). Nor can the District obligate itself to expend any funds without first obtaining a congressional appropriation of funds for such purpose. DGS makes no commitment (nor is authorized to make any commitment) to enter into any contract and does not intend to proceed with any proposed project until all applicable laws have been satisfied.

- **Confidentiality**

Submissions and all other information submitted in response to this RFO are subject to the District’s Freedom of Information Act (D.C. Official Code § 2-531 et seq.) (“FOIA”), which generally mandates the disclosure of documents in the possession of the District upon the request of any person, unless the content of the document falls within a specific exemption category. An example of an exemption category is “trade secrets and commercial or financial information obtained from outside the government, to the extent that disclosure would result in substantial harm to the competitive position of the person from whom the information was obtained.” If an Offeror provides information that it believes is exempt from mandatory disclosure under FOIA (“exempt information”), the Offeror shall include the following legend on the title page of the submission:

THIS OFFER CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE
DISTRICT’S FREEDOM OF INFORMATION ACT

In addition, on each page that contains information that the Offeror believes is exempt from mandatory disclosure under FOIA, the Offeror shall include the following separate legend:

THIS PAGE CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE
DISTRICT’S FREEDOM OF INFORMATION ACT

On each such page, the Offeror shall also specify the exempt information and shall state the exemption category within which it believes the information falls.

Although DGS will generally endeavor not to disclose information designated by the Offeror as exempt information, DGS will independently determine whether the information designated by the Offeror is exempt from mandatory disclosure. Moreover, exempt information may be disclosed by DGS, at its discretion, unless otherwise prohibited by law, and the District shall have no liability related to such disclosure.

- **Non-Liability**

By participating in the RFO process, the Offeror agrees to hold the District, its officers, employees, agents, representatives, and consultants harmless from all claims, liabilities, and costs related to all aspects of this RFO.

- **Brokers and brokerage fees**

Offeror will be responsible and shall pay for any and all commission or fees due to Offeror's broker, if any, pursuant to a separate agreement. The District does not offer, nor will it provide any broker compensation, commission or fee.

- **Selection Non-Binding**

The selection by the District of an Offeror does not constitute a commitment by the District to execute a final agreement or contract with the Offeror.

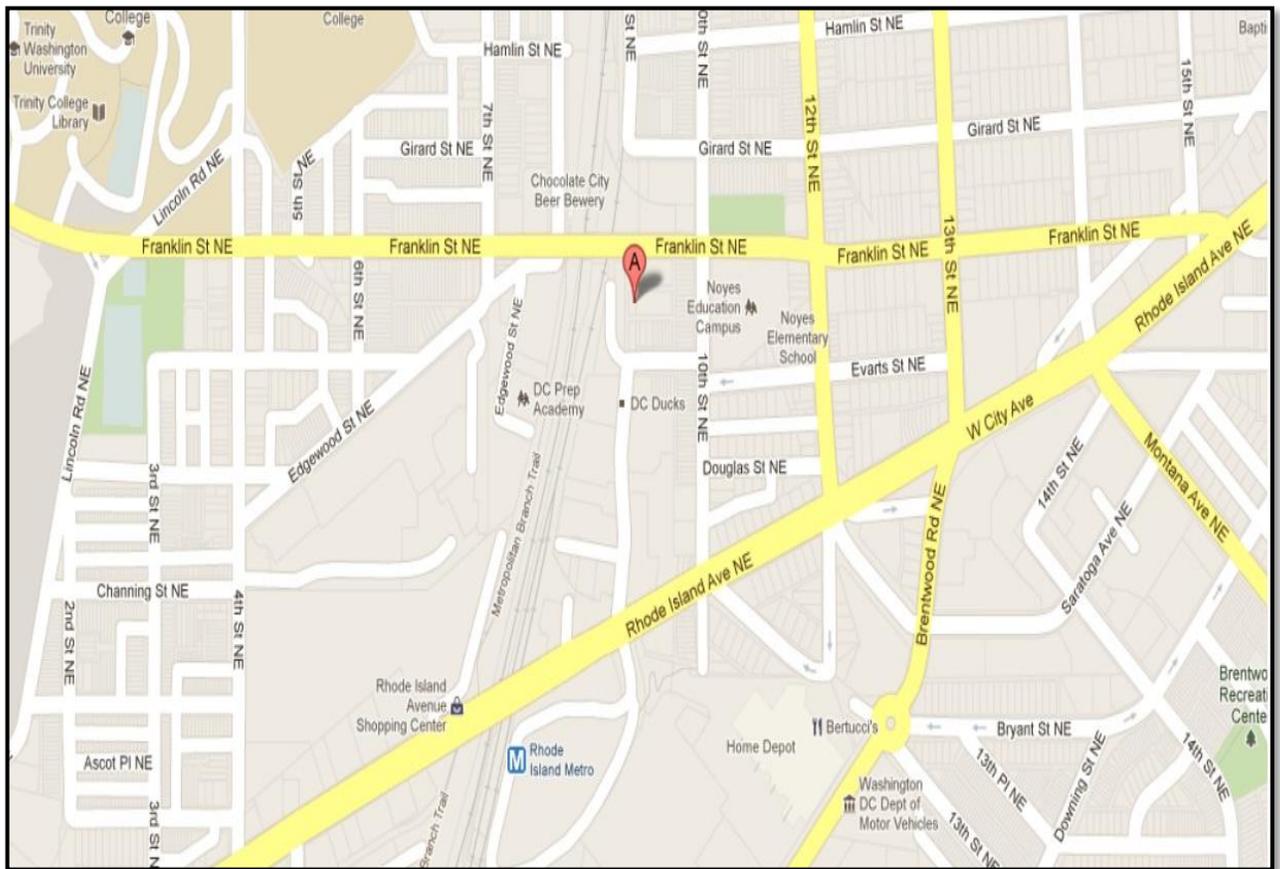
Exhibit A: Property Details

1. SITE AND CONTEXT
2. LOCATION MAP
3. SITE AERIAL
4. BUILDING ELEVATION

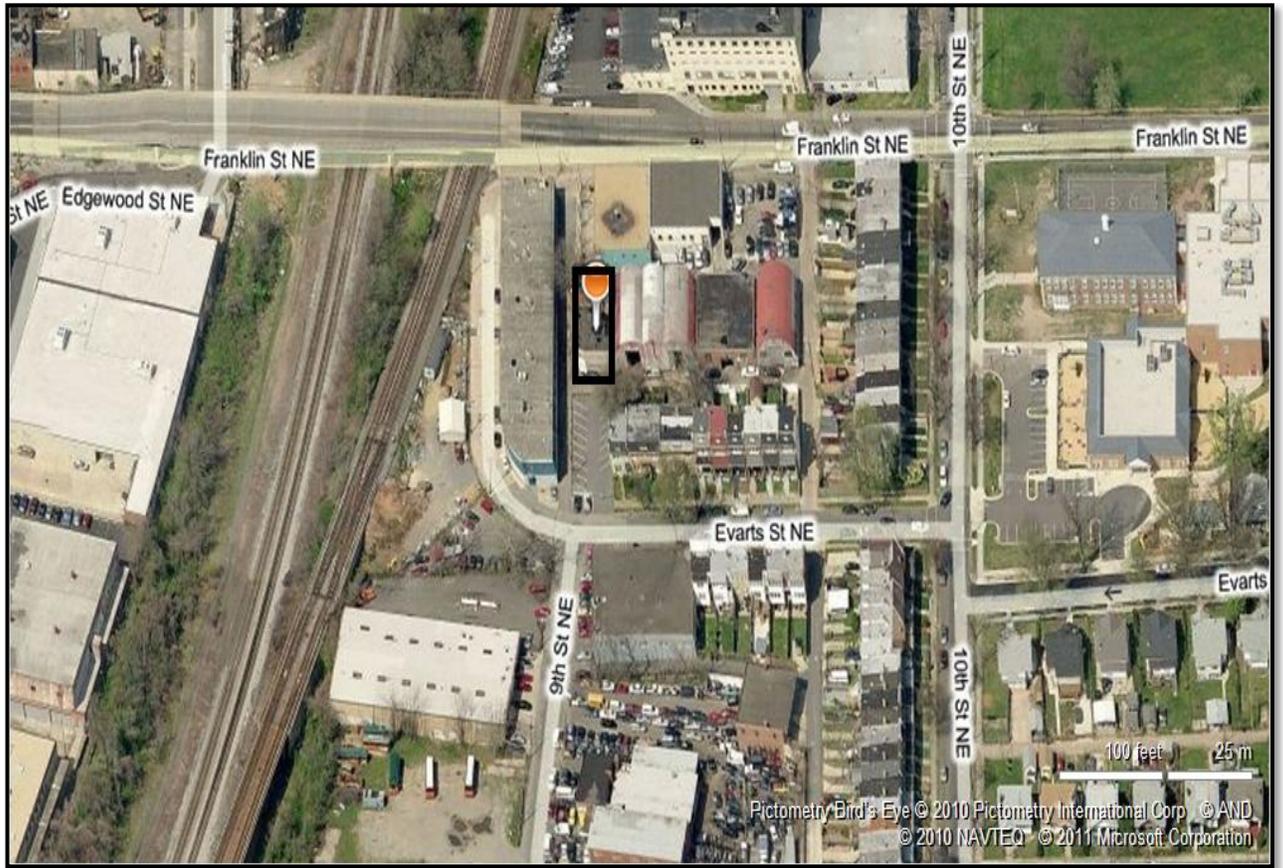
1) SITE AND CONTEXT:

The property is 903 Franklin Street, NE, Washington, DC, and contains a building with approximately 3,700 RSF. The Square and Lot are 3841 0829 and the building is zoned C-M-2.

2) LOCATION MAP:



3) SITE AERIAL:



4) BUILDING ELEVATION:



View of the west side of the building.