



**Committee on Transportation and Infrastructure**  
**U.S. House of Representatives**

**Bill Shuster**  
**Chairman**

**Washington, DC 20515**  
**COMMITTEE RESOLUTION**

**Nick J. Rahall, III**  
**Ranking Member**

Christopher P. Bertram, Staff Director

**LEASE**  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**AGENCY FOR HEALTHCARE RESEARCH AND QUALITY**  
**SUBURBAN MARYLAND**  
**PMD-04-WA13**

James H. Zoia, Democrat Staff Director

*Resolved by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, that pursuant to 40 U.S.C. §3307, appropriations are authorized for a lease extension of up to 133,895 rentable square feet of space, including seven parking spaces, for the Department of Health and Human Services, Agency for Healthcare Research and Quality, currently located at 540 Gaither Road, Rockville, Maryland, at a proposed total annual cost of \$4,686,325 for a lease term of up to five years, a prospectus for which is attached to and included in this resolution.*

Approval of this prospectus constitutes authority to execute an interim lease for all tenants, if necessary, prior to the execution of the new lease.

*Provided that*, the Administrator of General Services and tenant agencies agree to apply an overall utilization rate of 268 square feet or less per person.

*Provided that*, except for interim leases as described above, the Administrator may not enter into any leases that are below prospectus level for the purposes of meeting any of the requirements, or portions thereof, included in the prospectus that would result in an overall utilization rate of 268 square feet or higher per person.

*Provided that*, to the maximum extent practicable, the Administrator shall include in the lease contract(s) a purchase option that can be exercised at the conclusion of the firm term of the lease.

*Provided further*, that the Administrator shall require that the delineated area of the procurement is identical to the delineated area included in the prospectus, except that, if the Administrator determines that the delineated area of the procurement should not be identical to the delineated area included in the prospectus, the Administrator shall provide an explanatory statement to the Committee on Transportation and Infrastructure of the House of Representatives prior to exercising any lease authority provided in this resolution.

*Provided further*, that the General Services Administration shall not delegate to any other agency the authority granted by this resolution.

Adopted: **February 28, 2013**

Bill Shuster, M.C.  
Chairman

**PROSPECTUS – LEASE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AGENCY FOR HEALTHCARE RESEARCH AND QUALITY  
SUBURBAN MARYLAND**

Prospectus Number: PMD-04-WA13  
Congressional District: 8

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**Executive Summary**

The General Services Administration (GSA) proposes a lease extension for 133,895 rentable square feet of space the Department of Health and Human Services (HHS), Agency for Healthcare Research and Quality (AHRQ). AHRQ is currently located at 540 Gaither Road, Rockville, Maryland, under a lease that expires March 22, 2013. AHRQ is planning to move to the Parklawn Building, located at 5600 Fishers Lane, Rockville, MD, which is scheduled to be ready for occupancy between August 2015 and 2017. AHRQ is scheduled to move to the Parklawn Building between January and March 2017. GSA is seeking a five-year lease extension to allow AHRQ to remain in place prior to the move and to provide flexibility in the event of schedule delays at Parklawn. GSA will attempt to negotiate termination rights into the lease agreement to accommodate the long term housing solution at the Parklawn Building.

The proposed space utilization rate at 540 Gaither Road is higher than the HHS overall space utilization standard of 170 USF/person. Space realignment and utilization rate improvement is not cost-effective or feasible for the proposed short-term lease extension at the current location. It would also be highly disruptive to AHRQ's continuing performance of its mission. However, the agency's planned occupancy of the Parklawn Building will be fully consistent with the applicable HHS space utilization standard.

**Description**

Occupant:	HHS-AHRQ
Lease Type:	Extension
Current Rentable Square Feet (RSF):	133,895 (Current RSF/USF = 1.07)
Proposed Maximum RSF:	133,895 (Proposed RSF/USF = 1.07)
Expansion Space RSF:	None
Current Usable Square Feet/Person:	278
Proposed Usable Square Feet/Person:	268
Proposed Maximum Leasing Authority:	5 years
Expiration Date(s) of Current Lease(s):	3/22/13
Delineated Area:	540 Gaither Road, Rockville, MD
Number of Official Parking Spaces:	7
Scoring:	Operating lease



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Maximum Proposed Rental Rate <sup>1</sup> :	\$35.00
Proposed Total Annual Cost <sup>2</sup> :	\$4,686,325
Current Total Annual Cost:	\$3,762,143 (Lease effective 3/23/2003)

### **Background**

AHRQ's mission is to improve the quality, safety, efficiency, and effectiveness of health care for all Americans. As one of 12 agencies within the Department of Health and Human Services, AHRQ supports research that helps people make more informed decisions and improves the quality of health care services. AHRQ was formerly known as the Agency for Health Care Policy and Research.

### **Justification**

The current AHRQ lease at 540 Gaither Road, Rockville, Maryland expires on March 22, 2013. AHRQ plans to move to the Parklawn Building which is currently under renovation. AHRQ will require continued housing to carry out its mission prior to this move. GSA will extend AHRQ's current leasehold tenancy and attempt to negotiate termination rights into the lease agreement to accommodate the long term housing solution at the Parklawn Building.

The maximum proposed rental rate in this prospectus is a projected rate for lease transactions with a future effective (rent start) date consistent with the expiration of the current lease in March 2013. However, this proposed short-term lease extension does not require new tenant space build-out or upgrades needed for a long-term occupancy. GSA will conduct the procurement using prevailing market rental rates as a benchmark and basis for negotiating with the current lessor to ensure that lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

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<sup>1</sup> This estimate is for fiscal year 2013 and may be escalated by 1.65 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including all operating expenses whether paid by the lessor or directly by the Government.

<sup>2</sup> Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

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**Resolutions of Approval**

Resolutions adopted by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

**Interim Leasing**

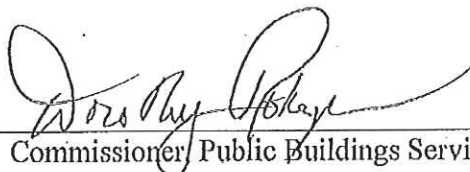
GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

**Certification of Need**


The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on November 21, 2012

Recommended: \_\_\_\_\_

  
Commissioner, Public Buildings Service

Approved: \_\_\_\_\_

  
Acting Administrator, General Services Administration

July 2012

Housing Plan  
HHS-AHRQ

Suburban, MD  
PMD-04-WA13

Leased Locations	Current					Proposed				
	Personnel		Usable Square Feet (USF)			Personnel		Usable Square Feet (USF)		
	Office	Total	Office	Storage	Special	Office	Total	Office	Storage	Special
540 Gaither Road	451	451	111,310	1,166	12,746	468	468	111,310	1,166	12,746
Proposed Lease	451	451	111,310	1,166	12,746	468	468	111,310	1,166	12,746
Total										

Office Utilization Rate (UR) *		
Rate	Current	Proposed
	193	186

\* UR = average amount of office space per person  
Current UR excludes 24,488 sqf of office support space  
Proposed UR excludes 24,488 sqf of office support space

USF/Person **		
Rate	Current	Proposed
	278	268

\*\* USF/Person = housing plan total USF divided by total personnel

Special Space		
	USF	
Wellness Center/Vending	893	
Copy Center	462	
Libraries	3,157	
Training Room	400	
ADP	795	
Mail Room	192	
Data Center	526	
Conference Center	4,696	
Printing/Reproduction Room	1,404	
Kitchen	221	
Total	12,746	

Total USF		
Current	RSF/USF	Maximum RSF
125,222	1.07	133,895
Proposed	1.07	133,895

Usable square footage means the portion of the building available for use by tenants' personnel and furnishings, and space available jointly to the occupants of the building (e.g., auditorium, health units and snack bars). Usable square footage does not include space devoted to building operations and maintenance (e.g., craft shops, building supply rooms, rest rooms and lobbies).