

Committee on Transportation and Infrastructure H.S. House of Representatives

Washington, OC 20515

Bill Shuster Chairman Nick J. Rahall, II Ranking Member

James H. Zoia, Democrat Staff Director

Christopher P. Bertram, Staff Director

COMMITTEE RESOLUTION

LEASE NATIONAL INSTITUTES OF HEALTH SUBURBAN MARYLAND PMD-01-WA14

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 new lease of up to 345,000 rentable square feet of space, including 5 official parking spaces, for the National Institutes of Health currently located at 6701 and 6705 Rockledge Drive in Bethesda, Maryland and 6100 Executive Blvd. in Rockville, Maryland, at a proposed total annual cost of \$12,075,000 for a lease term of up to 15 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 170 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 170 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 11, 2014

Bill Shuster, M.C. Chairman

PROSPECTUS – LEASE NATIONAL INSTITUTES OF HEALTH SUBURBAN MARYLAND

Prospectus Number: PMD-01-WA14 Congressional District: 8

Executive Summary

The General Services Administration (GSA) proposes a new lease of up to 345,000 rentable square feet of space for the National Institutes of Health (NIH) currently located at 6701 and 6705 Rockledge Drive, Bethesda, MD, and 6100 Executive Blvd, Rockville, MD. The existing space is encumbered by one GSA lease and five NIH direct leases. These leases expire on February 1, 2014 and June 30, 2015.

NIH will improve their office utilization rate from 143 usable square feet (USF) per person to 100 USF per person and their overall utilization rate from 237 USF to 170 USF per person. The latter is consistent with the HHS 170 usf/person overall space utilization standard. The end product of improved space utilization is the prospectus proposal to house current personnel in 98,764 RSF less than the total of current occupancies.

Description

Occupant:	NIH
Lease Type	Replacement
Current Rentable Square Feet (RSF)	443,764 (Current RSF/USF =1.11)
Proposed Maximum RSF:	345,000 (Proposed RSF/USF =1.20)
Expansion/Reduction RSF ¹ :	98,764 RSF Reduction
Current Usable Square Feet/Person:	237
Proposed Usable Square Feet/Person:	170
Proposed Maximum Lease Term:	15 years
Expiration Dates of Current Lease(s):	2/1/2014 and 6/30/2015
Delineated Area:	Suburban Maryland - Montgomery and Prince
	George's Counties
Number of Official Parking Spaces:	5
Scoring:	Operating Lease
Maximum Proposed Rental Rate ²	\$35.00
Proposed Total Annual Cost ³	\$12,075,000

¹ The RSF/USF at the current location is approximately 1.11. However to maximize competition a RSF/USF ratio of 1.20 is used for the proposed maximum RSF indicated in this prospectus.

²This estimate is for fiscal year 2015 and may be escalated by 1.9 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. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as a basis for negotiating with offerors 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.

³Any 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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Prospectus Number: PMD-01-WA14 Congressional District: 8

Current Total Annual Cost:

\$17,176,275

Acquisition Strategy

In order to maximize the flexibility in acquiring space to house NIH, GSA may issue a single, multiple award solicitation that will allow offerors to provide blocks of space able to meet the requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus.

Background

The multiple Institutes and Centers (ICs) located at 6701 Rockledge Drive and 6705 Rockledge Drive are integral components of NIH's mission. The ICs housed at these locations include: Office of the Director, National Heart, Lung and Blood Institute, the Eunice Kennedy Shriver National Institute of Child Health and Human Development, the Center for Scientific Review and the National Library of Medicine. The Office of the Director is housed in 6100 Executive Boulevard.

Justification

The current leases at 6701 and 6705 Rockledge Drive in Bethesda, MD expire on June 30, 2015. The current lease at 6100 Executive Boulevard expires February 1, 2014. NIH requires continued housing to carry out its mission.

The ICs, currently located at 6701 and 6705 Rockledge Drive, will continue to need efficient transportation access to the NIH campus in Montgomery County Maryland, NIH off-campus clusters, I-270, NW Beltway Spur, including proximity to the Metrorail system. Employees rely on the NIH shuttle service and public transit to make frequent trips to the NIH campus and other clusters.

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

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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.

PBS

April 2013

Housing Plan

PMD-01-WA14 Suburban Maryland

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	Proposed	100
n Rate (UR) ²	Current	143
Office Utilitization Rate (UR) ²		Rate

UR-average amount of office space per person Current UR excludes 67,999 usf of office support space Proposed UR excludes 47,827 usf of office support space

Over	Overall UR		
	Current	Proposed	
Rate	237	170	
Pure 4			
N/U Factor	Total USF	RSF/USF	Ma
Current	400,847	111	
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Current 400.847 1.11 443.764 Proposed 237,300 1.20 345.000	AV O FACIOF	I otal USF	RSF/USF	Max RSF
300 1.20	Current	400,847	1.11	443.764
	rioposed	287,300	1.20	345,000

NOTES:

¹USF means the portion of the building available for use by a tenant's personnel and furnishings and space available jointly to the occupants of the building.

²Calculation excludes Judiciary, Congress and agencies with less than 10 people ³USF/Person = housing plan total USF divided by total personnel ⁴R/U Factor = Max RSF divided by total USF

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National Institutes of Health

1,610 287,300 37,035 10.970 2.040 3.750 3.700 5,250 3.000 USF Break Room/Food Service File Room Copy Room/Work Arca Mail Room Special Space Conference/Training Total High Density File Server/Telcom Print Shop

United States Senate COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

COMMITTEE RESOLUTION

LEASE NATIONAL INSTITUTES OF HEALTH SUBURBAN MARYLAND PMD-01-WA14

RESOLVED BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS OF THE UNITED STATES SENATE

that pursuant to title 40 U.S.C. § 3307, a prospectus providing for a new lease of up to a maximum 345,000 rentable square feet of space, and 5 parking spaces, for the National Institutes of Health, currently located at 6701 and 6705 Rockledge Drive, in Bethesda, MD, and 6100 Executive Blvd, in Rockville, MD, at a maximum proposed rental rate of \$35.00 per rentable square foot, at a proposed total annual cost of \$12,075,000 for a lease term of up to 15 years, a description of which is attached hereto and by reference made part of this resolution, is approved.

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

Provided, that to the maximum extent practicable, the Administrator of General Services shall require that the procurement include requirements requiring energy efficiency as would be required for the construction of a federal building.

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 Environment and Public Works of the United States Senate prior to exercising any lease authority provided in this resolution.

Provided further, that the Administrator shall not delegate to any other agency the authority granted by this resolution.

Ranking Member

Adopted: April 3, 2014