

**AMENDED PROSPECTUS – ALTERATION
SUITLAND FEDERAL COMPLEX
4600 SILVER HILL NORTH AND 4600 SILVER HILL SOUTH
SUITLAND, MD**

Prospectus Number: PMD-0778/1822-MD22

FY 2022 Project Summary

The General Services Administration (GSA) proposes a repair and alteration project for 4600 Silver Hill North and 4600 Silver Hill South at the Suitland Federal Center in Suitland, Maryland. The proposed project will upgrade building systems and renovate space to support the co-location of three agencies. This project will provide a more efficient layout that both reduces agency utilization and allows for the recapture and backfill of underutilized federally owned space. The space will be occupied by the Department of Labor–Bureau of Labor Statistics (BLS), currently located in approximately 710,000 rentable square feet (RSF), or 508,000 usable square feet (USF), of leased space at the Postal Square Building, 2 Massachusetts Avenue, N.E., in Washington, DC. BLS's almost 50-percent decrease in RSF and relocation to the Suitland Federal Center provide an annual lease cost avoidance of approximately \$16,200,000 and an agency rent savings of potentially \$18,000,000 compared to its current rent.

FY 2022 Committee Approval Requested^{1,2}

(Design, Construction, Management & Inspection)\$20,000,000

This prospectus amends Prospectus No. PMD-0778/1822-MD20. GSA is requesting approval of additional estimated construction of \$18,000,000, and additional management and inspection cost of \$2,000,000, for a total additional cost of \$20,000,000 to account for refined scope and cost escalation due to time and market conditions.

FY 2022 Appropriations Requested

(Construction, Management & Inspection)\$20,000,000

¹ Resolutions adopted by the Committees on Transportation and Infrastructure of the House and Environment and Public Works of the Senate approving this prospectus will also constitute approval to extend the lease at Postal Square as described herein.

² Prospectus No. PMD-0778/1822-MD20 was approved by the Committee on Environment and Public Works of the Senate on December 17, 2019, and the Committee on Transportation and Infrastructure of the House on July 28, 2021, for a design cost of \$4,316,000, an estimated construction cost of \$41,498,000, and a management and inspection cost of \$3,544,000, for a total estimated project cost of \$49,358,000.

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Major Work Items

Electrical, heating, ventilation and air conditioning (HVAC), fire protection, and plumbing systems upgrades/replacements; interior construction; exterior construction; and demolition.

Estimated Project Budget

Estimated Construction Cost (ECC)	\$18,000,000
Management and Inspection (M&I).....	<u>2,000,000</u>
Estimated Total Project Cost (ETPC) *	\$20,000,000

*Tenant agencies may fund an additional amount for tenant improvements above the standard normally provided by GSA.

<u>Schedule</u>	<u>Start</u>	<u>End</u>
Construction	FY 2022	FY 2024

Building

The Suitland Federal Center comprises approximately 226 acres of land and several buildings totaling 2.6 million RSF of space. 4600 Silver Hill North and 4600 Silver Hill South are two office buildings that intersect in the middle of the site, creating a triangular atrium. Built in 2006, the North building contains 1,368,566 gross square feet (GSF), of which there is approximately 804,435 RSF and 643,322 USF of office space. The South building contains 1,183,139 GSF, of which there is approximately 663,840 RSF and 524,310 USF. The Government completed construction of the South building in 2007. Both buildings have eight above-ground floors and one basement level, and are located near the Suitland Metro Station.

Tenant Agencies

Department of Labor–BLS; Department of Commerce–Bureau of Economic Analysis and Census Bureau; GSA.

Proposed Project

The proposed project will support the ongoing co-location effort that will allow for a higher density, open office environment and the relocation and co-location of BLS from leased space.

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To accommodate this consolidation, GSA will perform building demolition, interior alterations and electrical, HVAC, plumbing, and life-safety upgrades.

GSA currently leases space in the Postal Square Building for BLS. This lease expires on May 14, 2022. To allow for the proposed alterations and relocation to the Suitland Federal Center, GSA may need to extend the lease agreement for a limited amount of time. GSA will execute such interim actions, as necessary, to ensure continued housing of the tenant agency, and the term of the extension will coincide with the schedule of occupancy. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Major Work Items

HVAC Upgrades/Replacement	\$9,000,000
Electrical Upgrades/Replacement	5,400,000
Plumbing Upgrades/Replacement	1,800,000
Interior Construction	900,000
Fire Protection Upgrades/Replacement	<u>900,000</u>
Total ECC	\$18,000,000

Justification

BLS's current location in the Postal Square Building houses personnel who are responsible for carrying out the Bureau's mission of collecting, analyzing and disseminating essential economic information to support public and private decision-making. The current lease expires on May 14, 2022, and BLS requires continued housing to carry out its mission.

Funding provided in FY 2020 and FY 2021 has allowed GSA, BLS and Census to initiate the space optimization of the North and South buildings at the Suitland Federal Center. Through system and core item upgrades, the additional funding will further facilitate the achievement of more efficient utilization rates and reduce rental payments made by BLS. Census will release an estimated 400,000 RSF to make room for the co-location of BLS, reducing Census's annual rent by an estimated \$10,000,000. BLS will improve its utilization by downsizing its real estate footprint by almost half, from the current 710,000 RSF to an estimated 355,000 RSF, a decrease of over 350,000 RSF. This co-location will allow GSA to eliminate an estimated \$16.2 million in annual lease costs otherwise attributed to housing BLS.

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Summary of Energy Compliance

This project will be designed to conform to requirements of the *Facilities Standards for the Public Buildings Service*. GSA encourages (a) design opportunities to increase energy and water efficiency (including renewable energy and fossil fuel free measures), (b) adherence to sustainable design principles, and (c) minimizing climate risk liabilities above the minimum performance criteria in a manner that is life cycle cost-effective.

Prior Appropriations

Prior Appropriations			
Public Law	Fiscal Year	Amount	Purpose
116-93 Major R&A Spending Plan	2019	\$49,358,000	Design and Construction
Appropriations to Date		\$49,358,000	

Prior Committee Approvals

Prior Committee Approvals			
Committee	Date	Amount	Purpose
Senate EPW	12/17/2019	\$49,358,000	Design = \$4,316,000 ECC = \$41,498,000 M&I = \$3,544,000
House T&I	7/28/2021	\$49,358,000	Design = \$4,316,000 ECC = \$41,498,000 M&I = \$3,544,000
Approvals to Date		\$49,358,000	

Recommendation

ALTERATION

Interim Leasing

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

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Certification of Need

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

Submitted at Washington, DC, on 9/9/2021

Recommended:  _____
Commissioner, Public Buildings Service

Approved:  _____
Administrator, General Services Administration