Justification for Other Than Full and Open Competition, Extension

U.S. General Services Administration

PBS, Office of Leasing

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

PROJECT NUMBER: 6PR0147

Agency Name: USDA

1. **NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED.**

The General Services Administration currently leases 18,468 ABOA/ 20,683 rentable square feet (RSF) of office space at 654 Munoz Rivera Ave., Hato Rey, PR under lease number LPR18955 for the USDA. The current lease expires August 31, 2026. Approval is requested to negotiate a lease extension with the incumbent Lessor without full and open competition for continued occupancy at this leased location. The procedures for pursuing a lease extension are detailed in GSAR 570.405: Lease extensions.

2. **DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS (INCLUDING ESTIMATED VALUE).**

The Government requires an extension of the current lease for Twelve (12) months to commence on September 1, 2026. The estimated cost of this lease extension is (b) (5) per rentable square feet per year for an annual cost of $556,984.97 and a total contract value of (b) (5).

3. **IDENTIFICATION OF STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION.**

41 U.S.C. 3304(a)(1): Only one responsible source and no other supplies or services will satisfy agency requirements. This statutory authority is implemented through: FAR 6.103-1 (GSA RFO-2025-06) and GSAR 570.405. In accordance with GSAR 570.405, use of the sole source authority is appropriate when the Government experiences a delay in acquiring replacement space in situations such as, but not limited to, the following:

☐ The agency occupying the leased space is scheduled to move into other Federally controlled space, but encounters unexpected delays in preparing the new space for occupancy

☐ The government encounters unexpected delays outside of its control in acquiring replacement space

☐ The government is consolidating various agencies and the contracting officer needs to extend the terms of some leases to establish a common expiration date

☒ The agency occupying the space has encountered delays in planning for a potential relocation to other federally controlled space due to documented organizational, financial, or other uncertainties

4. **DEMONSTRATION THAT THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS OR NATURE OF THE ACQUISITION REQUIRES THE USE OF THE AUTHORITY CITED.**

It is in the best interest of the Government to remain at the current location during the extension period. GSA currently leases a total of 35,558 rentable square feet (RSF), yielding 30,660 ABOA SF, for six USDA divisions at 654 Muñoz Rivera Avenue in San Juan, PR. These operations are currently held under Leases No. LPR18955 and LPR19045, which are both set to expire on 08/31/2026.

GSA is in the process of awarding a new/replacing lease (LPR00477) to the incumbent Lessor. This new lease will consolidate the requirement into 29,301 RSF (25,151 ABOA SF), plus an additional 140 RSF of free space. This consolidation represents an 18% reduction in the Government's footprint. A one-year extension of the current leases is required to provide sufficient time to award the new lease and complete the necessary Tenant Improvement buildout. Moreover, awarding to a different Lessor would require a full relocation, causing the USDA to incur move and replication costs that would not be recovered through competition.

5. DESCR**IPTION OF EFFORTS MADE TO ENSURE THAT OFFERS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS IS PRACTICABLE.**

In accordance with GSAR 570.106(d) and 570.405, an advertisement is not required for extensions.

6. **DEMONSTRATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE.**

Recent market research conducted by the Lease Contracting Officer in Hato Rey, PR showed the rental rate within the market area ranges from $28.00 to $40.00.

Therefore, the anticipated rental rates for this lease extension of (b) (4) per RSF is below the current market range for this submarket and is deemed fair and reasonable by the GSA Lease Contracting Officer.

7. **DESCRIPTION OF MARKET RESEARCH CONDUCTED AND THE RESULTS.**

On January 5, 2026, market research was conducted using JLL Market Research. The market research showed the rental rate within the market area ranges from $28.00 to 40.00, without Tenant Improvements or BSAC.

8. **OTHER FACTS SUPPORTING USE OF OTHER THAN FULL AND OPEN COMPETITION.**

Remaining at the current location under a Twelve (12) month extension avoids a holdover and allows the Government to continue operations without disruption.

9. **LIST OF SOURCES, IF ANY, THAT EXPRESSED, IN WRITING, AN INTEREST IN THE ACQUISITION.**

N/A

10. **STATEMENT OF ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE ANY SUBSEQUENT ACQUISITION.**

There are no systemic barriers to competition. The Government conducted a competitive lease procurement in 2025, and the incumbent Lessor was identified as the Awardee for the new/replacing lease based on a Lowest Priced, Technically Acceptable award criteria.

Additionally, objective scrutiny was given to the customer agency's mission and security requirements to eliminate unnecessary agency space requirements that may be deemed unduly restrictive.

11. **CONTRACTING OFFICER CERTIFICATION.**

By signature on this Justification for Other than Full and Open Competition, the GSA Lease Contracting Officer certifies that the award of a lease extension of Twelve (12) months for LPR18955 is in the Government's best interest and that this Justification is accurate and complete to the best of the GSA Lease Contracting Officer's knowledge and belief.

_____ Date_____

Eduardo Vidal, Lease Contracting Officer

12. **PREPARER'S TECHNICAL CERTIFICATION.**

I certify that the supporting data used to form the basis of this Justification is complete and accurate to the best of my knowledge and belief.

_____ Date_____
Eduardo Vidal, Lease Contracting Officer

Approved by:

_____ _____
Eduardo Vidal, Lease Contracting Officer Date