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Washington, DC 20548

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Decision

Matter of: 1120 Vermont Avenue Associates, LLP; 1125 15th Street, LLC

File: B-413019

Date: August 1, 2016

Mary Beth Bosco, Esq., Elizabeth N. Jochum, Esq., and Robert C. MacKichan, Jr., Esq., Holland & Knight LLP, for the protesters.

Mikhail S. Petersen, Esq., and Edith L. Toms, Esq., General Services Administration, for the agency.

Pedro E. Briones, Esq., and Noah B. Bleicher, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest that solicitation for lease of office space unduly restricts competition is denied where the agency demonstrates a reasonable basis for requiring 30-foot column spacing and contiguous floor space.
 2. Protest of solicitation's price evaluation provisions is denied where the provisions are unobjectionable, notwithstanding that the fixed tenant improvement allowance may disadvantage the incumbent lessor.
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DECISION

1120 Vermont Avenue Associates, LLP, and 1125 15th Street, LLC, both located in Washington, D.C., protest the terms of request for lease proposals (RLP) No. 1DC2107, issued by the General Services Administration (GSA), Public Buildings Service (PBS), to lease office space for a federal tenant agency.¹ The protesters contend that the RLP's specifications exceed the tenant agency's minimum needs and unduly restrict competition. The protesters also argue that the solicitation's price evaluation provisions will not permit GSA to determine the lowest-priced proposal and will disadvantage the incumbent lessor.

¹ The two buildings, which have different owners (hereinafter, 1120 and 1125, respectively), filed a joint protest, are represented by the same legal counsel and property management company, and retained the same architectural firm for the procurement. Protest at 1-3; see id., attach. 3-4, Expressions of Interest.

We deny the protest.

BACKGROUND

On May 5, 2014, GSA issued a presolicitation notice seeking expressions of interest (EOI) from potential lessors for office space in the Washington, D.C., Central Employment Area (CEA). Agency Report (AR), Tab 16, Presolicitation Notice (PN), at 1-3. As relevant here, the notice, as amended on January 5, 2016, specified that the office space have a minimum column spacing predominantly of 30 feet by 30 feet on center (or, 30' column bays), and that the office space be contiguous and located on no more than four floors. AR, Tab 55, PN, Amend., at 1-4. The notice also informed potential lessors that the tenant agency required approximately 73,364 ABOA/usable square feet (USF)² and a maximum of 88,036 rentable square feet (RSF). Id. at 1. In their EOIs, interested lessors were to identify, among other things, their property, proposed office space, ABOA square footage, and rental rates per square foot, to include full service and a tenant improvement allowance (TIA) of \$46.74 per square foot.³ Id. at 3.

GSA received EOIs for seven potential locations by the January 20, 2016, due date, including from 1120 (the incumbent lessor) and 1125. Lease Contracting Officer (LCO) Statement at 4. With respect to 1120, its EOI stated that the building had 20' column bays, but the EOI included, for comparison, floor plans of the existing layout and test fits based on 30' column bays, that purported to "indicate [that] the efficiencies for the 30' column bays and the 20' column bays can easily be matched." Protest, attach. 3, 1120 EOI, at 2. The EOI also stated that one of 1120's proposed floors would not be contiguous, but that the floors were accessible by elevator and that the interior stairwells were not used and were locked from the inside for security reasons. Id. at 1-2. With respect to 1125, its EOI did propose contiguous floor space, but stated that the building "has a good portion of its column bays that are a nominal 30' wide and most of the others are much larger than a typical 20' x 20' column bay." Protest, attach. 4, 1125 EOI, at 1-2. 1125's EOI also

² ABOA is the GSA-recognized standard, as defined by the American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA), for measuring the area where the tenant normally houses personnel, furniture, and/or equipment. See General Services Acquisition Regulation (GSAR) § 570.102; RLP § 1.02.A. ABOA SF is generally synonymous with USF.

³ Tenant Improvements (TIs) are the finishes and fixtures that transform the shell space into a finished, usable condition; TIA is an amount per square foot that a lessor must provide for construction of TIs for the tenant. See RLP § 3.07.A; GSA Pub. Bldg. Serv., Pricing Desk Guide, at 2-12-2-27 (4th ed., rev. June 5, 2014), available at www.gsa.gov/portal/content/104909 (last visited July 28, 2016) (TI Pricing Standards in Leased Space).

included current floor plans and test fits that, like 1120's EOI, purported to show that the "efficiencies for the 30' column bays and the existing column bays can easily be matched." Id. at 2.

The lease contracting officer reviewed the EOIs and found that [DELETED] of the proposed locations appeared to meet the tenant agency's minimum requirement. See LCO Statement at 4-5. She toured the [DELETED] locations on February 11 and prepared market surveys of each building. Id.; AR, Tab 79, Lease Market Surveys, at 1-36.

On March 28, the lease contracting officer informed 1120 and 1125 (by separate letters) that their respective spaces did not appear to meet the minimum requirements specified in the presolicitation notice. LCO Statement at 5. Specifically, 1120 was advised that its building appeared to be unable to meet the contiguous space and column spacing requirements. AR, Tab 64, LCO Letters to 1120 & 1125, Mar. 28, 2016, at 1. 1125 was advised that its building appeared unable to meet the column spacing requirement. Id. at 2. The lease contracting officer's March 28 letters to 1120 and 1125 included a "courtesy copy" of the RLP.⁴ See id.

GSA issued the solicitation on that same date (March 28). LCO Statement at 5. The RLP provides for the award of a 15-year lease (with one 5-year option to renew) on a lowest-price, technically acceptable basis. RLP §§ 1.02.F, 4.03.A. Offerors are advised that GSA intends to evaluate proposals and award the lease after conducting discussions with offerors; that the competitive range will include all of the most highly rated proposals; and that the agency will negotiate the rental price for each lease period and any other aspect of the proposed lease as deemed necessary. Id. § 4.01; attach. D, GSAR cl. 552.270-1, Instructions to Offerors-- Acquisition of Leasehold Ints. in Real Prop., § (e)(4).⁵

⁴ According to GSA, after receiving EOIs, a lease contracting officer often issues such letters to inform interested lessors that they are not likely to receive an award for the particular requirement to save them the expense of preparing a proposal. LCO Statement at 5-6. The agency states that a courtesy copy of the solicitation is always provided so that the site owner can make its own business decision, for example, on whether to demolish the building or gut its interior space to meet the tenant agency's needs by the required occupancy date. See id. at 6.

⁵ The RLP includes a number of attachments and standard GSA forms, such as a narrative of the tenant agency's program of requirements, GSA's standard lease (GSA Form L100), security requirements, proposal to lease space (GSA Form 1364), and lessor's annual cost statement (GSA Form 1217), among other things. RLP § 1.05 (list of RLP docs.); attachs. A-G.

Like the presolicitation notice described above, the RLP seeks a minimum of 73,364 ABOA SF and maximum of 88,036 RSF of office space, with a predominant column spacing of at least 30' x 30' on center and contiguous space located on no more than four floors. RLP §§ 1.02.A, 5.01. The solicitation's program of requirements (POR) requires that the office space be designed for flexibility with regard to open office arrangement, infrastructure, and connectivity. POR at 1. With regard to technical acceptability, the RLP states that to be acceptable for award, the offered space must provide for an efficient layout as determined by the lease contracting officer. RLP § 2.01.A. With regard to price, the RLP states that GSA will determine the gross present value cost of each proposal, and add a TIA of \$46.74 per ABOA SF, among other specified costs, to calculate an offeror's proposed rental rate per ABOA SF for price evaluation purposes. See RLP §§ 3.07, 4.05.

Prior to the April 25 deadline for submission of proposals, 1120 and 1125 filed a protest with our Office objecting to the solicitation's technical requirements and price provisions. LCO Statement at 6; AR at 8-9.

DISCUSSION

1120 and 1125 protest the terms of the solicitation, arguing that the 30' column spacing and contiguous space requirements exceed the needs of GSA's tenant agency and unduly restrict competition. The protesters also argue that the RLP's price evaluation provisions, including the fixed TIA amount, will prevent GSA from actually determining the lowest-priced proposal and prejudice the incumbent. While we do not specifically discuss each of the parties' various arguments, we have considered all of the protesters' contentions and find none furnishes a basis to sustain the protest.⁶

⁶ For example, in their protest, 1120 and 1125 question whether 30' column spacing reflects a "fundamental lease requirement," because the specification does not appear in sections 1 and 2 of the RLP or in the lease template. Protest at 9. We consider the protesters to have abandoned this argument, since GSA's agency report provided a detailed response to the protesters' assertions, see AR at 14-15, but the protesters did not reply to the agency's response in their comments. See IntelliDyne, LLC, B-409107 et al., Jan. 16, 2014, 2014 CPD ¶ 34 at 3 n.3. The argument, in any event, lacks merit. See Guilford Glazer, B-242737, May 24, 1991, 91-1 CPD ¶ 507 at 3 (protest denied where efficient layout was a minimum requirement, despite being listed as an evaluation criterion and not under solicitation's space requirement provisions).

Column Spacing Requirement

1120 and 1125 argue that GSA can satisfy the needs of its tenant agency without requiring 30' column spacing. Protest at 6-11. The protesters argue that the requirement is arbitrary and excludes the "vast majority" of existing buildings in the Washington CEA, particularly older buildings, and that it significantly restricts price competition. See id. at 8, 10. 1120 and 1125 also point out that the tenant agency initially requested 25' by 30' column bays and that it was GSA's architect/designer who actually suggested 30' column bays to the tenant agency. Comments at 6, citing AR, Tab 20, Customer Needs Assessment Questionnaire (Questionnaire), at 12 and Tab 67, GSA Architect's Email to LCO, Apr. 11, 2016, at 1. 1120 (the incumbent) maintains that its existing column bays are load-bearing and cannot be changed as a practical matter, that changing an existing building's internal configuration would entail complex retrofitting and reconstruction that may not be feasible, and that 1120 does not have the option of simply making such a change. See Comments at 7-8.

A contracting agency has the discretion to determine its needs and the best method to accommodate them. JLT Group, Inc., B-402603.2, June 30, 2010, 2010 CPD ¶ 181 at 2. In preparing a solicitation, a contracting agency is required to specify its needs in a manner designed to achieve full and open competition, and may include restrictive requirements only to the extent they are necessary to satisfy its legitimate needs. 41 U.S.C. §§ 3306(a)(1)(A), (a)(2). Where a protester challenges a specification as unduly restrictive of competition, the procuring agency has the responsibility of establishing that the specification is reasonably necessary to meet the agency's needs. See Exec Plaza, LLC, B-400107, B-400107.2, Aug. 1, 2008, 2008 CPD ¶ 143 at 5. The adequacy of the agency's justification is ascertained through examining whether the agency's explanation is reasonable, that is, whether the explanation can withstand logical scrutiny. JBG/Naylor Station I, LLC, B-402807.2, Aug. 16, 2010, 2010 CPD ¶ 194 at 4.

The RLP, as stated above, requires office space with a predominant column spacing of at least 30' by 30' on center (i.e., 30' column spacing or 30' column bays). RLP § 5.01. The POR also requires that the office space be designed for flexibility with regard to open office arrangement, infrastructure, and connectivity. POR at 1. The RLP states that, in order to be acceptable for award, the offered space must provide for an "efficient layout" as determined by the lease contracting officer. RLP § 2.01.A.

Based on our review of the record and GSA's justifications, we find the solicitation's column spacing requirement reasonably necessary to meet the needs of GSA's tenant agency. As an initial matter, the contemporaneous record shows that, from 2012 to 2015, GSA's architect/designer, GSA's broker, and representatives of the tenant agency held several meetings and extensive discussions, and prepared numerous planning documents, to establish the tenant agency's office space needs.

See, e.g., AR, Tab 8, Tenant Space Analysis Data; Tab 12, Prospectus & Housing Plan; Tabs 10, 14, Tenant Orientation Meetings; Tabs 18, 21, Tenant Agency Total Joint Requirements; Tab 20, Questionnaire; Tabs 33, 40, 46, Tenant Agency Housing Plans; Tabs 35, 44, 47-48, Total Joint Requirements Comparison Charts; Tabs 53, 57, Tenant Agency Prog. Details; Tab 71, Tenant Agency Space Reduction Analysis; Tab 75, Return on Investments Model. Based on this lengthy planning process, GSA determined that the tenant agency needs maximum flexibility in its office space and efficient workstation layouts, and that 30' column spacing would meet that need.

In response to the protest, GSA offers several justifications for requiring 30' column spacing. GSA explains that the requirement is directly related to the tenant agency's need for greater efficiency, because of a planned increase in staff with a simultaneous mandated reduction in USF.⁷ AR at 13. GSA maintains that the column spacing requirement also reflects the tenant agency's need for maximum flexibility in laying out furniture to reduce wasted space, and that the requirement can more easily achieve the tenant agency's desire for adjacency according to staff functions. See id. at 13-14. GSA contends that the lease contracting officer and the tenant agency reasonably relied on the advice of GSA's professional space planner that the small column grid in the current (the incumbent's) office space will not meet such needs and that its existing configurations cannot be reused, but would have to be demolished and reconfigured. AR at 13-14. We find GSA's explanations reasonable and persuasive.

1120's and 1125's contrary arguments are either unpersuasive or fail to substantively refute GSA's assertions. For example, the protesters do not persuasively rebut GSA's argument that 30' column spacing will provide the tenant agency maximum flexibility to accommodate its current and future growth needs. See Comments at 4-9. The protesters, in fact, acknowledge the tenant agency's need for open space and specified adjacencies as stated in the POR.⁸ See id. at 4. Indeed, the protesters' own architect indicated that larger column bays (i.e., larger than 1120's and 1125's current column bays) are preferred for large conferencing spaces. Protest, attach. 3, 1120 EOI, at 3; attach. 4, 1125 EOI, at 4. The protesters also fail to respond to GSA's argument that the protesters' test fits

⁷ According to GSA, the tenant agency's revised national space standards mandate a 29 percent reduction in USF per person. LCO Statement at 3; Leasing Contract Specialist (LCS) Statement, at 2-3; Statement of Interior Architect & Regional Workplace Exec., PBS Nat'l Cap. Region, at 1.

⁸ The POR, as stated above, requires that the office space be designed for flexibility with regard to open office arrangement. POR at 1. In this regard, GSA states that the reduction in space (see supra, at n.7) will necessitate considerable more open and collaborative space than the incumbent space. LCO Statement at 3.

(submitted with their EOIs) are based on incorrect assumptions regarding the tenant agency's space needs and the POR. Compare LCO Statement at 5 with Comments at 4-5. Furthermore, while 1120 challenges GSA's "flawed conclusions" about the cost of remaining in and renovating the incumbent space, 1120 recognizes that it is "maybe not even feasible" to reconfigure its space to meet the column spacing requirement.⁹ See Comments at 7-8. Finally, the protesters claim, based on their market survey of buildings in Washington that currently have the vacant square footage required, that only five of the supposedly 45 available buildings can meet the 30' column spacing requirement. Id. at 8-9; Protest at 10. However, the protesters do not dispute GSA's counter argument that their market survey was flawed, that at least 17 buildings with available space can in fact meet or exceed the 30' column spacing requirement, and that further research is required to identify the column spacing of 26 of the remaining 45 buildings identified by the protesters. Compare id. with LCO Statement at 4 n.2.

Moreover, as a general matter, we have previously addressed arguments by incumbent lessors that solicitation requirements that disadvantage or apply only to incumbents are unduly restrictive of competition. See Exec Plaza, LLC, supra, at 6. While we recognize that, in certain instances, incumbent lessors may face unique and unequal burdens as compared to non-incumbent offerors when solicitations require demolition and renovations, such disadvantages are not necessarily unreasonable or unduly restrictive of competition. Id. The fact that a requirement may be burdensome or even impossible for a particular lessor to meet does not make it objectionable if the requirement properly reflects the agency's needs. Parcel 49C Ltd. P'ship, B-412552 et al., Mar. 23, 2016, 2016 CPD ¶ 95 at 11.

In sum, we find the RLP's column spacing requirement reasonably necessary to meet the agency's needs and not unduly restrictive of competition. The fact that 1120 and 1125 disagree with the judgment of GSA and its tenant agency concerning their needs and how to accommodate them, is not sufficient to establish that the agencies' justifications are unreasonable.¹⁰ See id. at 11-14 (protest of RLP denied where its ceiling height requirement reflects tenant agency's need to

⁹ According to GSA, the protesters' buildings would require expensive retrofitting that may be impossible to complete by the required November 20, 2017, occupancy date. LCO Statement at 6.

¹⁰ We find unavailing 1120's suggestion that the agencies are biased against the incumbent. See Comments at 7. In this respect, where a protester alleges bias on the part of government officials, the protester must provide credible evidence clearly demonstrating bias against the protester (or for an awardee), and that the agency's bias translated into action that unfairly affected the protester's competitive position. HG Props. A, L.P., B-277572.4, Feb. 11, 1998, 98-1 CPD ¶ 50 at 4. 1120 has not met our standard for demonstrating bad faith or bias by a procuring agency.

address current and reasonably anticipated growth needs efficiently and fact that requirement may be burdensome or even impossible for incumbent lessor to meet does not make it objectionable); Paramount Group, Inc., B-298082, June 15, 2006, 2006 CPD ¶ 98 at 3-5 (protest that requirement unduly restricts competition because incumbent lessor would have to demolish its existing TIs denied where tenant agency requires flexibility to reorganize and configure its office space around its operational needs and where requirement, as well as solicitation's uniform TIA, are in line with commercial leasing practices).

Contiguous Space Requirement

1120 also protests the contiguous floor requirement, arguing, as it does above, that the requirement is not reasonably related to the tenant agency's needs and unnecessarily excludes most of the buildings in the Washington CEA from the competition.¹¹ Protest at 11. Citing minutes from meetings among GSA, GSA's broker, and the tenant agency, the protester points out that the contiguous floor requirement was stated as a "preference" and "not a hard requirement." Comments at 10, citing AR, Tab 10, Tenant Orientation Meeting Minutes, Oct. 22, 2012, at 2 and Tab 14, Tenant Orientation Meeting Minutes, Apr. 11, 2013, at 2.

GSA justifies the requirement by explaining that separating office space into non-contiguous floors creates the need to duplicate shared spaces and security measures, resulting in increased costs and operational issues. AR at 18. The agency further states that contiguous space is now a standard requirement in GSA's national lease procurement template, as it is for many larger private sector businesses. Id. at 17. GSA contends that both the government and the private sector are requiring less office space overall and fewer private offices, and moving towards "more open, highly collaborative and flexible workspaces" that are "designed to promote interaction, increase productivity, [and] reduce real estate costs." Id. at 17-18. According to GSA, separating the required office space into non-contiguous floors decreases the ability to create this desired collaborative environment by "stove-piping" or splitting certain functions. Id. at 18.

1120 disputes these assertions and argues that nothing in the record supports the notion that contiguous space promotes workforce collaboration or security. Comments at 10. With regard to collaboration, 1120 points out that, even under the RLP's requirement that lessors propose no more than four floors, employees could still have to travel between floors. Id. With regard to safety, 1120 points out that currently the tenant agency employees can only access floors using security keycards, that the building's stairwells are locked and not accessible using the keycards, and that employees must use elevators to access the various floors. Id. 1120 also points out that in the customer needs assessment questionnaire,

¹¹ As noted above, 1125 meets the RLP's contiguous floor requirement.

the tenant agency described its existing level of security--which did not include contiguous floors--as appropriate.¹² Id., citing AR, Tab 20, Questionnaire, at 10.

While some of 1120's arguments are not entirely without merit, we nevertheless find unobjectionable GSA's justification for requiring contiguous floors. Our Office has previously found that GSA's view--that scattering employees among non-contiguous spaces can adversely affect office efficiency and security--is reasonable on its face. Mainmark Assocs., Ltd., B-222454, July 3, 1986, 86-2 CPD ¶ 31 at 2 (denying protest of requirement for two contiguous floors because dividing required office space among non-contiguous floors increases likelihood that organizational units must be split and that personnel will be scattered). Notably, 1120 does not refute GSA's argument that separating office space into non-contiguous floors creates the need to duplicate shared space and results in increased costs and operational issues. Compare AR at 18 with Comments at 2, 9-10. Moreover, as discussed above, the fact that a requirement may be burdensome or impossible for an incumbent lessor to meet, does not make the requirement objectionable if it properly reflects the agency's need.¹³ See North Cap. Ltd. P'ship., B-249403, Nov. 10, 1992, 92-2 CPD ¶ 338 at 4-5 (denying incumbent lessor's protest of solicitation's organizational and functional adjacency specifications). Given that we find reasonable GSA's justifications for requiring contiguous space, 1120's preference for a less restrictive requirement does not provide a basis to sustain its protest.

¹² According to GSA, it ended up with non-contiguous floor space at 1120 Vermont Avenue because the tenant agency's growth required GSA to lease the only available space in the building at the time, not because GSA or its tenant agency believes that it is operationally efficient to occupy disconnected office space or partial floors. See LCS Statement at 1-2. GSA also points out that the three current leases for those spaces contain GSA's standard language requiring contiguous space. Id. In this respect, GSA states--and 1120 does not dispute--that contiguous space is a standard requirement for GSA and many larger private sector businesses. Compare AR at 17 with Comments at 9-10.

¹³ The fact that the tenant agency is currently housed on non-contiguous floors at 1120 Vermont Avenue (see supra, at n.12) is not relevant to determining whether the RLP's contiguous floor requirement is unreasonable or unduly restricts competition. See, e.g., JLT Group, Inc., supra, at 3-4 (protest that solicitation unduly restricts competition denied where requirement for 9-foot ceilings is a standard GSA PBS requirement and the fact that other GSA-leased properties may not meet the 9-foot ceiling requirement does not demonstrate that the requirement is not a reasonable minimum need of the agency).

Present Value Cost Provisions

Finally, 1120 and 1125 argue that the RLP's price provisions will not permit GSA to determine which proposal actually offers the lowest price. Protest at 12. In this respect, the protesters claim that the solicitation does not provide for any type of price reasonableness or price realism analysis, but would simply accept an offeror's price components without any analysis of whether the proposed rent will enable the offeror to provide the required level of service. Id.; Comments at 11. 1120 also argues that the fixed tenant improvement allowance (TIA) will artificially inflate the incumbent's price, and will thus prevent GSA from determining the actual lowest-priced proposal because the TIA fails to credit the incumbent for its existing tenant improvements (TIs). See Protest at 12; Comments at 12.

The GSAR provides that when acquiring a leasehold interest in real property, the lease contracting officer must evaluate prices and document the lease file to demonstrate that the proposed contract price is fair and reasonable. GSAR § 570.306(b). Moreover, the lease contracting officer must review the elements of the offeror's proposed rent to analyze whether the individual elements are realistic and reflect the offeror's clear understanding of the work to be performed, and must discuss any inconsistencies with the offeror.¹⁴ Id. The GSAR presumes that most leasing actions will have adequate price competition.¹⁵ GSAR § 570.110(b).

In our view, the RLP's pricing provisions are reasonable and consistent with applicable GSAR provisions. Under the terms of the solicitation, offerors must propose fully-serviced lease rates per ABOA SF and RSF, and itemize, among other things, the total building shell rental rate, TI rate, building-specific amortized capital rate, operating costs, and parking. RLP § 3.03.B; attach. F, GSA Form 1364. Offerors must also submit a Lessor's Annual Cost Statement disclosing--for the entire building as well as the proposed government-leased area in particular--the annual costs for cleaning/janitorial services, utilities, plumbing, heating, air conditioning, maintenance and repair of electrical equipment, elevators, security, landscaping, real estate taxes, and insurance, among other things. RLP § 3.03.A;

¹⁴ For price analysis of offered rental rates, the lease contracting officer may use a market survey, an appraisal conducted using accepted real property appraisal procedures to establish a market price for comparison, or other relevant market research data. GSAR § 570.110(b). For price analysis of offered TI costs, the lease contracting officer must obtain two offers or cost and pricing data. Id.

¹⁵ GSA received [DELETED] lease proposals by the April 25 due date for submission of proposals, including from 1120 and 1125. LCO Statement at 6; AR at 8-9.

attach. G, GSA Form 1217, at 1.¹⁶ As stated above, the RLP provides that the agency will determine the gross present value cost of each proposal, and add a TIA of \$46.74 per square foot, among other specified costs, to calculate an offeror's proposed rental rate per ABOA SF of office space. See RLP §§ 3.07, 4.05. The solicitation states that the evaluation of offered prices will be based on the annual price per ABOA SF, including all required option periods. Id. § 4.05.C.

Significantly, the lease template (GSA Form L100) states that the lessor's TI price proposal shall be supported by sufficient cost or pricing data to enable the government to evaluate the reasonableness of the proposal, and that the proposal must include information that is adequate for the government to evaluate the reasonableness of the price or to determine the cost realism of TIs. RLP, attach. A, GSA Form L100, §§ 4.03.A-B. In this respect, the RLP states that the offeror's TIs must include and identify all administrative costs, general contractor fees, subcontractor profit and overhead costs, the offeror's project management fee, design costs, and other associated project fees necessary to prepare construction documents and to complete the TIs. RLP §§ 3.07.B, 4.05.C.7.e.

In our view, and contrary to the protesters' assertions, these provisions contemplate that GSA will perform a price reasonableness or price realism analysis, including an analysis of an offeror's price and cost components. In this respect, we cannot agree with the protesters that the solicitation will somehow preclude GSA from determining which offeror's proposal offers the lowest price. To the extent that 1120 complains that the pricing provisions disadvantage the incumbent lessor and do not credit it for its TIs, like the challenged requirements discussed above, we have previously addressed, and denied, such arguments. See Prosperity Metro Plaza of Va., LLC, B-411547, B-411548, Aug. 21, 2015, 2015 CPD ¶ 263 at 4 (protest that RLP's method for calculating present value does not credit incumbent lessor for its existing TIs is denied where solicitation's TIA seeks to foster competition); Exec Plaza, LLC, supra, at 6-8 (protest that specifications unfairly require incumbent lessor to demolish its existing TIs, thereby imposing additional cost burden on incumbent and denying it credit for its existing TIs, is denied where solicitation imposes identical pricing requirements on all offerors); see also Eisenhower Real Est. Holdings, LLC, B-310941, Mar. 18, 2008, 2008 CPD ¶ 69 at 6-8 (protest that agency's cost-benefit analysis did not credit protester's proposed rental rate for purported cost savings is denied where the agency reasonably applied an industry

¹⁶ Form 1217 advises that a number of the costs to be identified by the lessor will be useful in the government's determination of the fair market value of the space to be rented. See RLP, attach. G, GSA Form 1217, at 2. The form also states that in acquiring space by lease, it is the established policy of GSA to enter into leases only at rental charges which are consistent with prevailing scales in the community. Id.

standard amount for evaluating such costs and protester does not show that the standard amount is unreasonable).

In the final analysis, the protest reflects little more than 1120's and 1125's disagreement with the judgments of GSA and its tenant agency, which provides no basis for our Office to sustain the protest.

The protest is denied.

Susan A. Poling
General Counsel