Decision

Matter of: Vanguard Building LP

File: B-414207; B-414207.2

Date: March 21, 2017

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DIGEST

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 8-feet 4-inch ceilings.

DECISION

Vanguard Building LP (Vanguard), of Potomac, Maryland, protests the terms of request for lease proposals (RLP) No. 5DC0390, issued by the General Services Administration (GSA), Public Buildings Service (PBS), to lease office space for a federal tenant agency. The protester contends that the RLP’s specifications exceed the agency’s minimum needs and unduly restrict competition.

We deny the protest.

BACKGROUND

GSA is conducting this procurement on behalf of the Peace Corps. Currently, the Peace Corps’ international headquarters occupies 161,725 rentable square feet (RSF) at The Paul D. Coverdale Peace Corps Headquarters Building, also known as the Vanguard Building, which is leased from the protester under lease No. GS-11B-70255. Contracting Officer’s Statement (COS) at 1; Memorandum of Law (MOL) at 2; Agency Report (AR), Exh. 11, Acquisition Plan, at 1. The Vanguard Building has been leased by GSA on behalf of the Peace Corps since 1988 and the current lease expires in May 2018. COS at 1.
In 2015, during early discussions between the two federal agencies, the Peace Corps informed GSA that it anticipated an increase in the number of personnel working in its headquarters building. AR, Exh. 4, Email from Peace Corps; Exh. 10, Email from Peace Corps. Specifically, the Peace Corps stated that it expected the number of volunteers to increase from 7,000 to 10,000 over the next five years and, to support this increase, the Peace Corps intended to augment its staff by 30 additional personnel, who would be located in the headquarters building. AR, Exh. 10, Email from Peace Corps; Exh. 12, House Approved Prospectus, at 6; COS at 2. As a result of these discussions, GSA submitted a prospectus to Congress requesting approval to lease up to 173,000 RSF for the Peace Corps headquarters. COS at 2; MOL at 3. See also AR, Exh. 12, House Approved Prospectus.

Additionally, the Peace Corps informed GSA that it required a building that maximizes the agency’s ability to reconfigure its workspace. AR, Exh. 32, Requirements Justification, at 1; COS at 2. The Peace Corps explained that it experiences a significantly higher rate of staff turnover than other federal agencies—31.5 percent versus an average of six percent in the remainder of the federal government. AR, Exh. 32, Requirements Justification, at 1. According to the Peace Corps, the high rate of turnover is a direct result of a statutory mandate limiting Peace Corps appointments to five years. Id. See also 22 U.S.C. § 2506(a)(5). Due to this “five year rule,” the Peace Corps’ workspace is constantly in a state of flux as the agency uses modular furniture to reconfigure space to meet changing staff and mission needs. AR, Exh. 32, Requirements Justification, at 1. The Peace Corps also explained that the use of modular furniture to reconfigure its workspace allows it to remain below utilization rates of 150 square feet per person. Id. This enables the Peace Corps to fulfill the U.S. Office of Management and Budget’s (OMB) “Freeze the Footprint” policy, which was intended, in part, to restrict the growth of the federal government’s real estate footprint. Id. at 1-2; MOL at 4. Thus, the Peace Corps expressed a need for a building that maximizes its ability to reconfigure workspace.

The Peace Corps also provided GSA with a workplace diagnostic report completed by Gensler & Associates, Inc., in March 2015, which was commissioned by the Peace Corps to assist it in developing workplace strategies in preparation for the upcoming expiration of its current lease. AR, Exh. 3, Gensler Diagnostic Report, at 5. The report noted that there is “[c]onstant workforce (culture) change internally.” Id. at 9. Among other things, the report concluded that the “current

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1 The U.S. House of Representatives Committee on Transportation and Infrastructure approved the prospectus on September 14, 2016. AR, Exh. 12, House Approved Prospectus. The U.S. Senate Committee on Environment and Public Works has not yet approved the prospectus and GSA will not award a lease until it does. COS at 2; MOL at 3.
workspace touches upon but does not embody the essence of the Peace Corps mission or employee/volunteer experience.” Id. at 7. The report also makes frequent references to natural light as a key element of employee well-being and indicates that the Vanguard Building could be improved in this respect. Id. at 21, 23, 36, 48, 49, 52, 53, 54, and 60.

In June 2016, representatives from GSA and the Peace Corps met with brokers from Savills-Studley, Inc., a commercial real estate services firm hired by GSA, to discuss the Peace Corps’ preliminary requirements. COS at 1; MOL at 3; AR, Exh. 17, Meeting Notes. Based on this discussion, the brokers prepared a Preliminary Market Report identifying properties that could potentially meet the Peace Corps’ square footage and occupancy date requirements. AR, Exh. 18, Preliminary Market Report.

In July 2016, GSA issued an advertisement seeking expressions of interest from potential offerors. AR, Exh. 20, Advertisement. The advertisement included a summary of the Peace Corps’ “basic” requirements, including the maximum RSF and the lease term.3 Id. at 1-2; COS at 3. The contracting officer explains that the purpose of the advertisement was to identify vacant space and interested parties prior to finalizing all requirements. COS at 3. In response to the advertisement, GSA received seven expressions of interest, id., including one from the protester. AR, Exh. 22, Protester’s Expression of Interest.

In August 2016, representatives from GSA, the Peace Corps, and Savills-Studley conducted a market survey tour of the buildings for which an expression of interest had been submitted in order to determine whether the buildings met the Peace Corps’ preliminary requirements and to assist the Peace Corps in further refining its requirements. COS at 3; MOL at 3. The contracting officer represents that it was during this market survey tour that a more detailed discussion took place between GSA, the Peace Corps, and the brokers regarding column spacing, ceiling height, and other more specific requirements. COS at 3-4. As a result of the tour, a Market Survey Report was prepared. AR, Exh. 23, Market Survey Report.

Around this same time, GSA also received the results of a Building Assessment Report (BAR) of the Vanguard Building. COS at 3; MOL at 5; AR, Exh. 24, BAR,

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3 The advertisement did not include all the requirements that were included in the final RLP, including requirements pertaining to the loading dock, freight elevator, column spacing, and ceiling height. AR, Exh. 20, Advertisement. See also Exh. 32, Requirements Justification, at 1-2 (providing justifications for requirements in RLP that were not included in the advertisement).
at 15. The report indicates that the Vanguard Building was built in 1963 and the last major renovation to the building occurred in 1998. COS at 1; AR, Exh. 24, BAR, at 5, 6. Due to the building’s age, deferred maintenance of major systems, and the length of the Peace Corps’ tenancy, the contracting officer states that GSA had concerns about the ability of the incumbent building to meet “base building requirements.” COS at 1, 3; AR, Exh. 24, BAR, at 6. Accordingly, as part of the requirements development process, GSA commissioned the preparation of the report to evaluate the incumbent building, which GSA received in August 2016. COS at 3. The report identified more than $10 million in recommended base building improvements within the next five years, including immediate replacement of sprinkler systems needed to meet current fire and life safety codes; cooling tower replacement within one to two years; and modernization of the elevators and a new roof within three to five years. AR, Exh. 24, BAR, at 6; Exh. 26, Email from Stavills-Studley. The contracting officer explains that some of the recommended repairs are items that would need to be fixed immediately in order to meet the minimum requirements of the RLP. COS at 3.

In October 2016, prior to issuing the RLP, GSA requested written justification from the Peace Corps for each requirement not included in the previously issued advertisement seeking expressions of interest. MOL at 3-4. Relevant here, the Peace Corps provided a justification for 30-foot column spacing and 8-foot 4-inch ceiling height. AR, Exh. 32, Requirements Justification, at 1-2. With respect to column spacing, the Peace Corps explained that its ability to reconfigure its workspace is greatly impacted by column spacing. Id. It noted that 30-foot column spacing is the recommended spacing for optimum efficiency contained in GSA’s Facilities Standards for the Public Buildings Service, PBS-P100. Id. at 2. With respect to the ceiling height, the Peace Corps explained that, as it attempts to remain below utilization rates of 150 square feet per person, its workspace inadvertently feels more crowded than it is. Id. The higher ceilings allow more

4 The BAR is not paginated and, therefore, the citations to pages in the BAR are to the electronic pages.

5 GSA explains that these “base building requirements” were set forth in the RLP. Supp. MOL at 2 n.1 (citing RLP § 1.09; RLP, Exh. A (Draft Lease Form), § 3). As an example, the RLP requires that the building “have unrestricted access to a minimum of two remote exits on each floor of Government occupancy” and “[a] Building-wide fire alarm system[.]” RLP, Exh. A (Draft Lease Form), §§ 3.12(B), 3.14(A).

6 The report was prepared by Reon, Inc., and Cinnovas Development Group, LLC, under a separate contract with GSA. COS at 3; AR, Exh. 24, at 1. The contracting officer states that GSA has not yet received the final report, but used the findings from the 95 percent completed report to establish requirements for the RLP. COS at 3 n.1.
natural light into the workspace, which, in turn, makes the workspace feel less crowded. Id. Moreover, citing several outside studies, the Peace Corps explained that workplace design directly impacts employee well-being and that natural light has been shown to have a direct effect on productivity; to reduce illness, stress, and absenteeism; and to promote creativity and innovation. Id. The workplace study commissioned by the Peace Corps demonstrated that employees working in the Vanguard Building feel it lacks natural light and does not represent the mission of the agency. AR, Exh. 3, Diagnostic Report, at 23, 49.

On November 22, 2016, GSA provided the RLP to all offerors that had previously submitted an expression of interest. COS at 5; MOL at 5; AR, Exh. 34, RLP Transmittal. Of relevance, the RLP contained the following two requirements: (1) “Column spacing within the offered building shall be predominately 30’ x 30’ on center or greater, as determined by the Contracting Office[.]” RLP § 1.04(2); and (2) “Ceilings shall be at a minimum 8 feet and 4 inches[,]” RLP, Exh. A (Draft Lease Form), § 3.21.

Initial offers were due by 4:00 p.m. Eastern Standard Time (EST) on December 14. RLP § 3.02(B). GSA received [DELETED] offers, including one from the protester. MOL at 6. GSA represents that [DELETED] of the [DELETED] offers are responsive to both the column spacing and ceiling height requirements. MOL at 6. On December 14, prior to the time set for receipt of proposals, the protester filed a timely protest with our Office challenging the RLP’s column spacing and ceiling height requirements.

DISCUSSION

Vanguard protests the terms of the solicitation, arguing that the column spacing and ceiling height requirements are unduly restrictive and exceed the Peace Corps’ minimum needs. Protest at 7-8. In general, Vanguard asserts that the “Peace Corps can continue to perform [its] mission at the Vanguard Building without the need to secure new or newer space at great, and unnecessary expense, simply to have 30’ x 30’ column spacing and ceilings that are merely 4” higher than the Vanguard Building ceilings.” Id. at 8.

GSA responds that the requirements are reasonable, aimed at fulfilling the Peace Corps’ mission needs, and reflect a procurement strategy focused on the Peace Corps’ long term housing needs. MOL at 2. Moreover, GSA argues that, although the protester’s building met the Peace Corps’ requirements 20 years ago, it does not meet the agency’s requirements now. Id. at 15. Instead, GSA argues that the “Government expects the most efficient layout for its new requirement,” which includes wider column spacing and higher ceilings to maximize efficiency and flexibility. Id. at 15-16.
Although our decision does not specifically discuss each of the protester’s arguments, we have fully considered them and find that none provides a basis to sustain the protest.\footnote{For instance, the protester claims that it was entitled to be advised of the estimated amount and extent of improvements needed to its building in the event the Peace Corps elected to remain in the building. Comments at 18. Because we conclude that the agency’s requirements pertaining to column spacing and ceiling height are not unduly restrictive of competition, the protester is not an interested party to challenge the agency’s actions in this respect. \textit{Vectrus Sys. Corp.}, B-413581.3 \textit{et al.}, Dec. 21, 2016, 2016 CPD ¶ 10 at 12 n.9. The RLP expressly provided that the proposed workspace “must meet the terms and conditions of this RLP package and requirements,” RLP § 2.05(C), which, as noted above, included the column spacing and ceiling height requirements. Vanguard does not contend that its building can meet these requirements. Rather, the protester contends that these requirements are unduly restrictive, or, in the alternative, that GSA has the discretion to accept Vanguard’s proposal despite the failure of its building to comply with the requirements. \textit{See} Supp. Comments at 3. With respect to the protester’s alternative argument, we disagree. The RLP provided GSA the “discretion to accept alternatives to certain architectural characteristics . . . to maintain the historical integrity of an Historic Building[.]” RLP § 2.01(C). Vanguard does not allege that its building meets this criteria. Accordingly, because Vanguard’s building cannot meet the terms of the RLP with respect to column spacing and ceiling height, it is not an interested party to challenge the agency’s failure to disclose its analysis of the protester’s building.}}
Column Spacing Requirement

GSA contends that the column spacing requirement is not unduly restrictive of competition. In support of its contention, GSA argues that the requirement is directly related to the Peace Corps’ need for greater efficiency due to the anticipated increase in staff and constant fluctuations in staffing needs. MOL at 8; COS at 4. 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 the Peace Corps.

The record shows that the Peace Corps anticipates additional staff and a higher than average rate of turnover due to the five-year limitation on Peace Corps assignments. AR, Exh. 32, Requirements Justification, at 1-2; Exh. 4, Email from Peace Corps; Exh. 10, Email from Peace Corps; Exh. 12, House Approved Prospectus, at 6; AR, Exh. 3, Gensler Report, 10. The record also shows that, as a result, the agency relies on a large amount of modular furniture and requires a flexible, efficient workspace to permit repeated reconfiguration of the workspace. AR, Exh. 32, Requirements Justification, at 1-2; Exh. 23, Market Survey Report, at 2 (“A sustainable work environment that . . . allows for maximum flexibility in space planning is integral to the success of the agency[.]”); COS at 4.

Both the Peace Corps and GSA explain that column spacing impacts workspace layout and design and the ability to reconfigure furniture. AR, Exh. 32, Requirements Justification, at 2; COS at 4; MOL at 9. The wider the column spacing, the easier it is to reconfigure the workspace to address changes in staffing and mission needs. COS at 4; MOL at 9. As the contracting officer explains, “[w]ider distances between columns not only increase[] the number of ways modular furniture can be laid out, it also increases the number of possible closed office, open space, and meeting space configurations on a given floorplate.” COS at 4.

Here, the Peace Corps justifies the 30-foot column spacing on several bases, including, in particular, the basis that it is a standard recommendation contained in GSA’s Facilities Standards for the Public Buildings Service, PBS-P100.8 AR, Exh. 32, Requirements Justification, at 2. The November 2010 version of this document provides that the minimum recommended column spacing is 30 feet.9

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8 GSA explains that the PBS-P100 establishes construction standards applicable to federal construction projects and is a “good benchmark or rule of thumb for requirements development in leased spaces.” COS at 4; MOL at 10. Current and prior versions of this publication are available at www.gsa.gov/portal/content/104821 (last visited March 21, 2017).

9 GSA states that the 30-foot column spacing recommendation was last included in the 2010 version of this publication. COS at 4. Subsequent versions of the publication do not list a specific preferred column spacing in order to allow

(continued...)
Facilities Standards for the Public Buildings Service, PBS-P100, Rev. Nov. 2010, at 53 (hereinafter P-100). We have previously explained that, in developing requirements, it is reasonable for an agency to rely upon the design criteria set forth in the P-100, which were formulated for application to procurements such as this one. JLT Group, Inc., B-402603.2, June 30, 2010, 2010 CPD ¶ 181 at 3 (no basis to object to GSA’s reliance upon the P-100 as establishing a reasonable standard for 9-foot ceiling height). Thus, we find the Peace Corps’ reliance upon this publication to be unobjectionable.

Moreover, the contracting officer represents that the wider structural design is not a novel design feature. COS at 4. Although older buildings in the Washington, D.C. market were built on “tighter grids,” the contracting officer explains that newer buildings have “wider grids” due to advances in construction techniques and design. Id. She explains that, as early as 2011, the Urban Land Institute published information on the changing nature of building design and noted that 30-foot structural bays are now considered a “pillar of design” and a “universal guideline” to “organize the building infrastructure and [to] reinforce the perception of rational planning and flexibility.” COS at 4 (quoting Attach. A, Powell, Donald, Pillars of Design, available at http://urbanland.uli.org/development-business/pillars-of-design/ (last visited March 21, 2017). The article also indicates that lenders discount buildings that deviate from 30-foot column spacing because they are harder to sell. Id. We find nothing unreasonable in the Peace Corps’ desire to be headquartered in a building with more modern column spacing in order to maximize efficiency and meet its changing workforce needs.

Additionally, the market survey report and the initial offers demonstrate that 30-foot column spacing is available in the Washington, D.C. market. AR, Exh. 23, Market Survey Report, at 4, 7, 8; COS at 5. Accordingly, we do not find this requirement unduly restrictive of competition.10

Furthermore, we note that our Office recently considered and denied a protest of the same 30-foot column spacing requirement where GSA demonstrated that: (a) the requirement was “directly related to the tenant agency’s need for greater... (continued)

architects and designers to develop and propose even more efficient solutions, which may include “larger grids or interiors free of columns altogether.” Id.; MOL at 10. We agree with the contracting officer’s conclusion, however, that the prior version of the publication “still provide[s] a reasonable benchmark” for the current procurement. Id.

10 The protester provides no support for its contention that [DELETED] responsive properties are insufficient to demonstrate competition. See Comments at 17; Supp. Comments at 10.
efficiency, because of a planned increase in staff with simultaneous mandated reduction in [usable square feet]”; and (b) the requirement would meet “the tenant agency’s need for maximum flexibility in laying out furniture to reduce wasted space[.]” 1120 Vermont Ave. Assocs., LLP, supra, at 6. In that decision, we found such justifications “reasonable and persuasive.” Id. Based on the record before us, which is factually similar to the record in 1120 Vermont Ave. Assocs., LLP, we see no reason to depart from our prior decision.11

Finally, the protester attacks the agency’s rationale for its 30-foot column spacing requirement on the basis that the record does not contain any of the following findings: (a) “that the 20’ column spacing in the Vanguard Building precludes an adequate degree of flexibility in accommodating the Peace Corps[;]” (b) “that the Peace Corps’ mission . . . is detrimentally impacted by the 20’ column spacing in the Vanguard Building[;]” (c) “that the existing 20’ column spacing is a material flaw[;]” (d) “that the 20’ column spacing seriously hinders the Peace Corps’ ability to reconfigure furniture[,]” or (e) “that a 30’ column width will . . . exponentially result in far greater flexibility in the configuration of modular furniture.” Comments at 3, 4, 6; Supp. Comments at 7. In this regard, the protester misunderstands the government’s broad discretion to determine how best to meet its needs.

GSA is not required to settle for “adequate” flexibility, or for a solution that avoids “seriously hindering” the tenant’s ability to achieve its mission. Rather, GSA is tasked to exercise sound business judgment to provide the “best value product or service” to meet its customer’s needs. See Federal Acquisition Regulation (FAR) §§ 1.102(d), 1.102-1(b). Here, the Peace Corps requires a building that provides maximum flexibility to reconfigure its workspace. There is no dispute that 20-foot column spacing does not provide the same degree of flexibility as 30-foot spacing. As the protester itself concedes, furniture can be “acceptably reconfigured in spaces with 25’ or 20’ column spacing, although perhaps not as efficiently.” Comments at 11. As in 1120 Vermont Ave. Assocs., LLP, we conclude that the agency has a legitimate need for “maximum flexibility” in its workspace, which is reasonably met by the 30-foot column spacing requirement.

11 The protester contends that GSA failed to meet the “test” set forth in 1120 Vermont Ave. Assocs., LLP because the column spacing requirement in that decision was the result of a “lengthy planning process,” whereas the requirement here was not reduced to writing until the latter stages of the requirements development phase of the procurement. See generally Comments at 1-12. Even assuming that we agreed with the protester that the column spacing requirement was not developed until later in the process, our decision in 1120 Vermont Ave. Assocs., LLP rested upon the relationship between the column spacing requirement and the agency’s needs, not the amount of time it took the agency to develop or document the requirement.
Ceiling Height Requirement

GSA also contends that the ceiling height requirement is not unduly restrictive of competition. In support of this contention, GSA argues that the ceiling requirement is directly related to the Peace Corps’ need for increased natural light and the need to alleviate the perception of a crowded workspace.\footnote{The protester does not dispute that the provision of natural light was a high priority for the Peace Corps. Comments at 13.} COS at 5; MOL at 12. Based on our review of the record and GSA’s justifications, we find the solicitation’s ceiling height requirement reasonably necessary to meet the needs of the Peace Corps.

The record shows that the Peace Corps, in developing this requirement, considered several studies demonstrating the positive effects of natural light on employees’ well-being and productivity. AR, Exh. 32, Requirements Justification, at 2. The workplace diagnostic report completed by Gensler also revealed that natural light is important to Peace Corps employees and that the current building does not adequately meet employees’ needs in this regard. See e.g., AR, Exh. 3, Gensler Diagnostic Report, at 23, 49. GSA notes that modular furniture tends to block natural light. COS at 5. Thus, as both the Peace Corps and GSA explain, the proposed solution was to increase the minimum ceiling height to allow more natural light to penetrate the workspace. AR, Exh. 32, Requirements Justification, at 2; COS at 5; MOL at 12.

Additionally, the record shows that the Peace Corps was concerned about the feeling of “crowding” in the workspace due to the agency’s attempt to stay below utilization rates of 150 square feet per person. AR, Exh. 32, Requirements Justification, at 2. The Peace Corps and GSA both concurred that “lighter, brighter spaces with natural light as well as rooms with high ceilings . . . are perceived as less crowded.” Id.; COS at 5. Accordingly, as a result of the desire to maximize natural light and reduce the sensation of crowding, the Peace Corps and GSA sought higher ceiling heights.

Although GSA’s standard, nationwide template RLP establishes 9-foot ceilings as the suggested minimum height, the contracting officer explained that, based on her knowledge of the Washington, D.C. market and based on information received from the Savills-Studley brokers, a 9-foot ceiling height requirement may have been too restrictive for this procurement. COS at 5. The market survey tour confirmed the contracting officer’s suspicions. Id. Only two of the buildings toured had 9-foot ceilings. Id. Accordingly, after discussions between GSA, the Peace Corps, and Savills-Studley, the parties decided to amend this requirement to 8-foot 4-inch ceilings—the greatest height possible to encourage sufficient competition while still providing sufficient ceiling height to allow more natural light and to alleviate some of the Peace Corps’ concerns regarding the feeling of crowding. Id.; MOL at 12.
Vanguard argues that, although the record establishes both the Peace Corps’ desire for natural light and certain limitations in that regard with respect to the incumbent building, “nothing attributes any lack of natural light to the Vanguard Building’s ceiling height.” Comments at 14. Rather, Vanguard suggests that the lack of natural light may be due, in part, to how the Peace Corps has configured the space. Id. at 13-14. The protester’s argument, however, misses the mark.

Even assuming that the Peace Corps could reconfigure the space in a manner that would meet its mission requirements and its need for natural light—a fact that the protester has not alleged nor demonstrated—this option has no bearing on the reasonableness of the agency’s requirement for higher ceilings. The operative question is whether the agency’s requirement is reasonably necessary to meet the agency’s needs, Parcel 49C Ltd. P’ship, supra, at 2, not whether there are alternative options available to the agency. In this respect, the protester’s disagreement with the agency’s judgment regarding the best way to accommodate its needs is not sufficient to establish that the agency’s judgement is unreasonable. Id.

The protest is denied.

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