Amendment No. 3
to
SOLICITATION FOR OFFERS (SFO) VA-101-12-R-0026
Brick, NJ
September 23, 2014

Solicitation for Offers (SFO) No. VA101-12-R-0026 was issued April 18, 2012 for 34,335 net usable square foot (NUSF), for an Outpatient Clinic (OPC) for the Department of Veterans Affairs (VA) in Brick, NJ.

The following changes/clarifications are hereby made to the above-referenced SFO. All offerors must acknowledge receipt of this SFO Amendment No. 3 in their offer.

I. SFO Paragraph 5. "Offer Due" (as amended through Amendments #1 and #2).

1. Delete "August 1st, 2013" and replace with "October 09, 2014".

II. SFO Paragraph 6. "Occupancy Date".

1. Delete "August 31st, 2013" and replace with "November 30th, 2014".

III. SFO Paragraph 7. "How to Offer".

1. Delete "May 03, 2012" and replace with "October 09, 2014". Delete "Room 6W210F and replace with "6W117B".

IV. SFO Paragraph 15. "Price Evaluation". Delete this paragraph and replace it with the following:

"The basic price offered will be the rate per Net Usable Square Foot (NUSF). Refer to Paragraph 24 of this Solicitation for a definition of NUSF. This price shall be used to determine the total annual rental to be paid, adjusted for any discrepancies in the quantity of space delivered against the amount offered and accepted, as described elsewhere in this Solicitation.

The operating costs will not be scored or be part of the price evaluation; however, the proposed operating costs will be reviewed and adjusted as follows:

If annual CPI adjustments in operating expenses are included, the Offeror shall be required to submit the offer with the total "gross" annual price per rentable square foot and a breakout of the "base" price per rentable square foot for services and utilities (operating expenses) to be provided by the Lessor. The "gross" price shall include the "base" price. The first year's adjusted base price per rentable square foot will be the new base price for the second year of the lease. The second year will be the new base year upon which annual adjustments will be made; beginning with the second year of the lease and each year thereafter, the Government shall pay an adjusted rent for changes in annual costs based upon the annual CPI index.

<u>Present Value Price Evaluation</u>

(1) The Government will convert the rentable prices offered in GSA Form 1364 to Net Usable prices, which will subsequently be used in the price evaluation.

(2) Evaluation of offered prices will be on the basis of the annual shell rental rate per Net Usable Square Foot, including any option periods. The Government will use that data to perform a net present value price evaluation by reducing the prices per annual shell Net Usable Square Foot to a composite annual Net Usable Square Foot price as follows:
(a) Parking and wayward areas will be excluded from the total square footage but not from the price. For different types of space, the gross annual per square foot price will be determined by dividing the total annual rental by the total square footage minus these areas.
(b) Free or reduced rent will be evaluated in the year in which it is offered. The gross, averaged annual per square foot price is adjusted to reflect free rent.
(c) To evaluate the real value of rent today, over the given term of the lease, the analysis will compound the amount of rent at a given (discount) rate. The gross annual per Net Usable square foot shell rental costs will be discounted annually at 2.2 percent (OMB Circular No. A-94) over the entire term of the lease, to yield a net present value cost (NPV) per net usable square foot. This will provide an annual present value of the proposed rent, for years two through the term of the lease, at this 2.2 percent discount."

V. SFO Paragraph 114. "Items Attached to the SFO".

- Delete GSA Form 3516A entitled, "SOLICITATION PROVISIONS" (Rev. 12/03) and replace with GSA Form 3516A entitled, "SOLICITATION PROVISIONS" (Rev. 06/12)
- Delete GSA Form 3517B entitled, "GENERAL CLAUSES" (Rev. 11/05) and replace with GSA Form 3517B entitled, "GENERAL CLAUSES" (Rev. 03/2013)
- Delete GSA Form 3518 entitled, "REPRESENTATIONS AND CERTIFICATIONS" (Rev. 1/07) and replace with GSA Form 3518, entitled "REPRESENTATIONS AND CERTIFICATIONS" (Rev. 05/2013)

VI. SFO Paragraph 115. "Restoration". Delete this paragraph and replace it with the following paragraph entitled "Government Departure From and Restoration of the Premises ("Departure and Restoration Clause" **(New Paragraph)**:

A. At time of expiration or termination of the Lease, the Government shall vacate and deliver physical possession of the leased premises (the "Premises") to the Lessor (the "Government Departure Date") in good order and condition, less reasonable wear and tear, and free and clear of waste, trash, garbage, or other refuse, including Hazardous Materials (as defined by Federal, State, and local laws/regulations) brought or stored on the Premises by Government, the Government's personal property, the Government's trade fixtures as listed in Schedule B of this Lease, and free of any third party occupants, if applicable.

B. Within twenty (20) working days prior to the Government Departure Date, the Lessor and Government shall conduct a joint walk through of the Premises to physically inspect the Premises and to identify any perceived deficiencies ("Departure Inspection"). Any deficiencies identified during the Departure Inspection shall be itemized and the Lessor shall provide such itemized list to the Government with the Lessor Restoration Notice, as defined in paragraph C below.

C. If the Government fails, refuses, or neglects to vacate the Premises in the manner and condition described in paragraph A, above, as may be determined during the Departure Inspection, Lessor shall provide written notice to the Government within ten (10) working days after the date of the Departure Inspection that the Government has failed to properly deliver the Premises. Such written notice shall clearly identify to the Government the specific deficiencies that exist and any reasonable remaining actions the Government must take to duly deliver the Premises to the Lessor ("Lessor Restoration Notice"). In addition, such Lessor Restoration Notice shall clearly identify any waste, trash, garbage, or other refuse, including Hazardous Materials, Government personal property, and/or trade fixtures as listed in Schedule B that the Government has failed to remove. Lessor may demand that within twenty (20) working days from the Government's receipt of the Lessor Restoration Notice (plus any additional time that Lessor and Government may agree to in writing), the Government restore the Premises in the manner and condition described in paragraph A and remove such items or materials from the Premises ("Restoration and Removal Period".)

D. Upon Government's receipt of a Lessor Restoration Notice, the Government's Contracting Officer shall contact Lessor to discuss the Lessor's asserted deficiencies, if any, and how best to resolve them. Such solutions may include but are not limited to, the Lessor and Government agreeing to conduct one or more teleconferences with a goal of resolving any existing deficiencies.

E. If the Government fails to restore the premises (in the manner and condition described in Paragraph A) or remove any items or materials identified in the Lessor Restoration Notice by the end of the Restoration and Removal Period as per paragraph C, the Lessor may restore the property (in the manner and condition described in Paragraph A) and such items or materials not removed by the Government shall be considered to be abandoned and shall become the property of the Lessor (the "Abandoned Property"). Lessor may use or dispose of such Abandoned Property as it sees fit. In the event Lessor chooses to dispose of the Abandoned Property, Lessor hereby agrees that such disposal shall be in compliance with all Federal, state, and local laws and regulations. Lessor may submit an invoice to the pertinent Contracting Officer ("Lessor's Restoration Invoice") requesting reimbursement of the reasonable, verifiable, direct "at cost" amounts incurred to restore the Premises and properly dispose of the Abandoned Property, subject to the payment limitation set forth in paragraph G below.

F. Barring any disagreement with the contents of the Lessor's Restoration Invoice from the pertinent VA Contracting Officer's perspective, Government shall, subject to and in accordance with applicable law (including but not limited to the Anti-Deficiency Act codified at 31 U.S.C. Sections 1341 and 1501, and the Prompt Payment Act codified at 31 U.S.C.

Section 3901, et seq.), pay such at cost invoice amount to the Lessor. Any interest due and payable from the Government to Lessor on such "at cost" amounts properly due and owing shall be remitted to Lessor subject to and in accordance with applicable Federal law, notably the Prompt Payment Act codified at 31 U.S.C. Section 3901, et seq.

G. Upon termination or expiration of the Lease, the Government shall use its good faith efforts to comply with this Departure and Restoration Clause. In no instance and notwithstanding anything in this Lease to the contrary, shall the Government be expected or required to pay Lessor in excess of $_________ to comply with that Clause.

*Lessor must provide a figure for paragraph G (above) as an attachment to GSA Form 1364A, entitled Lessor's Annual Cost Statement (7/94).

VII. SFO Paragraph 116. "Energy Independence and Security Act". **(New Paragraph)**:

A. The Energy Independence and Security Act (EISA) establishes requirements for Government leases relating to energy efficiency standards and potential cost effective energy efficiency and conservation improvements.

B. Unless one of the statutory exceptions listed in sub-paragraph C below applies, GSA may award a Lease for a Building only if the Building has earned the ENERGY STAR® label conferred by the U.S. Environmental Protection Agency (EPA) within the most recent year prior to the due date for final proposal revisions. The term "most recent year" means that the date of award of the ENERGY STAR® label by EPA must not be more than 1 year prior to the due date of final proposal revisions. For example, an ENERGY STAR® label awarded by EPA on October 1, 2010, is valid for all lease procurements where final proposal revisions are due on or before September 30, 2011. In lieu of the above, all new Buildings being specifically constructed for the Government must achieve an ENERGY STAR® label within 18 months after occupancy by the Government. In addition, Offerors of the following Buildings shall also have up to 18 months after occupancy by the Government, or as soon thereafter as the Building is eligible for Energy Star consideration, to achieve an Energy Star label: 1) All existing Buildings that have had an Energy Star label but are unable to obtain a label in the most recent year (i.e., within 12 months prior to the due date for final proposal revisions) because of insufficient occupancy; 2) Newly built Buildings that have used Energy Star's Target Finder tool and either achieved a "Designed to Earn the Energy Star" certification or received an unofficial score (in strict adherence to Target Finder's usage instructions, including the use of required energy modeling) of 75 or higher prior to the due date for final proposal revisions and who are unable to obtain a label in the most recent year because of insufficient occupancy; 3) An existing Building that is unable to obtain a label because of insufficient occupancy but that can produce an indication, through the use of energy modeling or past utility and occupancy data input into Energy Star's Portfolio Manager tool or Target Finder, that it can receive an unofficial score of 75 or higher using all other requirements of Target Finder or Portfolio Manager, except for actual data from the most recent year. ENERGY STAR tools and resources can be found at www.energystar.gov.

C. EISA allows a Federal agency to lease Space in a Building that does not have an ENERGY STAR® Label if:

1. No Space is offered in a Building with an ENERGY STAR® Label that meets RLP requirements, including locational needs;

2. The agency will remain in a Building it currently occupies;

3. The Lease will be in a Building of historical, architectural, or cultural significance listed or eligible to be listed on the National Register of Historic Places; or

4. The Lease is for 10,000 RSF or less.

D. If one or more of the statutory exceptions applies, and the offered Space is not in a Building that has earned the ENERGY STAR® Label within one year prior to the due date for final proposal revisions, Offerors are required to include in their lease proposal an agreement to renovate the Building for all energy efficiency and conservation improvements that it has determined would be cost effective over the Firm Term of the Lease, if any, prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease). Such improvements may consist of, but are not limited to, the following:

1. Heating, ventilating, and air conditioning (HVAC) upgrades, including boilers, chillers, and Building Automation System (BAS)/Monitoring/Control System (EMCS).
2. Lighting Improvements.
3. Building Envelope Modifications.

Note: Additional information can be found on http://www.gsa.gov/leasing under "Green Leasing."

E. The term "cost effective" means an improvement that will result in substantial operational cost savings to the landlord by reducing electricity or fossil fuel consumption, water, or other utility costs. The term "operational cost savings" means a reduction in operational costs to the landlord through the application of Building improvements that achieve cost savings over the Firm Term of the Lease sufficient to pay the incremental additional costs of making the Building improvements.

F. Instructions for obtaining an ENERGY STAR® Label are provided at http://www.energystar.gov/eslabel (use "Portfolio Manager" to apply). ENERGY STAR® tools and resources can be found at www.energystar.gov. The ENERGY STAR® Building Upgrade Manual (http://www.energystar.gov/) and Building Upgrade Value Calculator (http://www.energystar.gov/financialevaluation) are tools which can be useful in considering energy efficiency and conservation improvements to Buildings.

G. If one or more of the statutory exceptions applies, and the offered Space is not in a Building that has earned the ENERGY STAR® Label within one year prior to the due date for final proposal revisions, the successful Offeror will be excused from performing any agreed-to energy efficiency and conservation renovations if it obtains the Energy Star Label prior to the Government's acceptance of the Space (or not later than one year after the Lease Award Date for succeeding and superseding leases).

H. If no improvements are proposed, the Offeror must demonstrate to the Government using the ENERGY STAR® Online Tools why no energy efficiency and conservation improvements are cost effective. If such explanation is unreasonable, the offer may be rejected.

I. All new Buildings being specifically constructed for the Government must achieve the ENERGY STAR® Label within 18 months after occupancy by the Government.

Acknowledgement of Receipt

Amendment No. 3

SFO No. VA-101-12-R-0032

Brick, NJ, Outpatient Clinic

Company____

Name____

Phone:___________________________________ Fax:__________________________________

Title____

Signature of Offeror____Date_________________________

Please return this signed acknowledgement to Project Manager, Timothy Ethier through express mail (425 I St. NW, Room 6W117B, Washington, DC 20001) or by email (Timothy.Ethier@va.gov - preferred).

Return and initial the pages of this amendment along with any additional documents by the proposal due date of October 23rd, 2014.