JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION
LEASE EXTENSION

United States Department of Agriculture (USDA)
Agriculture Marketing Service (AMS)
Cotton and Tobacco (C&T)

LEASE NO. 57-6395-11-002

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

The USDA currently leases 13,209 ABOA/rentable square feet (RSF) of office and special purpose space for cotton classification at 24 Windmill Circle, Abilene, TX and 12,000 sf of outdoor storage space on lots 103 and 104 on Windmill Circle, Abilene, TX under lease number 57-6395-11-002. The current lease expires May 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 up to 60 months to commence on June 1, 2026. The estimated cost of this lease extension is $18.50 per rentable square feet per year for an annual cost of $244,366.50 and a total contract value of $1,221,832.50 based on average rates through market research.

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 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.

☐ 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. The facility contains office space, space to house the lab where the grading activities take place, and warehouse space to house the bailer and the cotton bales. The laboratory is unique in that it requires special HVAC, temperature of 70 degrees plus or minus 1 degree at 65 percent relative humidity, dust collection system, shredder and bailer feed hopper, lighting to MacBeth Type NL-D75-440 Norlight

fixtures, and compressed air distribution system. The existing space was specifically built for the Cotton program and continues to meet the needs in fulfilling its program responsibilities for the Federal Government and with its grading of cotton. There are only a handful of these types of cotton classing facilities in the U.S. The Cotton program has a continued need for this space while they monitor the crops in that area to see if they will continue having a presence there in Abilene. Award to other than the current Lessor would require relocation of the entire requirement and would cause USDA to incur move and replication costs that would not be recovered through competition.

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

In accordance with GSAM 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 in Abilene, TX for viable properties showed the rental rate within the market area ranges from $27.00/psf to $13.00/psf.

Therefore, the estimated average rental rate for this lease extension of $25.69 per RSF is within the current market range for this submarket and are deemed fair and reasonable by the Lease Contracting Officer.

7. DESCRIPTION OF MARKET RESEARCH CONDUCTED AND THE RESULTS.

On May 20, 2026, current market research was conducted using LoopNet and CommercialCafe. The market research showed the rental rate within the market area ranges from $27.00/psf to $13.00/psf.

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

Remaining at the current location under a 60-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.

Not Applicable

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

In advance of an existing lease contract's expiration, considerations will be given to allow for sufficient time to conduct a full and open procurement. The Government will consider the time and cost of moving from the existing location, and the time and cost to build out new space when deciding whether it is economically advantageous to stay at the existing building or to undergo a competitive action.

Additionally, consideration will be given to the customer agency's mission and security requirements (if applicable) to include limiting any agency space requirements that may be deemed unduly restrictive and thus favor the incumbent. The Government will remain conscious of the effort to continuously encourage competition when practicable.

11. CONTRACTING OFFICER CERTIFICATION.

By signature on this Justification for Other than Full and Open Competition, the Lease Contracting Officer certifies that the award of a lease extension of 60 months for 57-6395-11-002 is in the Government's best interest and that this Justification is accurate and complete to the best of the Lease Contracting Officer's knowledge and belief.

ROYCE NG Digitally signed by ROYCE NG
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Royce Ng, Lease Contracting Officer