

**PROSPECTUS – LEASE
DEPARTMENT OF DEFENSE
MEDICAL COMMAND HEADQUARTERS
NORTHERN VIRGINIA**

Prospectus Number: PVA-04-WA10
Congressional Districts: 8,10,11

Project Summary

The General Services Administration (GSA) proposes a new lease of up to 751,000 rentable square feet (rsf) and four parking spaces to house the components of the Department of Defense (DOD) Medical Command Headquarters in one or more buildings on a single, contiguous site. These components are currently located at multiple leased and government owned locations throughout the Washington Metropolitan region. Compliance with the DOD Uniform Facility Code Anti-Terrorism Standards requires DOD control of the site.

The 2005 Base Realignment and Closure (BRAC) recommendations directed DOD to

“Realign the Potomac Annex, DC. Realign Bolling Air Force Base, DC. Realign Skyline, leased space in Falls Church, VA. Collocate the Navy Bureau of Medicine, Office of the Surgeon General of the Air Force, the Air Force Medical Operating Activity, and the Air Force Medical Support Activity, Office of the Secretary of Defense (Health Affairs), Tricare Management Activity, Office of the Army Surgeon General and US Army Medical Command to a single, contiguous site that meets the current Department of Defense AntiTerrorism Force Protection standards for new construction at either the National Naval Medical Center, Bethesda, MD, Bolling Air Force Base, DC, or federally owned or leased space in the National Capital Region and consolidate common support activity.”

DOD must close and realign all installations in accordance with the BRAC Commission's recommendations, as transmitted to Congress by the President in a September 15, 2005 report. The implementation process must begin within two years of the transmission of the report and be completed within six years of that transmission. Thus, in accordance with BRAC Act of 1990 (P.L. 101-510, as amended), DOD is legally obligated to relocate all functions by September 15, 2011.

The majority of the Medical Command Headquarters components currently occupy leased space in multiple buildings in Northern Virginia, all with differing lease expirations. The current leased locations do not comply with DOD Minimum Anti-Terrorism Standards for Buildings effective for all leases that expire in FY 2009 and beyond. The new leased location must comply with these standards. Most current leases expire before September 15, 2011 and will require short-term extensions. GSA will negotiate for lease terms that provide flexibility to align with the consolidation date and minimize vacancy risk. The components of the Medical Command Headquarters will also relocate from government owned facilities at Bolling Air Force Base and the Potomac Annex as part of this BRAC action. The space at Bolling AFB will be backfilled

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with another DOD occupant as part of the 2005 BRAC realignment and the Potomac Annex will be realigned by the Department of the Navy.

The components of the Medical Command Headquarters will collocate six non-BRAC organizations to the proposed lease site. These organizations are part of the components' headquarters and perform medical headquarters functions in support of the overall mission that are best operated if located together. Most of these entities will relocate from small blocks of government owned space throughout the country. The spaces occupied by four of the six organizations are parts of larger federally owned installations and will be backfilled with other DOD tenants. Two organizations are currently in leased space and will terminate their financial obligations when they relocate to the new facility.

Justification

In 2006, DOD conducted an analysis of 17 alternative site options and identified five for further investigation. Three options included new construction at National Naval Medical Center Bethesda, Bolling Air Force Base, and Washington Navy Yard /Anacostia. A fourth option entailed renovation of the National Geospatial Intelligence Agency's (NGA) Sumner complex while the fifth option proposed consideration of leasing an appropriate facility at a site within the National Capital Region.

After review of the three construction sites, DOD concluded none was viable, because each site presented significant challenges associated with site constraints, transportation, and traffic management.

Following an extensive, independent analysis of the NGA Sumner Complex, DOD determined that its renovation was not viable. The analysis showed that approximately 400,000 square feet of the primary buildings could not be effectively renovated to achieve compliance with Anti-Terrorism/Force-Protection standards, which is a specific legal obligation of this BRAC recommendation. Additionally, the Sumner Complex is currently occupied and cannot be renovated until NGA moves to its new facility at Fort Belvoir, currently planned for mid/late 2011. Even if renovations of the Sumner Complex were practicable, DOD could not effect such renovations in time to meet the BRAC deadline.

After concluding that construction of new facilities or renovation of the Sumner Complex was not viable, the decision to lease was made at the highest acquisition levels of the Department. The Infrastructure Steering Group, which serves as the principal oversight body for BRAC implementation, and the Office of General Counsel forwarded their recommendation to the

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Deputy Secretary of Defense. In March 2008, the Under Secretary of Defense for Acquisition, Technology, and Logistics directed pursuit of leased space to accommodate the Medical Command Headquarters. However, because ownership is in the long-term best interest of the Government, GSA will seek to include purchase options in any lease agreement entered into under the authority of this prospectus. Exercise of any purchase option will require additional congressional authorization and will be based on the future availability of funds.

Description

Occupants:	Department of Defense Medical Command Headquarters
Delineated Area:	Northern Virginia
Lease Type:	Consolidation
Justification:	BRAC Recommendations and DOD Anti-Terrorism Standards Compliance
Expansion Space:	94,688 usable square feet
Number of Parking Spaces ¹ :	4 (Official Government vehicles)
Scoring:	Operating lease
Proposed Maximum Leasing Authority:	15 years
Maximum Rentable Square Feet:	751,000
Current Total Annual Cost:	\$7,147,728 (Does not include cost to operate federally owned locations)
Proposed Total Annual Cost ² :	\$30,040,000
Maximum Proposed Rental Rate ³ :	\$40.00

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Solicitation for Offers and other documents related to the procurement of space for which this prospectus seeks authorization.

¹ The Department of Defense security requirements may necessitate control of the parking at the leased location. This may be accomplished as a lessor-furnished service, as a separate operating agreement with the lessor, or as part of the Government's leasehold interest in the building.

² Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

³ This estimate is for fiscal year 2012 and may be escalated by 1.8 percent annually to the effective date of the lease to account for inflation.

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GSA encourages offerors to work with energy service providers to exceed minimum requirements set forth in the procurement.

Authorization

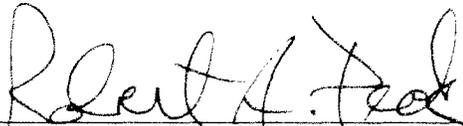
Approval of this prospectus by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works will constitute authority to lease space in one or more buildings on a single, contiguous site that will yield the required rentable area.

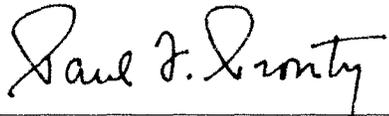
Approval of this prospectus will also constitute authority to enter into interim leases prior to occupancy of the space provided under the new lease.

Certification of Need

The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on September 11, 2009

Recommended: 
Commissioner, Public Buildings Service

Approved: 
Acting Administrator, General Services Administration