

**PROSPECTUS – LEASE
DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON, DC**

Prospectus Number: PC-02-WA16

Executive Summary

The General Services Administration (GSA) proposes a replacement lease of up to 97,000 rentable square feet (RSF) of space for the Department of Veterans Affairs (VA) in Washington, DC. VA is currently housed at 801 I Street, NW, in Washington, DC, under a lease that expires June 30, 2017.

Description

Occupant:	Department of Veterans Affairs
Lease Type	Replacement
Current Rentable Square Feet (RSF)	86,927 (Current RSF/USF = 1.06)
Proposed Maximum RSF ¹ :	97,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	None
Current Usable Square Feet/Person:	161
Proposed Usable Square Feet/Person:	184
Proposed Maximum Leasing Authority:	15 years
Expiration Dates of Current Lease(s):	6/30/2017
Delineated Area:	Washington, DC, Central Employment Area
Number of Official Parking Spaces:	None
Scoring:	Operating Lease
Maximum Proposed Rental Rate ² :	\$50.00 / RSF
Proposed Total Annual Cost ³ :	\$4,850,000
Current Total Annual Cost:	\$3,671,984 (lease effective 2007)

¹ The RSF/USF at the current location is approximately 1.06; however, to maximize competition, a RSF/USF ratio of 1.2 is used for the proposed maximum RSF as indicated in the housing plan.

² This estimate is for fiscal year 2017 and may be escalated by 1.9 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including all operating expenses whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

³ New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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Justification

The current location houses three VA components: the Office of Inspector General (OIG), the Office of Small Disadvantaged Business Utilization (OSDBU), and the Office of Information Technology (OIT).

This prospectus seeks authority to house two of the components, OIG and OSDBU, while the third component, OIT, will be relocated into federally owned space. OIG will be increasing by 22 personnel to respond to VA's recent issues regarding patient wait times, and the office has already received appropriations to respond to this matter. OIT will be relocating into the Lafayette Federal Building.

OIG and OSDBU will improve their office utilization rate from 100 USF per person to 89 USF per person. The overall utilization rate will increase slightly from 161 USF per person to 184 per person due to OSDBU's need for office and special space that is currently shared with the other VA components.

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space for which this prospectus seeks authorization. GSA encourages offerors to work with energy service providers to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

Resolutions of Approval

Resolutions adopted by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

Interim Leasing

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

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Certification of Need

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

Submitted at Washington, DC, on October 23, 2015

Recommended: 

Commissioner, Public Buildings Service

Approved: 

Administrator, General Services Administration