

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON, DC**

Prospectus Number: PDC-04-WA20

Executive Summary

The General Services Administration (GSA) proposes a lease of approximately 309,000 rentable square feet (RSF) for the Department of Veterans Affairs (VA), currently located at 425 I Street NW, in Washington, DC. VA has occupied space in the building since 2011 under a lease that expires on June 6, 2021.

The lease will provide continued housing for VA and will maintain the office and overall space utilization at 122 and 183 usable square feet (USF) per person, respectively.

Description

Occupant:	Department of Veterans Affairs
Current RSF:	296,138 (Current RSF/USF = 1.15)
Estimated/Proposed Maximum RSF ¹ :	309,000 (Proposed RSF/USF = 1.20)
Expansion/Reduction RSF:	12,862 Expansion
Current USF/Person:	183
Estimated/Proposed USF/Person:	183
Expiration Dates of Current Lease(s):	6/6/2021
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	Washington DC CEA
Number of Official Parking Spaces:	0
Scoring:	Operating
Current Total Annual Cost:	\$12,982,186 (lease effective 6/7/2011)
Estimated Rental Rate ² :	\$50.00 / RSF
Estimated Total Annual Cost ³ :	\$15,450,000

¹ The RSF/USF at the current location is approximately 1.15; however, to maximize competition a RSF/USF ratio of 1.20 is used for the estimated proposed maximum RSF as indicated in the housing plan.

² This estimate is for fiscal year 2021 and may be escalated by 2 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.

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

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Acquisition Strategy

In order to maximize the flexibility and competition in acquiring space for VA, GSA may issue a single, multiple-award solicitation that will allow offerors to provide blocks of space able to meet requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus.

Background

VA is a Cabinet-level agency that provides healthcare services to eligible military veterans at VA medical centers and outpatient clinics located throughout the country; several non-healthcare benefits including disability compensation, vocational rehabilitation, education assistance, home loans, and life insurance; and burial and memorial benefits to eligible veterans and family members at 135 national cemeteries.

Justification

The three VA tenants that occupy 425 I Street NW include the Board of Veterans Appeals, which makes final decisions on appeals on behalf of the Secretary of Veterans Affairs; the National Cemetery Administration, which honors veterans with final resting places; and the Office of Acquisition, Logistics, and Construction, which provides a full range of services tailored to meet the needs of VA staff in their supports of veterans.

The current lease at 425 Eye Street NW expires on June 6, 2021. The VA requires continued housing to carry out the mission of these three 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 based on the approved prospectus. GSA encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

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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.

Certification of Need

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

Submitted at Washington, DC, on October 23, 2019.

Recommended: _____


Commissioner, Public Buildings Service

Approved: _____


Administrator, General Services Administration