

Date: April 4, 2023

From: Associate Executive Director, Office of Real Property (003C7) and Head of Contracting Activity for Leasing

Subj: Class Deviation from General Services Acquisition Manual for Lease Amendment and Total Lease Contract Value Definitions (VIEWS 8880564)

To: All VA Leasing Professionals

1. **Purpose.** This memorandum approves a class deviation from General Services Acquisition Manual (GSAM) in accordance with GSAM 501.404(d) for VA real property lease acquisitions executed under a GSA delegation of authority to deviate from GSAM 501.603-1(a) definitions for Lease Amendment (LA) and Total Lease Contract Value (TLCV).

2. **Effective Date.** Immediately.

3. **Expiration Date.** This class deviation expires when incorporated into VA's Acquisition Manual or is otherwise rescinded.

4. **Applicability.** This class deviation applies to all VA real property lease contracts executed under a GSA delegation of authority.

5. **Current FAR and VAAR Policy.** None. This requirement derives from GSAM, which is applicable to VA lease acquisitions executed under GSA delegations of authority per GSA Bulletin FMR C-2.

6. **Need for Deviation.** GSA's definitions of LA and TLCV do not adequately address the obligations resulting from VA's lease contracts and amendments due to agency operational and pricing policy differences. Additionally, use of GSA's definitions may inadvertently lead to inappropriately utilized warrants due to miscalculations, increasing the potential of unauthorized commitments, which must be avoided. Attachment 1 provides detailed background regarding the need for the deviation.

7. **Required Action.** Lease Contracting Officers must use the below VA definitions and follow the guidance provided in Attachment 1 for applying the definitions and determining values:

- a. Lease Amendment

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- i. GSAM Definition: "*Lease amendment*" includes the dollar value of Reimbursable Work Authorizations and is based on the absolute value of changes.
- ii. VA Definition: "*Lease amendment*" includes the dollar value of the lease amendment and is based on the absolute value of the changes.

b. Total Lease Contract Value

- i. GSAM Definition: "*Total lease contract value*" means the entire lease award amount at initial award, including the dollar value of option periods and excluding the dollar value of Reimbursable Work Authorizations for tenant improvements that are above standard agency tenant improvement allowances.
- ii. VA Definition: "*Total lease contract value*" means the entire lease award amount at initial award, including the dollar value of option periods plus any lump-sum and/or amortized tenant improvement costs reflected in the rent schedule. Lump-sum tenant improvement costs based on allowances and definitized post-award/post-design are computed based on the lease ABOA SF and allowance value.

**8. Additional Information.** Direct questions regarding this deviation to ORP Real Property Policy and Programs, at [VACO003C7APolicyandProgramsTeam@va.gov](mailto:VACO003C7APolicyandProgramsTeam@va.gov).

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