

**Department of
Veterans Affairs**

Memorandum

Date: DEC 21 2017

From: Associate Executive Director, Office of Real Property (003C1E)

Subj: Real Property Policy Memorandum 2018-04 – Award of Build-to-Suit Lease Contracts

To: Office of Real Property (003C1E); VA Lease Contracting Officers (LCOs);

1. The purpose of this memorandum is to: (1) partially rescind and replace the attached Delegation of Authority for Existing Space Leases Procured by Veterans Health Administration (VHA) Leasing Officials (VAIQ 7687472); (2) permit VHA Lease Contracting Officers (LCOs) to award build-to-suit lease contracts of up to \$1,000,000.00 in annual unserviced rent; and (3) implement a review process for Requests for Lease Proposals (RLPs) issued by VHA LCOs that result in no viable existing space lease proposals being received.

2. If an LCO does award a build-to-suit lease, the following conditions must be met:

- a. The proposal for a build-to-suit lease must have been received in response to a general request for available space in the market (ie, the procurement initially contemplates both existing space and build-to-suit space solutions);
- b. The LCO must have conducted a thorough analysis of the existing building inventory within the delineated area before issuing a RLP; and
- c. The LCO must have made a meaningful effort to lease existing space, including, but not limited to, a re-examination of the delineated area and applicable re-advertisement in the event adequate existing space is not identified. Actions and determinations must be documented in the contract file.

3. If no viable existing space proposals are received in response to a RLP, the LCOs must provide a copy of the RLP, market survey report, advertisement(s), delineated area justification, and any other supporting documentation to ORP. The documentation will be subject to periodic audit by ORP, at ORP's discretion. This review process applies to all RLPs issued on or after the date of this memorandum.

4. If you have questions on this policy or how to submit ORP review requests, please contact Timothy Ethier, Acting Director, Policy and Programs, ORP, at (202) 632-4882 or by email at Timothy.Ethier@va.gov.

Darren Blue
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Darren J. Blue
Associate Executive Director,
Office of Real Property

Attachment

**Department of
Veterans Affairs**

Memorandum

Date: JUN 02 2016

From: Executive Director, Office Construction & Facilities Management (003)

Subj: Rescission of Requirement for Delegation of Authority for Existing Space Leases
Procured by Veterans Health Administration (VHA) Leasing Officials (VAIQ 7687472)

To: Acting Deputy Under Secretary for Health for Operations and Management (10N)
Director, Office of Asset and Enterprise Management (044)

1. In keeping with MyVA principles and the ongoing RAMMP initiative, the purpose of this memorandum is to immediately rescind the requirement that VHA leasing officials obtain delegations of authority from the Office of Construction & Facilities Management (CFM), Real Property Service (RPS), or to otherwise obtain CFM approval to procure, expand, or extend leases, or to enter into standstill agreements for existing leases, below the prospectus threshold of \$1 million in annual unserviced rent. This rescission applies to all below-prospectus leases of real property, regardless of size or number of parking spaces. This memorandum also clarifies VA lease assignments to local leasing officials (leases of existing space up to \$1,000,000 in annual unserviced rent), and to Central Office leasing officials (all build-to-suit leases and leases over \$1,000,000 in annual unserviced rent).

2. With the Strategic Capital Investment Planning (SCIP) process providing the Department of Veterans Affairs (VA) approval of lease projects, and the General Services Administration (GSA) delegation providing authority for each lease action, the CFM approval and RPS delegation process is redundant and in some ways obsolete, and should therefore be eliminated. Additionally, rescission of the requirement will streamline the Department's leasing process and directly affect VA's ability to provide facilities for Veteran services.

3. The following requirements are unchanged by this rescission:

- a. VHA must obtain SCIP approval for each leasing action, as required;
- b. VHA must seek and obtain delegation of authority from GSA as necessary and appropriate; and
- c. All reviews and approvals must be completed as may be required by law, regulation, or applicable policy, not limited to specific technical and legal concurrence of contracting documents.

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Subj: Rescission of Requirement for Delegation of Authority for Existing Space Leases Procured by Veterans Health Administration (VHA) Leasing Officials (VAIQ 7687472)

4. Effective immediately, VA lease assignments shall be distributed as follows:
 - a. Local leasing officials with appropriate warrant level, certification, and training shall procure, expand, and extend all leases of existing space, and enter into standstill agreements for existing leases, of up to \$1,000,000 in annual unserviced rent. To the extent the Contracting Officer's Eligibility Requirements as set forth in Directive 7815 conflict with this Memorandum, this Memorandum shall control.
 - b. Central office leasing officials shall procure and extend, and enter into standstill agreements for existing leases, for all leases of \$1 million or more in annual unserviced rent and all build-to-suit leases. When requesting the procurement of a lease of space of \$1 million in annual unserviced rent or more, or should VHA believe a lease procurement will result in a build-to-suit lease scenario based on market research, the Network Contracting Office or the parent facility shall submit a request to RPS as described in paragraph 6 below.
5. In order to assist local leasing officials in this effort, CFM is making available its national indefinite delivery, indefinite quantity (IDIQ) real estate broker contracts. To obtain an IDIQ real estate broker Task Order, the VHA contracting office shall provide a request to RPS as described in paragraph 6 below.
6. All requests for real property assistance and IDIQ real estate broker support shall be submitted to the following SharePoint site:
<https://vaww.vaco.portal.va.gov/sites/CFM/RealProperty/Portal/SitePages/Home.aspx>.
7. These changes shall take effect immediately and apply to all leases for which a delegation of authority has not yet been requested from GSA.
8. Existing procurement and contracting authorities, along with the required compliance and quality assurance reviews, are not changed by this memorandum, and any items in Directive 7815 not addressed by this memorandum shall remain in full force and effect. Clarifying and implementing directives, including an update of Directive and Handbook 7815, Acquisition of Real Property by Lease and by Assignment from GSA, will be updated as necessary as part of the implementation of real property as a shared service.

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9. These processes and program improvements will facilitate expeditious delivery of needed facilities while enhancing the integrity and oversight of the lease procurement process. Thank you in advance for your cooperation as VA's leasing program evolves.



Stella S. Fiotes, AIA