

# VA SUPPLEMENT CHAPTER 2: **NEW OR REPLACING LEASE**

## Chapter 2

<b>Overview: The New or Replacing Lease Process</b> .....	<b>2-2</b>
<b>Part 1: Acquisition Planning/Pre-Solicitation Requirements</b> .....	<b>2.1-1</b>
<b>Part 2: Market Survey Process</b> .....	<b>2.2-1</b>
<b>Part 3: Solicitation Process</b> .....	<b>2.3-1</b>
<b>Part 4: Pre-Negotiation/Negotiations Process</b> .....	<b>2.4-1</b>
<b>Part 5: Award Determination</b> .....	<b>2.5-1</b>
<b>Part 6: Design, TI and BSAC Negotiations, and Notice to Proceed</b> .....	<b>2.6-1</b>
<b>Part 7: Construction Phase</b> .....	<b>2.7-1</b>
<b>Part 8: Lease Commencement and Closeout</b> .....	<b>2.8-1</b>

## **Overview: The New or Replacing Lease Process**

When used throughout this VA Supplement Chapter, “Reserved” means the information in [GSA’s LDG](#) applies to VA’s leasing program without further supplemental information.

Reserved.

# PART 1: ACQUISITION PLANNING/PRE- SOLICITATION REQUIREMENTS

## Chapter 2.1

<b>1: Overview .....</b>	<b>2.1-2</b>
<b>2: Lease Acquisition Models and Templates .....</b>	<b>2.1-2</b>
a. Available Lease Models.....	2.1-2
b. Global Templates .....	2.1-2
<b>3: G-REX and Electronic Files .....</b>	<b>2.1-2</b>
<b>4: Components of Acquisition Planning .....</b>	<b>2.1-2</b>
a. Acquisition Planning Defined.....	2.1-2
b. Acquisition Plan Development.....	2.1-3
c. Lease Term Strategy .....	2.1-4
d. Funding Considerations.....	2.1-4
e. Prospectus Requirement.....	2.1-5
f. Determining Source Selection Approach.....	2.1-6
g. Schedules.....	2.1-6
h. Approval .....	2.1-7

## **1: Overview**

Reserved.

## **2: Lease Acquisition Models and Templates**

### **a. Available Lease Models**

Reserved.

### **b. Global Templates**

Reserved.

## **3: G-REX and Electronic Files**

U.S. Department of Veterans Affairs (VA) utilization of G-REX is limited to the delegation request submission and the post-award lease contract submission. VA is not required to manage the lease procurement, or contract administration, within G-REX.

VA's official mandated system of record for lease contract files is the Electronic Contract Management System (eCMS).

## **4: Components of Acquisition Planning**

### **a. Acquisition Planning Defined**

Reserved.

#### **Applicable Laws and Regulations**

Reserved.

#### **Acquisition Planning for VA Leasing**

Applies to VA leasing activities as delegated by GSA.

#### **Leasing Tools**

The Automated Advanced Acquisition Program (AAP) is not applicable to leases procured by VA under delegated authority from GSA.

#### **Using the Succeeding/Superseding Lease Analysis Tool for Expiring Leases**

Lease Contracting Officers (LCOs) must utilize GSAs Succeeding/Superseding Lease Analysis tool for all succeeding and superseding leases. The LCO must complete the “Other Considerations” tab in all cases and the “Formal CB Analysis” tab as applicable.

The “Formal CB Analysis” tab of the Succeeding/Superseding Lease Analysis Tool is only required when the LCO has determined that other potentially acceptable locations exist in the market as defined by the delineated area.

**Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (“Section 889”) Consideration**

Reserved.

**Additional Critical Items to Consider**

Reserved.

**b. Acquisition Plan Development**

The following thresholds and approving officials are applicable to Acquisition Plans for VA leases procured through delegation from GSA:

<b>Threshold (including all options)</b>	<b>Approving Official</b>
Below the Simplified Lease Acquisition Threshold (SLAT) defined in GSAM Part 570.102	Lease Contracting Officer
From the SLAT up to and including \$5 Million in total lease contract value	One level above Lease Contracting Officer
Over \$5 Million to, and including \$15 Million in total lease contract value	Network Contract Office (NCO) Director of Contracting or Equivalent for Veterans Health Administration (VHA) Director of Lease Execution Office of Real Property (ORP) Chief of Acquisitions Veterans Benefits Administration (VBA) Director, Contracting Service National Cemetery Administration (NCA)
Over \$15 Million	Head of Contracting Activity (HCA) for Leasing

\*Acquisition plans greater than \$15 Million will need to be reviewed and approved in accordance with current HCA Review and Approval Process Policy

\* Please note in instances where the LCO’s supervisor is also the Director of Contracting, or equivalent, they will need to sign on both signature lines.

**Project Management Plan (PMP)**

At this time, VA leasing professionals are not required to implement separate documents as a Project Management Plan, though doing so represents best practices for project management.

### **Acquisition Plan Template**

Leasing Specialist shall prepare all written acquisition plans in G-REX and upload a copy of the G-REX acquisition plan into the eCMS lease contract briefcase.

### **Full and Open Competition**

In addition to the full and open competition requirements enumerated in the GSA Leasing Desk Guide (LDG), VA leasing professionals are required to comply with the U.S. Supreme Court decision in *Kingdomware*, which clarified that the “Vets First” statute is applicable to all VA contracts, including real property leases. Therefore, leasing professionals must satisfy the “VA Rule of Two” by following the guidance and procedures outlined in Appendix I.

### **Other than Full and Open Competition**

Obtain appropriate approvals in accordance with current HCA Review and Approval Process Policy.

### **Sole Source Justifications at or below SLAT**

Reserved.

### **Post-Award Publication of Justification for Other Than Full and Open Competition (JOTFOC)**

Note: The redacted JOTFOC should be included as an attachment to the required post-award synopsis in Sam.gov (posted under the “original award notice” type).

#### **c. Lease Term Strategy**

Reserved.

#### **d. Funding Considerations**

Reserved.

### **BA53 Pre-Certification of Funds**

VA does not have the Budget Authority (BA) 53; therefore, BA 53 does not apply to VA leases procured using delegated authority from GSA. The VA leasing professional must still receive certified funding and [SCIP](#) approval prior to beginning the procurement process. Certification of funds is completed and signed by an authorized official in accordance with [VA Financial Policy, Volume V, Chapter 11](#) policies and procedures.

### **Customer Funding: Does the Customer Have Money?**

The requesting service must confirm that funds will be available for obligation of any lump sum payment in the fiscal year of lease award and for rent in the fiscal year of acceptance through the firm term of the lease.

Note: VA lease rental obligations will be established on a fiscal year basis regardless of whether the lease period extends beyond the end of the fiscal year. Lump-sum Tenant Improvement (TI) costs are to be obligated upon award of the lease agreement.

VA Leasing professionals should reference [VA Financial Policy, Volume V, Chapter 11](#) for specific guidance on accounting for Real Property Leases.

### **Scoring: Is This an Operating or Capital Lease?**

VA leasing professionals must use the approved scoring template available at [Enterprise Lease Management Tool - Templates - All Documents \(sharepoint.com\)](#).

### **e. Prospectus Requirement**

As described in more detail in Chapter 11, VA will include Strategic Capital Investment Planning (SCIP) approved prospectuses in VA's Budget Request to obtain Resolutions from VA's Committees. VA will provide separate GSA-specific prospectuses to GSA to obtain Resolutions from GSA's Committees, U.S. Senate Committee on Environment and Public Works and U.S. House Committee on Transportation and Infrastructure.

For VHA's leases, pursuant to [38 U.S.C. § 8104](#), VA must obtain resolutions from the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives approving any lease for use as a new medical facility where the average annual rent is equal to or greater than the threshold as defined under [38 U.S.C. § 8104\(a\)\(3\)\(B\)\(i\)](#)<sup>5</sup>, regardless of delegation by GSA.

---

<sup>5</sup> [Pub. L 117-168 § 703\(b\)](#) amended VA's threshold to an average annual rent equal to or greater than GSA's threshold under [40 U.S.C. § 3307\(a\)](#), which is subject to adjustment in accordance with [40 U.S.C. § 3307\(h\)](#). GSA's annual prospectus threshold for FY2024 is \$3.613M.

The threshold is \$3.613M in Fiscal Year (FY) 2024 and is subject to annual adjustments each fiscal year thereafter.

The term “*prospectus lease*” means the net average annual rent for the term of the lease (including option periods and excluding the cost of services) is equal to or greater than the prospectus threshold amount in [38 U.S.C. § 8104\(a\)\(3\)\(B\)\(i\)](#)<sup>7</sup> for the fiscal year in which award is to be made, requiring the prior submission and approval of a prospectus.

Contemplated leases calling for a stepped rent or a change in the base rent, must be “levelized” in accordance with Chapter 11 of GSA’s LDG to determine whether a lease is above or below this threshold. A simplified spreadsheet for levelizing rent is available in [GREX Template Management System](#) for delegated agencies.

For non-VHA's leases, there is no requirement to list the lease in VA’s Budget Request, however, leases greater than \$1 million in average annual unserviced rent are listed in the Authorization and Notification Chapter of VA’s Budget Request and must receive SCIP approval. Leases that are less than \$1 million in average annual unserviced rent are listed on VA’s approved SCIP list.

CFM ORP is the office responsible for execution and starting in FY2022, lease administration of all delegated leases exceeding \$1 million in average annual unserviced rent, regardless of any increases to the prospectus-level under [38 U.S.C. § 8104\(a\)\(3\)\(B\)\(i\)](#)<sup>7</sup>. VHA, VBA and NCA will continue to be responsible for day-to-day lease management support (i.e., oversee and monitor lessor compliance with the lease terms and conditions), minor lease alterations, and ensuring sufficient funding and proper obligation of funds is recorded throughout the life of the lease.

To initiate ORP’s Lease Execution’s assistance in executing a lease exceeding \$1 million in average annual unserviced rent, a requesting office should submit requirements based on CFM’s ORP procedures currently outlined in OCFM RPPM Submitting a Request for Land and Leasing Actions after SCIP approval and specific Congressional approval (if applicable). CFM’s ORP’s Lease Execution and Lease Delivery are responsible for executing and designing and constructing, respectively, prospectus-level leases.

#### **f. Determining Source Selection Approach**

Reserved.

#### **g. Schedules**

It is a best practice for lease procurements that VA leasing professionals prepare a project schedule that includes critical path milestone dates (baseline, estimated,



and actual). The schedule should be revisited and updated as necessary throughout the lease procurement in accordance with change management policies and procedures, as applicable. Stakeholders should be updated as necessary throughout the lease procurement and be proactively notified if the project is running ahead or behind schedule. This data must be updated routinely in ELMT so that future years' budgets can be accurately forecast.

#### **h. Approval**

Please note in instances where the LCOs supervisor (one level above the LCO) is also the Director of Contracting, or equivalent, they will need to sign on both signature lines.

# PART 2: MARKET SURVEY PROCESS

## Chapter 2.2

<b>1: Overview</b> .....	<b>2.2-2</b>
<b>2: Importance of a Market Survey</b> .....	<b>2.2-2</b>
<b>3: Prepare for Market Survey</b> .....	<b>2.2-2</b>
a. Preparation .....	2.2-2
b. Reviewing and Confirming the Delineated Area .....	2.2-2
c. Publicizing and Identification of Potential Competition Sources .....	2.2-2
d. Evaluating and Recording Potential Sources .....	2.2-3
<b>4: Conducting the Market Survey</b> .....	<b>2.2-3</b>
a. Survey Participants .....	2.2-3
b. What to Look for and Ask About .....	2.2-3
<b>5: Market Survey Report Requirements</b> .....	<b>2.2-4</b>
a. Description of Project .....	2.2-4
b. Authority .....	2.2-4
c. Background .....	2.2-4
d. Market Survey .....	2.2-4
e. Conclusion/Summary .....	2.2-4
f. Prepared By and Approved By .....	2.2-4
<b>6: Post-Survey</b> .....	<b>2.2-4</b>
a. Response to Those Who May Not Need the Requirements .....	2.2-4
b. Review for New Construction Below Prospectus .....	2.2-4
<b>7: Historic Preservation, Floodplain, Wetlands, and National Environmental Policy Act Compliance Checks</b> .....	<b>2.2-5</b>

## 1: Overview

Reserved.

## 2: Importance of a Market Survey

VA leasing professionals are required to undertake market research in addition to the market survey. Market research is required as part of the “Rule of Two” process to determine whether there are two capable Veteran-Owned Small Businesses (VOSB) or Service-Disabled Veteran-Owned Small Businesses (SDVOSB) who can perform the project at a reasonable price. Leasing professionals are recommended to undertake this market research step in tandem with the advertisement for expressions of interest by requesting capabilities statements along with potential existing buildings and sites.

For specific policy guidance, see Appendix I.

## 3: Prepare for Market Survey

### a. Preparation

Reserved.

### b. Reviewing and Confirming the Delineated Area

VA does not use GSA’s attachments for Rural Development Act and Executive Order 12072 justifications. VA’s approved justification templates are available on the [Enterprise Lease Management Tool \(ELMT\) SharePoint, under CO Resources](#).

#### Energy Star

Reserved.

### c. Publicizing and Identification of Potential Competition Sources

VA Leasing professionals should use the template advertisement available in Appendix I of the VA Supplement for use in [SAM.gov](#) or utilize the template located in eCMS, edited as necessary to support VA’s responsibility to adhere to VA’s Rule of Two in accordance with Appendix I.

In cases where an Acquisition Plan and GSA Delegation package has already been submitted to GSA as a full and open competition procurement method, and a sole source opportunity has been identified after the submission, the LCO must amend the acquisition plan and GSA delegation request and submit the updated

documentation including the Justification for Other than Full and Open Competition or Lack of Competition - Memo to File explaining the lack of competition.

**Thresholds**

Reserved.

**SAM.gov Template**

Reserved.

**Publicizing Timeframes**

Reserved.

**Office of Leasing Review of Prospectus-Level Postings**

Reserved.

**d. Evaluating and Recording Potential Sources**

**Reviewing Responses**

Reserved.

**Other Sources**

Reserved.

**4: Conducting the Market Survey**

Reserved.

**a. Survey Participants**

**Who Should Participate?**

Reserved.

**Preserving Procurement Integrity**

Reserved.

**b. What to Look for and Ask About**

Reserved.

## **Customer Agency Concurrence**

Reserved.

## **5: Market Survey Report Requirements**

Reserved.

### **a. Description of Project**

Reserved.

### **b. Authority**

Reserved.

### **c. Background**

Reserved.

### **d. Market Survey**

Reserved.

### **e. Conclusion/Summary**

Reserved.

### **f. Prepared By and Approved By**

Reserved.

## **6: Post-Survey**

Reserved.

### **a. Response to Those Who May Not Need the Requirements**

Reserved.

### **b. Review for New Construction Below Prospectus**

CFM ORP does not require any additional approvals for VHA/VBA/NCA officials to undertake below-prospectus procurements likely to result in build-to-suit leases, but VHA/VBA/NCA may each implement their own requirements in this regard. At

minimum, leasing professionals should ensure that their supervisors are aware that a build-to-suit lease is possible or likely and aware of the implications for cost, construction schedule, and budgetary treatment as an operating lease under [OMB Circular A-11](#).

Refer to Chapter 14, Lease Construction, for space requirements needing to be satisfied through lease construction.

## **7: Historic Preservation, Floodplain, Wetlands, and National Environmental Policy Act Compliance Checks**

### **Historic Preservation Compliance Check**

VA is required to follow Section 106 of the National Historic Preservation Act of 1966, (NHPA) as amended, 54 U.S.C. 300101 et seq., to consider the effects of VA's actions, including real estate actions such as leasing, design, and construction, on historic properties prior to the approval of the expenditure of any federal funds.

The [VA Historic Preservation Office](#) keeps information about Vas programs to comply with Federal preservation requirements. Contact the VA Historic Preservation Office ([HistoricPreservation@va.gov](mailto:HistoricPreservation@va.gov)) for assistance with historic preservation compliance.

#### Using the G-REX Due Diligence Module for Historic Preservation Compliance Check

The G-REX Due Diligence Module for Historic Preservation Compliance Check is a GSA tool which is not used by delegated agencies.

### **Floodplain Check**

#### Floodplains

Note: VA leasing professionals should be aware that while the prohibited risk level for many lease actions is the 100-year floodplain, both 100-year and 500-year floodplains are prohibited for "critical actions" defined under Executive Order 11988, Floodplain Management. Examples of such critical actions include irreplaceable records storage facilities, medical facilities, and childcare facilities. Since critical actions require a more stringent floodplain standard, it is very important to determine whether or not a lease requirement is considered "critical", and if the delineated area contains properties within the 500-year floodplain.

Where there is no practicable alternative to a site in a floodplain, additional file documentation is required.

[FEMA Flood Maps](#) must be used to make an additional floodplain determination.

#### Using the G-REX Due Diligence Module for Floodplain Check

The G-REX Due Diligence Module for Floodplain Check is a GSA tool which is not used by delegated agencies.

#### Wetlands

Reserved.

### **NEPA Compliance**

VA is required to follow the National Environmental Policy Act of 1970 (NEPA) and consider the impacts of VA's actions on the human environment.

More VA specific guidance can be found at [CFM Environmental Program Office](#).

VA LCOs are responsible for (a) ensuring the assigned Environmental Program Office (for CFM ORP), local GEMS coordinators and/or Environmental Subject Matter Experts (1) review each project, (2) identify necessary environmental due diligence (3) identify the level of NEPA documentation required (CATEX or EA/FONSI), and (4) review environmental due diligence documents for acceptability; and (b) documenting that NEPA compliance and other environmental due diligence for lease projects has been completed prior to lease award.

#### Using the G-REX Due Diligence Module for NEPA Compliance

The G-REX Due Diligence Module for NEPA Compliance is a GSA tool which is not available to delegated agencies.

# PART 3: SOLICITATION PROCESS

## Chapter 2.3

<b>1: Overview .....</b>	<b>2.3-2</b>
<b>2: How to Build the Request for Lease Proposals Package .....</b>	<b>2.3-2</b>
a. Identify Appropriate Request for Lease Proposals and Lease Templates .....	2.3-2
b. Draft Request for Lease Proposals and Lease Boilerplate .....	2.3-2
c. RLP Procurement Summary .....	2.3-2
d. Attachments to the RLP .....	2.3-2
e. RLP Review and Approval by Agency .....	2.3-2
f. RLP Review and Approval by Legal Counsel .....	2.3-2
g. Prospectus-Level RLP Review and Approval by the Office of Leasing .....	2.3-2
<b>3: RLP Distribution .....</b>	<b>2.3-2</b>
<b>4: Amending the RLP Package .....</b>	<b>2.3-3</b>
a. RLP Amendments Review and Approval by Legal Counsel .....	2.3-3
b. RLP Amendments Distribution .....	2.3-3



## **1: Overview**

Reserved.

## **2: How to Build the Request for Lease Proposals Package**

### **a. Identify Appropriate Request for Lease Proposals and Lease Templates**

Reserved.

### **b. Draft Request for Lease Proposals and Lease Boilerplate**

Significant deviations from the Request for Lease Proposal (RLP) template language should be reviewed by the assigned Office of General Counsel.

#### **Selection of Paragraphs**

Reserved.

### **c. RLP Procurement Summary**

Reserved.

### **d. Attachments to the RLP**

Reserved.

#### **Selection of Forms**

Reserved.

### **e. RLP Review and Approval by Agency**

Reserved.

### **f. RLP Review and Approval by Legal Counsel**

Reserved.

### **g. Prospectus-Level RLP Review and Approval by the Office of Leasing**

VA leasing professionals will obtain review and approval in accordance with current review policies and procedures.

## **3: RLP Distribution**

Reserved.

**Enabling Receipt of Requirement Specific Acquisition Platform (RSAP)  
Offers in G-REX**

As a delegated agency VA does not have access to the RSAP lease procurement tool.

**Controlled, Unclassified Information (CUI) or Other Sensitive Technical  
Requirements**

Reserved.

**4: Amending the RLP Package**

Reserved.

**a. RLP Amendments Review and Approval by Legal Counsel**

Reserved.

**b. RLP Amendments Distribution**

Reserved.

# PART 4: PRE-NEGOTIATION/NEGOTIATIONS PROCESS

## Chapter 2.4

<b>1: Overview .....</b>	<b>2.4-2</b>
<b>2: Preparations for Negotiations.....</b>	<b>2.4-2</b>
a. Understanding the Goals.....	2.4-2
b. Market Knowledge.....	2.4-2
c. Setting Negotiation Objectives .....	2.4-2
<b>3: Screening Offers Received and Subsequent Negotiations .....</b>	<b>2.4-2</b>
a. Reviewing Offers .....	2.4-2
b. “Discussions” versus “Clarifications” .....	2.4-3
c. Determining Competitive Range.....	2.4-3
d. Conducting Negotiations .....	2.4-3
<b>4: Final Proposal Revision .....</b>	<b>2.4-4</b>

## **1: Overview**

Typically, if the LCO can determine and document that the price is fair and reasonable through competition, Co-Star, LoopNet, or other market rate data, the extra time and cost to obtain an appraisal is not beneficial. If an LCO determines an appraisal is warranted based on the particular circumstances to support a price reasonableness determination, establish a negotiation position or various other reasons, the LCO is required to use the approved appraisal service Performance Work Statement (PWS) available at [Office of Real Property – Appraisal and Reviews](#).

Questions related to appraisal services and PWS reviews prior to solicitation should be directed to the [Chief Appraiser](#).

## **2: Preparations for Negotiations**

### **a. Understanding the Goals**

Reserved.

### **b. Market Knowledge**

Reserved.

### **c. Setting Negotiation Objectives**

Reserved.

## **3: Screening Offers Received and Subsequent Negotiations**

Reserved.

### **a. Reviewing Offers**

Reserved.

#### **Abstract of Offers**

Reserved.

#### **Scaled Plans for Space Offered**

Reserved.

#### **GSA Form 1364, Proposal to Lease Space**

Reserved.

**GSA Form 1217. Lessor’s Annual Cost Statement**

Reserved.

**System for Award Management (SAM.gov) Registration**

Reserved.

**Representations and Certifications Completed Outside of SAM**

Reserved.

**GSA Form 12000 Pre-Lease Fire Protection and Life Safety**

Reserved.

**Energy Independence and Security Act**

Reserved.

**Financial Capability**

Reserved.

**Additional Resources**

Reserved.

**Debarred or Suspended Bidders**

Reserved.

**b. “Discussions” versus “Clarifications”**

Reserved.

**c. Determining Competitive Range**

Reserved.

**d. Conducting Negotiations**

Reserved.

**Best Practices in Negotiating**

Reserved.

### **Negotiating Practices Prohibited in the FAR**

Reserved.

### **Avoiding Pitfalls**

Reserved.

## **4: Final Proposal Revision**

Reserved.

# PART 5: AWARD DETERMINATION

## Chapter 2.5

<b>1: Overview</b> .....	<b>2.5-2</b>
<b>2: Reviewing Final Offers</b> .....	<b>2.5-2</b>
a. Present Value Analysis.....	2.5-2
b. Historic Preference .....	2.5-2
c. HUBZones.....	2.5-2
d. Revise Scoring Analysis.....	2.5-3
<b>3: Final Steps Before Award</b> .....	<b>2.5-3</b>
a. Pre-Award Requirements .....	2.5-3
b. Responsibility Determination .....	2.5-3
c. Price Negotiation Memorandum .....	2.5-4
d. Signed OA.....	2.5-4
e. Obtaining and Amending RWAs.....	2.5-5
f. Assembling the Draft Lease .....	2.5-5
g. BA53 Funds Certification.....	2.5-5
h. Pre-Award Legal Review .....	2.5-5
i. Office of Leasing Notification for Prospectus-Level Projects .....	2.5-5
j. Lease File Checklist Validation.....	2.5-5
<b>4: Lease Award Process</b> .....	<b>2.5-5</b>
a. Successful Offer .....	2.5-5
b. Notify Unsuccessful Offerors .....	2.5-5
c. SAM.gov Synopsis of Award .....	2.5-6
d. Debriefing/Protests .....	2.5-6
e. Distribution of Lease Copies Reserved .....	2.5-6
f. Post-Award Notifications Reserved .....	2.5-6
g. Deactivating RSAP .....	2.5-6

## **1: Overview**

Reserved.

## **2: Reviewing Final Offers**

Reserved.

### **a. Present Value Analysis**

Reserved.

#### **Calculating Present Value Analysis (PVA)**

As a delegated agency VA does not have access to the RSAP lease procurement tool or access to GSA's Office of Leasing Google Site.

#### **Applying Price Preferences**

Reserved.

### **b. Historic Preference**

#### **Price Preference for Historic Properties**

Reserved.

#### **Evaluating Historic Price Preference**

Reserved.

### **c. HUBZones**

Reserved.

#### **HUBZone Price Preference**

Reserved.

#### **Waiver of HUBZone Price Evaluation Preference**

Reserved.

#### **Negotiations**

Reserved.



**HUBZone Certification**

Reserved.

**Performance Requirements of Lessors Claiming HUBZone Price Preference**

Reserved.

**d. Revise Scoring Analysis**

Reserved.

**3: Final Steps Before Award**

**a. Pre-Award Requirements**

Reserved.

**Small Business Subcontracting Plan**

Reserved.

**Pre-Award Historic, Floodplain and Other environmental Compliance Checks**

Reserved.

**Energy Independence and Security Act Compliance**

Reserved.

**Equal Employment Opportunity Compliance Review**

Reserved.

**Secure Federal LEASEs Act Compliance**

Reserved.

**b. Responsibility Determination**

Reserved.

## **Responsibility Criteria and Standards – General**

Reserved.

## **Financial Responsibility**

Reserved.

## **SBA Verification – Certificate of Competency**

Reserved.

### **c. Price Negotiation Memorandum**

Price Negotiation Memorandum (PNM) documents may also be referred to as an Award Decision Memorandum (ADM).

CFM ORP does not have an existing policy mandating real property appraisals. Typically, if the LCO can determine and document the price fair and reasonable through competition, Co-Star, LoopNet, or other market rate data, the extra time and cost to obtain an appraisal is not beneficial. If an LCO determines an appraisal is warranted based on the particular circumstances to support a price reasonableness determination, establish a negotiation position or various other reasons, the LCO is required to use the approved appraisal service PWS available at [Office of Real Property – Appraisal and Reviews](#).

Questions related to appraisal services and PWS reviews prior to solicitation should be directed to the [Chief Appraiser](#).

## **Documentation of Fair and Reasonable Pricing**

Reserved.

## **Technical Acceptability**

Reserved.

## **Legal Review PNM and Source Selection Documents**

Reserved.

### **d. Signed OA**

Occupancy Agreements (OA) are not used by VA in directly procured leases. Therefore, OAs are not covered by this Supplement. Please refer to VA's Financial Policy, [Volume V, Chapter 11](#) and [Volume VI](#) and [VA Directive](#) and [Handbook](#)

[7816, Lease and OA Management Procedures](#) for information regarding Occupancy Agreements between VA and GSA.

**e. Obtaining and Amending RWAs**

Reimbursable Work Authorizations (RWAs) are not used in VA procured leases.

**f. Assembling the Draft Lease**

Reserved.

**g. BA53 Funds Certification**

VA does not have the Budget Authority (BA) 53; therefore, BA 53 does not apply to VA leases procured using delegated authority from GSA. The VA leasing professional must still receive certified funding and [SCIP](#) approval prior to beginning the procurement process. Certification of funds is completed and signed by an authorized official in accordance with [VA Financial Policy, Volume V, Chapter 11](#) policies and procedures.

**h. Pre-Award Legal Review**

VA requires legal review on **ALL** proposed lease contract awards.

**i. Office of Leasing Notification for Prospectus-Level Projects**

Not Applicable to VA – This is a GSA specific process for Prospectus-Level Projects.

**j. Lease File Checklist Validation**

Reserved.

**4: Lease Award Process**

Reserved.

**a. Successful Offer**

The fully executed lease contract and all other required award documentation must be uploaded to G-REX in compliance with the GSA delegation of authority as well as to ECMS.

**b. Notify Unsuccessful Offerors**

Reserved.

**c. SAM.gov Synopsis of Award**

Reserved.

**d. Debriefing/Protests**

**Conducting Debriefings**

Reserved.

**Protests**

Reserved.

**e. Distribution of Lease Copies Reserved**

Reserved.

**f. Post-Award Notifications Reserved**

**Prepare Contracting Officer's Representative (COR) Designation Letters**

Reserved.

**Government-Provided Services**

Reserved.

**Posting of Redacted Justifications for Other Than Full and Open Competitions (JOTFOC)**

Note: The redacted JOTFOC should be included as an attachment to the required post-award synopsis in SAM.gov (posted under the "original award notice" type).

**Notifying SBA**

Reserved.

**g. Deactivating RSAP**

As a delegated agency VA does not have access to the RSAP lease procurement tool.

# PART 6: DESIGN, TI AND BSAC NEGOTIATIONS, AND NOTICE TO PROCEED

## Chapter 2.6

<b>1: Overview</b> .....	<b>2.6-3</b>
a. Shell Definition .....	2.6-3
b. Tenant Improvements.....	2.6-3
c. Building Specific Amortized Capital .....	2.6-3
<b>2: Setting Up Post Award</b> .....	<b>2.6-3</b>
a. Financial and Technical Capabilities .....	2.6-3
b. Move Funding and Coordination .....	2.6-3
c. Technical Support .....	2.6-3
d. Green Lease Requirements .....	2.6-3
e. Post-Award Section 106 and NEPA Compliance .....	2.6-3
f. Post-Award Kickoff Meeting .....	2.6-3
<b>3: Design Intent Drawings</b> .....	<b>2.6-4</b>
a. Purpose .....	2.6-4
b. Preparation.....	2.6-4
c. DID Review Process.....	2.6-4
d. Interior Finishes.....	2.6-4
<b>4: Construction Drawings</b> .....	<b>2.6-4</b>
a. Definition and Purpose .....	2.6-4
b. Preparation.....	2.6-4
c. VA Review Process .....	2.6-5
<b>5: TI and BSAC Negotiation</b> .....	<b>2.6-5</b>
a. TI and BSAC Bid Process .....	2.6-5
b. VA Reviews .....	2.6-5
c. Negotiation .....	2.6-5
<b>6: Notice to Proceed</b> .....	<b>2.6-5</b>
a. NTP Letter .....	2.6-6

b. TI Overage .....	2.6-6
c. BSAC Pricing Consideration.....	2.6-6

## **1: Overview**

Reserved.

### **a. Shell Definition**

Reserved.

### **b. Tenant Improvements**

Reserved.

### **c. Building Specific Amortized Capital**

Not Applicable to VA – Refer to Introduction for details.

## **2: Setting Up Post Award**

### **a. Financial and Technical Capabilities**

Reserved.

### **b. Move Funding and Coordination**

#### **Move Coordination Activities**

Lease Administration Managers (LAMs) are not applicable to VA – Refer to Introduction for details.

Additionally, CORs play an important role in helping to coordinate furniture and equipment procurement and installation for major and mid-level leases.

### **c. Technical Support**

Reserved.

### **d. Green Lease Requirements**

Reserved.

### **e. Post-Award Section 106 and NEPA Compliance**

Reserved.

### **f. Post-Award Kickoff Meeting**

Reserved.

### **3: Design Intent Drawings**

#### **a. Purpose**

Reserved.

#### **b. Preparation**

Reserved.

#### **c. DID Review Process**

Reserved.

#### **Fire Life/Safety Reviews**

Reserved.

#### **Security Reviews**

Reserved.

#### **Historic Preservation Reviews (Historic Buildings, Districts, New Construction)**

Reserved.

#### **Final Approval**

Reserved.

#### **d. Interior Finishes**

Reserved.

### **4: Construction Drawings**

#### **a. Definition and Purpose**

Reserved.

#### **b. Preparation**



VA must send a letter to the Lessor transmitting approved Design Intent Drawings (DIDs) and request that Construction Drawings (CDs) be developed for all medical facility leases. Due to the higher complexity of medical facilities, the VA lease template requires two CD submissions and review periods on all medical facility leases.

**c. VA Review Process**

Reserved.

**5: TI and BSAC Negotiation**

**a. TI and BSAC Bid Process**

Reserved.

**Competitive Process**

Reserved.

**Independent Government Estimate**

Reserved.

**Tenant Improvements Cost Summary (TICS) Table**

VA leasing professionals are required to use the TICS table located in the G-REX Templates Manager. VA leasing professionals should review the TICS before approval to ensure all items are reflected appropriately in shell and TI.

**b. VA Reviews**

Reserved.

**c. Negotiation**

Reserved.

**TI or TI/BSAC PNM**

**6: Notice to Proceed**

Regarding funds availability as it applies to VA when paying for TI as a lump sum.

- The funds allocated at award for TI will sufficiently cover TI Costs.
- The local fiscal office has allocated additional funds for any TI overage and TI

overage costs are outlined in a lease amendment.

**a. NTP Letter**

Reserved.

**b. TI Overage**

LCO needs written notice from responsible fiscal officer that funds are available for TI overages.

**c. BSAC Pricing Consideration**

Reserved.

# PART 7: CONSTRUCTION PHASE

## Chapter 2.7

<b>1: Overview</b> .....	<b>2.7-2</b>
<b>2: Construction Schedule</b> .....	<b>2.7-2</b>
<b>3: Pre-Construction Kickoff Meeting</b> .....	<b>2.7-2</b>
a. Attendees .....	2.7-2
b. Agenda .....	2.7-2
c. Meeting Minutes .....	2.7-2
d. Other Items .....	2.7-2
<b>4: Progress Inspections</b> .....	<b>2.7-2</b>
a. Inspection Items .....	2.7-2
b. Construction Manager Deliverables .....	2.7-2
<b>5: Change Orders</b> .....	<b>2.7-2</b>
a. Lessor Changes .....	2.7-3
b. Government Changes .....	2.7-3
c. Legal Review .....	2.7-3
<b>6: Acceptance Inspection</b> .....	<b>2.7-3</b>
a. Receive Notice from Lessor .....	2.7-3
b. Invite Inspection Participants .....	2.7-3
c. Inspection and Acceptance .....	2.7-3
d. Acceptance Determination .....	2.7-3
e. Re-Inspect as Necessary .....	2.7-4
f. Schedule of Periodic Services .....	2.7-4

## **1: Overview**

Reserved.

## **2: Construction Schedule**

Reserved.

## **3: Pre-Construction Kickoff Meeting**

Reserved.

### **a. Attendees**

Reserved.

### **b. Agenda**

Reserved.

### **c. Meeting Minutes**

Reserved.

### **d. Other Items**

Reserved.

## **4: Progress Inspections**

Reserved.

### **a. Inspection Items**

Reserved.

### **b. Construction Manager Deliverables**

Reserved.

## **5: Change Orders**

A screenshot of Financial Management System (FMS) showing any and all necessary funds have been obligated must be obtained and placed in the contract file prior to executing a lease amendment that increases the cost to be paid to the Lessor via

lump sum.

**a. Lessor Changes**

Reserved.

**b. Government Changes**

Reserved.

**c. Legal Review**

Reserved.

**6: Acceptance Inspection**

Reserved.

**a. Receive Notice from Lessor**

Reserved.

**b. Invite Inspection Participants**

Reserved.

**c. Inspection and Acceptance**

Reserved.

**d. Acceptance Determination**

Documentation of the acceptance decision shall be recorded on the Final Inspection Report which can be found at [Office of Construction and Facilities Management \(CFM\), Office of Real Property \(ORP\) SharePoint](#), under the Templates Tab. The form is optional for field leasing professionals if they have a locally produced version meeting the necessary acceptance criteria or use a form from the [G-REX Template Manager](#).

**Documenting the Decision**

Reserved.

**Imminent Lease Expiration**

Reserved.

**e. Re-Inspect as Necessary**

Reserved.

**f. Schedule of Periodic Services**

Reserved.

# PART 8: LEASE COMMENCEMENT AND CLOSEOUT

## Chapter 2.8

<b>1: Overview .....</b>	<b>2.8-2</b>
<b>2: Lease Amendment for Lease Term Commencement.....</b>	<b>2.8-2</b>
<b>3: Processing Lease Payment and Client Billing .....</b>	<b>2.8-2</b>
a. Starting Rent .....	2.8-2
b. Client Billing.....	2.8-2
<b>4: Close-out of Existing Lease .....</b>	<b>2.8-2</b>
<b>5: Post-Occupancy Deliverables.....</b>	<b>2.8-2</b>

## **1: Overview**

Reserved.

## **2: Lease Amendment for Lease Term Commencement**

The procuring contracting activity is responsible for completing the lease commencement amendment and related activities.

## **3: Processing Lease Payment and Client Billing**

Lease rent payments are obligated and paid in arrears per the lease language. VA payment obligation and expenditure procedures must be followed to ensure rent payments are distributed by the first business day of the month to avoid interest charges. VA leasing professionals should work with the local finance office to ensure lease rental payments are scheduled appropriately.

### **a. Starting Rent**

Reserved.

### **b. Client Billing**

Reserved.

## **4: Close-out of Existing Lease**

VA Capital Asset Inventory (CAI), eCMS and ELMT must be updated to reflect the closeout of any existing lease(s) and the acceptance of the new lease. This is the responsibility of the administrating leasing activity.

## **5: Post-Occupancy Deliverables**

Reserved.