

VA SUPPLEMENT CHAPTER 24: LEASE DELEGATIONS

Chapter 24

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Part 1: Overview

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.

Part 2: Background and History

On May 26, 1983, the Administrator of General Services delegated to the Secretary of the Veterans Administration the authority to perform all functions pertaining to the leasing of space for outpatient and medical related clinics for the special purposes of U.S. Department of Veterans Affairs (VA) for terms of up to 20 years (the 1983 Delegation). After the 1983 delegation, on November 14, 1983, the agencies signed a Memorandum of Understanding (1983 MOU) that established procedures for the implementation of delegated leasing authority. On February 6, 1995, the agencies executed a clarification (1995 clarification) to the MOU that provided VA with the authority to lease general purpose office and related space to provide administrative and functional support to the medical facilities. On July 24, 2014, General Services Administration (GSA) rescinded the 1983 Delegation, 1983 MOU, and 1995 clarification to the MOU.

This rescission did not affect VA’s independent leasing authority, the existing GSA general purpose “Can’t Beat GSA Leasing” space delegation, or the categorical and special purpose space delegations provided in the Federal Management Regulations (FMR) at [41 C.F.R §102-72.30](#). However, these remaining GSA delegations are subject to the restrictions found at [41 C.F.R §102-73.230](#) through [73.240](#) and in FMR Bulletin C-2, and all current and future VA procurements undertaken pursuant to GSA-delegated authority, must follow the conditions, restrictions and reporting requirements that are now in effect for all delegations granted by GSA to all agencies.

Part 3: Types of Agency Lease Acquisition Authority

VA maintains statutory authority through [38 U.S.C. §§ 8103](#) to lease all types of medical space, regardless of size. While VA has the authority to undertake leasing, VA does not have the authority to obligate lease funding on an annual basis, which would allow for multi-year lease contracts, nor does VA have a fund to cover potential termination costs. Both aspects are necessary for VA to undertake an effective leasing program.

Therefore, VA must obtain project-specific delegations of authority from GSA or validation of appropriate use from Office of Asset Enterprise Management (OAEM) to utilize GSA’s standing categorical delegation of authority to execute lease acquisitions with lease terms not to exceed 20 years. The delegation allows VA to enter multi-year lease contracts with obligations recorded on an annual basis and extends the protection of GSA’s Federal Buildings Fund.

If leasing professionals have any questions as to applicability of a certain item, one should contact [CFM ORP, Policy and Programs Division](#).

GSA's Standing Delegation Authority

Reserved.

The Three Types of GSA Standing Lease Delegation Authority

a. General Purpose Delegation

This delegation is the most used for VA leasing.

b. Special Purpose Delegation

This delegation is not used for VA leasing. Use of the Special Purpose Delegation requires prior coordination with OAEM and GSA.

c. Categorical Delegation

Use of the categorical authority is limited to leases under 20,000 ABOA square feet with 50% or more of the space classified as "Medical Space".

VA defines medical space as buildings, portions of buildings, or mobile enclosures in which human medical, dental, psychiatric, nursing, obstetrical, or surgical care is provided.

For questions concerning use of categorical authority for other eligible space types, please contact [OAEM Capital Asset Management Service \(CAMS\)](#).

Part 4: General Conditions for Use of Lease Delegations

VA leasing actions must comply with individual Delegation Limits, Executive Orders, Regulations, Office of Management and Budget (OMB) Circulars, GSA Acquisition Manual (GSAM) Part 570, GSA Leasing Desk Guide (LDG), Acquisition Letters, Class Deviations, PBS Lease Acquisition Circulars (LACs) that implement laws, PBS Realty Service Letters (RSLs) and PBS Leasing Alerts, and any VA specific policy issued as a supplement thereto, unless otherwise notified or identified.

Part 5: Delegated Agency's Funding Responsibility

VA leasing actions must be funded in accordance with [Vol. V Ch11 Accounting for Real Property Leases](#) and as referenced by Vol. V Ch 11, [Vol. V Ch 9 General Property, Plant, and Equipment](#) which contains policy pertaining to the capitalization of leasehold improvements.

Part 6: Lease Delegations – GSA Oversight Responsibility

Reserved.

Part 7: Lease Delegation Application Requirements

Delegation request packages must first be submitted and cleared through VA's Enterprise Lease Management Tool (ELMT), managed by OAEM. Upon OAEM ELMT approval, the delegation request package is submitted through GSA's approved delegation system of record, currently GSA Real Estate Exchange (G-REX).

Before a lease procurement may be initiated, which includes seeking GSA delegation, the lease action must receive full Strategic Capital Investment Planning (SCIP) approval (if the action is required to be submitted into SCIP), which means approval by the Secretary (evidenced by project inclusion in VA's annual budget request) or for out of cycle leases, approval by OAEM (evidenced in the SCIP Automation Tool).

Lease procurements utilizing GSA's delegated authority must receive a delegation from GSA prior to issuing Requests for Lease Proposals. For minor leases, pre-solicitation notices seeking expressions of interest can be posted once full SCIP approval is received (if applicable) and prior to receipt of a delegation from GSA. For prospectus level leases, pre-solicitation notices can be posted once resolutions are transmitted by GSA to GSA's Committees. GSA delegation must be received prior to issuance of the RLP.

Additional information related to delegation requests, including VA's G-REX Delegation Request Matrix, can be found at [Enterprise Lease Management Tool – CO Resources - All Documents \(sharepoint.com\)](#).

Part 8: The Lease Delegation Request Process (By Type of Delegation)

Creating a Delegation Request

Regardless of type, delegation request packages must first be submitted and cleared through VA's Enterprise Lease Management Tool (ELMT), managed by OAEM, in accordance with the published instructions at [Enterprise Lease Management Tool - Lease Delegations An Overview - August 2019.pdf - All Documents \(sharepoint.com\)](#). Upon OAEM ELMT approval, the delegation request package is submitted through GSA's approved delegation system of record, currently G-REX.

Additional information related to delegation requests, including VA's G-REX Delegation Request Matrix, can be found at [Enterprise Lease Management Tool – CO Resources - All Documents \(sharepoint.com\)](#).

If leasing professionals have any questions about delegation requests, please

contact [OAEM Capital Asset Management Service \(CAMS\)](#).

a. General Purpose Delegations Up to 19,999 USF and All Special Purpose Delegations of 2,500 USF or greater, (Except for land leases)

Agency Delegation Request Process

Reserved.

GSA Review of Delegation Requests

Reserved.

Compliance Checklist

Reserved.

b. Special Purpose Delegations Less Than 2,500 USDF and Special Purpose land leases of any size

Not used for VA leasing. Use of the Special Purpose Delegation requires prior coordination with OAEM and GSA.

c. Categorical Delegations

Reserved.

Delegation Request Tasks – Categorical Delegations

Reserved.

Part 9: Post Award Requirements

VA leasing professionals must:

- Observe the limits of the delegation letter, including lease term, square footage and rent (if applicable).
- Ensure that the location referenced in the delegation letter aligns with the delineated area of the lease procurement.
- Ensure that only one lease action (i.e., expansion, extension, new, new/replacing, renewal, succeeding, superseding) is procured and awarded per delegation letter.
- Complete G-REX and ELMT post-award requirements within 30 days of award.
- Manage expiration dates to avoid occupancy beyond the lease term.
- Must update lease information in the ELMT upon any material changes of

requirements and/or lease award.

Post Award File Reviews and Lease Procurement Audits

Reserved.

Types of Violations:

Procurements Violations

Reserved.

Delegations Violations

Reserved.

Program Audits

Reserved.

Part 10: Managing Delegated Leases

a. General Expectations

Delegation Authority

Reserved.

Organizational Resources

Reserved.

b. Continuing Need and Expiring Leases

Lease Portfolio Management

Reserved.

c. Agency Non-Continuance of an Expiring Delegation for an Expiring Delegated Lease

Reserved.

Part 11: Agency Administrative Oversight Responsibilities of its Lease Delegations

a. Annual Agency Certification: Compliance Checklist

OAEM is responsible for submission of Certification of Organizational Compliance Checklist for VA.

b. Federal Real Property Profile/G-REX Data Reconciliation

OAEM is responsible for compiling the underlying Federal Real Property Profile (FRPP) reporting for VA. Veterans Health Administration (VHA), National Cemetery Administration (NCA), Veterans Benefits Administration (VBA), and staff offices are responsible for gathering relevant data and ensuring its accuracy.

c. Lease Data Reporting

OAEM is responsible for compiling of the underlying Lease Data Reporting for VA. VHA, NCA, VBA, and staff offices are responsible for gathering relevant data and ensuring its accuracy.

Attachment 1: Compliance Checklist for Federal Agencies Seeking Lease Delegate

Reserved.