

# VA SUPPLEMENT CHAPTER 7: **LEASE EXTENSIONS**

## **Chapter 7**

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## Overview

### Part 1: Policy

General Services Administration (GSA) delegation is required for all lease extensions.

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.

#### a. General Requirements

Reserved.

#### b. When to Seek an Extension

Reserved.

### Part 2: Requirements Development

**Administrative Requirements** – The leasing professional must obtain a copy of any required internal approvals, including GSA delegation prior to commencing the extension action.

#### a. Determine Need for Extension

Reserved.

#### b. Administrative Requirements

##### **Create a Project**

An Electronic Contract Management System (eCMS) and Capital Asset Inventory (CAI) Action is needed to track every lease extension, regardless of its length.

##### **Obtain Signed Occupancy Agreement from Client Agency**

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.

##### **Deferred Maintenance Issues**

Reserved.

**Draft Extension Schedule**

Reserved.

**c. In-House versus Broker**

Reserved.

**Part 3: Acquisition Planning**

Reserved.

**a. Prepare Acquisition Plan**

Reserved.

**b. Review Existing Lease File**

Reserved.

**c. Develop Negotiation Objectives**

Reserved.

**Part 4: Market Analysis**

Reserved.

**Part 5: Justification**

**a. Justification Approval Thresholds**

If the value of a lease extension will not exceed the Simplified Lease Acquisition Threshold (SLAT), the Lease Contracting Officer may use the Simplified Lease procedures and explain the absence of competition in the file. The approved template for documentation is available at [Enterprise Lease Management Tool \(ELMT\) SharePoint, under CO Resources.](#)

See VA Supplement Leasing Desk Guide (LDG) Supplement Chapter 5, Justification for Full and Open Competition (JOTFOC), for review and approval threshold requirements for leases that exceed the SLAT.

**b. Developing the Justification**

Reserved.

**c. Posting the Justification**

Reserved.

**Part 6: Negotiation and Award**

Reserved.

**a. Request for Offer and Negotiation**

Reserved.

**b. Scoring – Operating versus Capital Lease**

Reserved.

**c. Price Negotiation Memorandum**

Reserved.

**d. Certification of Funds (Prevalidation)**

The VA leasing professional must receive a certified funding document prior to execution of the lease amendment. Certification of funds is completed and signed by an authorized official in accordance with VA financial policies and procedures.

**e. Execute Lease Amendment**

Reserved.

**Attachment 1: Determination of Operating Lease Classification for Lease Extension**

Reserved.