

**PROSPECTUS – LEASE
U.S. DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON, DC**

Prospectus Number: PDC-11-WA19

Executive Summary

The U.S. General Services Administration (GSA) proposes a lease of up to 217,000 rentable square feet (RSF) for the U.S. Department of Veterans Affairs (VA), currently housed in three leases at 1800 G Street NW in Washington, DC. VA has occupied space in the building since 5/1/1994.

The lease will provide continued housing for VA and will maintain VA's efficient office and overall space utilization at 105 and 153 usable square feet (USF) per person respectively.

Description

Occupant:	VA
Current RSF:	208,311 (Current RSF/USF = 1.16)
Proposed Maximum RSF ¹ :	217,000 (Proposed RSF/USF = 1.2)
Expansion/Reduction RSF:	8,689 Expansion
Current USF/Person:	153
Estimated USF/Person:	153
Expiration Dates of Current Lease(s):	4/30/2019 (Holdover), 4/30/2024, 4/30/2027
Proposed Maximum Leasing Authority	20 Years
Delineated Area:	Washington, DC, Central Employment Area
Number of Official Parking Spaces:	1
Scoring:	Operating Lease
Current Total Annual Cost:	\$ 9,793,428 [leases effective 5/1/1994 (2) and 5/1/2012]
Estimated Rental Rate ² :	\$50.00 / RSF
Estimated Total Annual Cost ³ :	\$10,850,000

¹ The RSF/USF at the current location is approximately 1.16; however, to maximize competition a RSF/USF ratio of 1.2 is used for the estimated proposed maximum RSF as indicated in the housing plan.

² This estimate is for fiscal year 2019 and may be escalated by 2 percent annually to the effective date of the lease to account for inflation. The proposed rental rate is fully serviced including all operating expenses, whether paid by the lessor or directly by the Government. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as the basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government.

³ New leases may contain an escalation clause to provide for annual changes in real estate taxes and operating costs.

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Background

This prospectus is for the Veterans Benefits Administration (VBA). VBA provides a variety of benefits and services to service members, veterans, and their families. VBA has been undergoing a major transformation that is people-centric and results-oriented, and that provides a forward-looking integration of solutions that will ensure total lifelong engagement with service members, veterans, and their families.

Acquisition Strategy

In order to maximize the flexibility and competition in acquiring space for the VA, GSA may issue a single, multiple-award solicitation that will allow offerors to provide blocks of space able to meet requirements in whole or in part. All offers must provide space consistent with the delineated area defined by this prospectus.

Justification

One of the current leases at 1800 G Street NW is in holdover, and the others expire on 4/30/2024 and 4/30/2027. VA requires continued housing for 1,181 personnel currently working in the 1800 G Street NW location. The lease will maintain VA's efficient office and overall space utilization at 105 and 153 USF per person respectively.

Summary of Energy Compliance

GSA will incorporate energy efficiency requirements into the Request for Lease Proposals and other documents related to the procurement of space based on the approved prospectus. GSA encourages offerors to exceed minimum requirements set forth in the procurement and to achieve an Energy Star performance rating of 75 or higher.

Resolutions of Approval

Resolutions adopted by the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works approving this prospectus will constitute approval to make appropriations to lease space in a facility that will yield the required rentable area.

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Interim Leasing

GSA will execute such interim leasing actions as are necessary to ensure continued housing of the tenant agency prior to the effective date of the new lease. It is in the best interest of the Government to avert the financial risk of holdover tenancy.

Certification of Need

The proposed project is the best solution to meet a validated Government need.

Submitted at Washington, DC, on November 25, 2019

Recommended: _____


Commissioner, Public Buildings Service

Approved: _____


Administrator, General Services Administration