PROSPECTUS – LEASE
DEPARTMENT OF VETERANS AFFAIRS
1800 G STREET, NW
WASHINGTON, DC

Prospectus Number: PDC-08-WA13

Executive Summary

The General Services Administration (GSA) proposes a lease extension of up to 170,868 rentable square feet (RSF) of space for Department of Veterans Affairs (VA), Veterans Benefits Administration (VBA) and Office of Information Technology (OIT) currently located at 1800 G Street NW, Washington, DC. Currently, VA has two leases expiring on April 30, 2014, and GSA is seeking a five-year lease extension to meet VA's space needs until their planned move to the federally owned Lafayette Building, currently undergoing modernization.

Description

Occupants:	VA (VBA and OIT)
Lease Type:	Lease Extension
Current Rentable Square Feet:	170,868 RSF (Current RSF/USF = 1.2)
Proposed Maximum RSF:	170,868 RSF (Market RSF/USF = 1.2)
Expansion Space:	None
Current Usable Square Feet/Person:	135
Proposed Usable Square Feet/Person:	135
Proposed Maximum Leasing Authority:	5 years
Expiration Date of Current Leases:	April 30, 2014
Delineated Area:	1800 G Street, NW, Washington, DC
Number of Official Parking Spaces:	1
Scoring:	Operating lease
Maximum Proposed Rental Rate[1]:	$50.00
Proposed Total Annual Cost[2]:	$8,543,400
Current Total Annual Cost:	$6,233,879 (leases effective May 1, 1994)

Background

VA operates the nation's largest integrated health care system with more than 1,400 sites of care, including hospitals, community clinics, community living centers, domiciliary, readjustment counseling centers, and various other facilities. In addition, VA provides a variety of benefits

[1] This estimate is for fiscal year 2014 to and may be escalated by 1.7 percent annually to the effective date of the lease to account for inflation.

[2] Any new lease may contain an annual escalation clause to provide for increases or decreases in real estate taxes and operating costs.

including education and training, life insurance, dependent and survivor benefits, vocational rehabilitation, and burial services.

Justification

VA has asked to extend its current leasehold tenancy at 1800 G Street NW for five years to be positioned to move to the Lafayette Building for its longer term space requirements. The multi-phase Lafayette modernization is currently underway. VA still has a need for space to complete its mission; however, GSA and VA currently plan to consolidate all VA leases currently at 1800 G Street NW into Lafayette as part of the housing strategy for the building's renovation project.

The maximum proposed rental rate in this prospectus is a projected rate for lease transactions with a future effective (rent start) date consistent with the expiration of the current leases on April 30, 2014. GSA will conduct the procurement using prevailing market rental rates as a benchmark for the evaluation of competitive offers and as a basis for negotiating with offerors to ensure that lease award is made in the best interest of the Government. Lease award shall not exceed the maximum rental rate as specified in this prospectus.

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.

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.

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Certification of Need

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

Submitted at Washington, DC, on November 21, 2012

Recommended: _____
Commissioner, Public Buildings Service

Approved: _____
Acting Administrator, General Services Administration

October 2011

Housing Plan
Department of Veterans Affairs

PDC-08-WA13
Washington, DC

Locations	Current						Proposed					
	Personnel		Usable Square Feet (USF)				Personnel		Usable Square Feet (USF)			
	Office	Total *	Office	Storage	Special	Total	Office	Total	Office	Storage	Special	Total
1800 G Street NW	870	1,058	108,854	1,326	32,210	142,390	870	1,058	108,854	1,326	32,210	142,390
Total	870	1,058	108,854	1,326	32,210	142,390	870	1,058	108,854	1,326	32,210	142,390

Office Utilization Rate (UR) *		
	Current	Proposed
Rate	98	98

** UR = average amount of office space per person
Current UR excludes 23,948 USF of Office for support space
Proposed UR excludes 23,948 USF of office for support space

USF/Person **		
	Current	Proposed
Rate	135	135

*** USF/Person = housing plan total USF divided by total personnel

	Total USF	RSF/USF	Maximum RSF
Current	142,390	1.2	170,868
Proposed	142,390	1.2	170,868

Special Space	USF
Reception	2,200
Conference	15,200
Copy/Supply	1,660
Computer Room	2,681
Health Unit	2,766
Training	1,447
Operations War Room	4,917
Kitchen	408
File Room	674
Credit Union	257
Total	32,210

Usable square footage means the portion of the building available for use by tenants' personnel and furnishings, and space available jointly to the occupants of the building (e.g.,auditorium, health units and snack bars). Usable square footage does not include space devoted to building operations and maintenance (e.g., craft shops, gear rooms, building supply rooms, rest rooms and lobbies).

** Delta between Office and Total Personnel represents "surge" contractors who do not come into the office full time and are associated with funded T21 (Transformational Issues for the 21st century) initiatives.*