



Major Construction, Minor Construction, Non-Recurring Maintenance and Leasing

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VA Overview



Office of Construction & Facilities Management (CFM):

- Plans, designs and constructs all major construction projects greater than \$10 million.
- Acquires real property through the purchase of land and buildings, as well as lease acquisitions.

Veterans Health Administration (VHA):

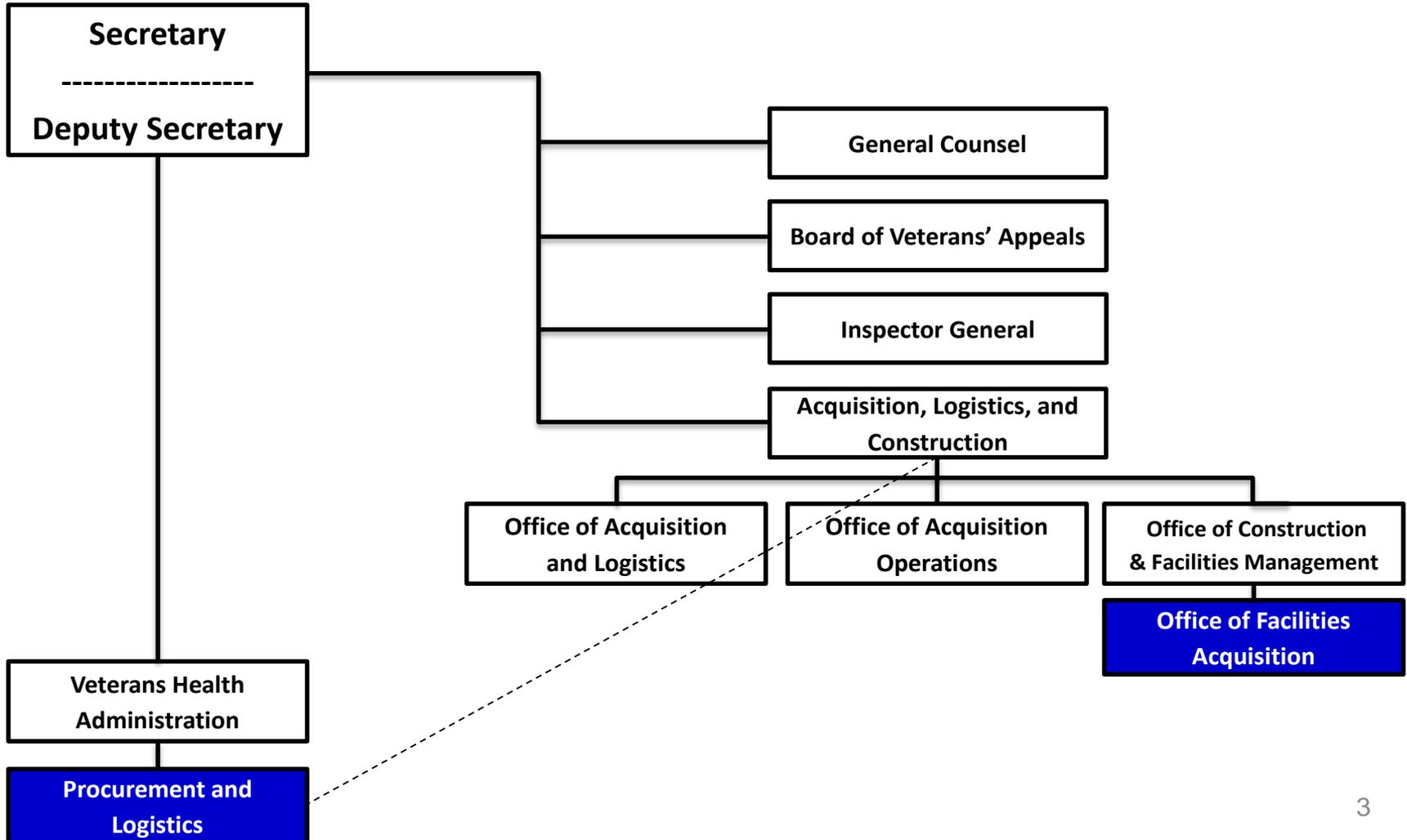
- America's largest integrated health care system with over 1,700 sites of care, serving 8.76 million Veterans each year.



VA Overview



Procurement Relationships





VA Overview



Major areas of procurement for VHA and CFM include:

- **Major Construction (CFM):**
 - Consists of projects over \$10 million (38 U.S. Code §8104)
- **Minor Construction (VHA):**
 - Consists of projects \$10 million and less.
- **Non-Recurring Maintenance (VHA):**
 - Projects to correct facility deficiencies and renovate existing space.
- **Leasing (VHA and CFM):**
 - Projects to acquire space for medical care and services to Veterans.



CFM

Major Construction



Overview

- Projects greater than \$10 million.
- Typically designed by an Architect-Engineer firm and constructed by a general contractor.

Funding

- Projects are individually funded by Congress.

Forecasting Opportunities

- Requirements are posted by Contracting Officers/Contract Specialists.
- Requirements are posted on CFM and VA websites and the Federal Business Opportunities website.



VHA

Minor Construction



Overview

- Individual improvement projects that add at least 1,000 SF of new space and do not exceed \$10 million in total project costs.
- Project examples include new parking garages, new clinic buildings, expanded Emergency Departments, and expanded Surgical Operating Suites.
- Projects are developed locally by VHA medical centers in coordination with their respective Network Office (VISN).
- Contract requirements solicited by respective VHA Network Contracting Offices (NCOs).

Funding

- Departmental project approval with funding provided to the local VHA medical center.

Forecasting Opportunities

- Requirements posted by VHA Network Contracting Offices (NCOs).
- \$1.1 billion planned nationally for FY 2016
 - » VA Budget \$686.5 million
 - » VACAA/Choice Act \$458.9 million



VHA Non-Recurring Maintenance Program



Overview

- Individual infrastructure repair projects typically involving building envelope, building utility systems, site utility work and roads, medical equipment site prep, or interior renovations.
- Total project costs may be in the \$25,000 to \$10 million range; pure infrastructure projects (i.e. boiler plants, chiller plants, steam distribution systems, etc.) may exceed that range.
- Projects are developed locally by VHA medical centers in coordination with their respective Network Office (VISN).
- Contract requirements solicited by respective VHA Network Contracting Offices (NCOs).

Funding

- Projects are funded locally through the VHA medical center.

Forecasting Opportunities

- Requirements posted by local VHA Network Contracting Offices (NCOs).
- \$981.7 million planned nationally for FY 2016:
 - » VA Budget \$333.3 million
 - » VACAA/Choice Act \$648.4 million



Leasing



Overview

- VA currently occupies over 1,800 leased facilities nationwide.
- Leasing allows VA the flexibility to provide services to Veterans as patient demographics and populations shift.
- Leases are governed by the Federal Acquisition Regulations, General Services Administration Regulations, and the Competition in Contracting Act.
- Large, prospectus-level leases (over \$1M in rent) are typically procured by CFM, and leases under \$1M in rent are typically procured by VHA local or regional Contracting Officers.

Funding

- Projects are funded through VHA's operating funds.
- Rent obligated annually and paid monthly in arrears.
- Fully-serviced rent covers occupancy of the building shell, operations, maintenance, utilities, and sometimes janitorial, all of which are provided by the lessor.
- VA pays a lump sum at construction completion to cover the VA-specific build out required in the lease that elevates the space to a medical office facility.



Leasing



Leasing Parameters

- Up to 20-year lease term.
- General Services Administration (GSA) delegation of authority required.
- Congressional authorization required for leases of over \$1M in annual, unserviced rent.
- VA lessors typically consist of a developer-lessor, who partners with an architect and a construction contractor to deliver the built-out leased space.
- Prospectus-level leases are typically build-to-suit, while smaller leases are typically leases of existing space.

Forecasting Opportunities

- Contracting opportunities for prospectus-level leases are posted on OSDDBU's public website.
- Prospectus-level leases are also included in VA's annual budget submission, which is published on VA's website.
- Advertisements for lease procurements are posted on FebBizOpps.gov at the site identification phase, solicitation release phase, and contract award phase.
- For larger projects, VA usually holds a pre-bid conference, where VA presents information on a particular lease solicitation, and interested developers and subcontractors have the opportunity to network and collaborate



Questions

