

**PROSPECTUS - LEASE  
DEPARTMENT OF VETERAN AFFAIRS  
VETERANS BENEFITS  
PHOENIX, AZ**

Prospectus Number: PAZ-01-PH21  
Congressional District: 7, 9

**Executive Summary**

The General Services Administration (GSA) proposes a lease of approximately 172,000 rentable square feet (RSF) for the Department of Veteran Affairs, Veterans Benefit Administration (VBA), currently located in one GSA lease at 3838 N. Central Avenue and one delegated lease at 3333 N. Central Avenue in Phoenix, AZ. VBA has occupied space in these two buildings beginning in 2013 and 2001, respectively, and the leases expire on February 19, 2023, and May 31, 2023.

The new lease will provide both continued housing and a consolidation for VBA and will change the office and overall space utilization rates from 78 to 85 and 139 to 164 usable square feet (USF) per person, respectively.

**Description**

Occupant:	Veterans Benefit Administration
Current RSF:	120,990 (Current RSF/USF = 1.01)
Estimated/Proposed Maximum RSF <sup>1</sup> :	172,000 (Proposed RSF/USF = 1.2)
Expansion RSF:	51,010 RSF Expansion
Current USF/Person:	139
Estimated/Proposed USF/Person:	164
Expiration Dates of Current Lease(s):	2/19/2023 & 5/31/2023
Proposed Maximum Leasing Authority:	20 years
Delineated Area:	North: Camelback, South: Jefferson, East: East 32nd Street, West: 7th Avenue
Number of Official Parking Spaces:	251
Scoring:	Operating
Current Total Annual Cost:	\$2,631,125 (leases effective 2/20/2013 and 10/12/2001)
Estimated Rental Rate <sup>2</sup> :	\$43.00 / RSF
Estimated Total Annual Cost <sup>3</sup> :	\$7,396,000

<sup>1</sup> The RSF/USF at the current location is approximately 1.01; however, to maximize competition a RSF/USF ratio of 1.20 is used for the estimated proposed maximum RSF as indicated in the housing plan.

<sup>2</sup> This estimate is for fiscal year 2023 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.

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

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**Acquisition Strategy**

In order to maximize the flexibility and competition in acquiring space for the VBA, 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.

**Background**

VBA's mission is to provide benefits and services to veterans and their families and survivors in a responsive, timely, and compassionate manner in recognition of their service to the Nation.

VBA serves as a leading advocate for service members, veterans, their families and survivors through nine different major program offices: Compensation Service; Pension and Fiduciary Service; Insurance Service; Education Service; Loan Guaranty Service; Office of Transition and Economic Development; vocational Rehabilitation and Employment Service; Office of Field Operations; and Appeals Management Center.

**Justification**

The Phoenix VBA Regional Office (VARO) currently occupies 95,558 RSF at 3333 North Central Avenue under a lease delegated to the Department of Veterans Affairs. VARO administers a wide array of benefits to our Nation's veterans in the Phoenix area, as well as assisting with claims nationally. VARO currently houses Education Service, Loan Guaranty, Pacific District Office, Veteran Service Center and Vocational Rehabilitation. The National Call Center (NCC) occupies a separate lease location at 3838 North Central Avenue

The VBA delegated lease currently expires on May 31, 2023. The separate National Call Center lease expires on February 19, 2023. VBA requires continued housing to carry out its mission. This project will consolidate these two leases (VARO and NCC) and allow VBA to meet updated space needs and standards.

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**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.


**Interim Leasing**

The Government 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 12/1/2020

Recommended:   
Commissioner, Public Buildings Service

Approved:   
Administrator, General Services Administration