

DEPARTMENT OF VETERANS AFFAIRS
INFORMATION FOR MEMBERS OF CONGRESS

Since the Lake Charles, Louisiana, Community Based Outpatient Clinic (CBOC) lease procurement project was authorized in August 2014, VA has worked diligently to move the project forward and award a contract as soon as possible. The agency identified a potential successful offer that represented the best value to the Government and began its pre-award review process. However, during this process, VA discovered that the costs of the potential lease contract would violate certain budgetary scoring rules set forth in Office of Management and Budget's (OMB) Circular A-11, resulting in a capital lease. Since awarding a capital lease is not an option, VA is taking necessary steps to move toward an operating lease status.

VA is in the process of revising its solicitation requirements for the Lake Charles project to reduce the overall cost of the lease and revise the way in which offerors are asked to structure their offers. The resulting solicitation should yield offers that will qualify as an operating lease based on OMB Circular A-11. If so, VA will proceed with the award process at that time. However, this setback affects VA's award timeline by at least several additional months for the Lake Charles project. Award will take place at that time, after completion of the following items:

- Provide notification to Congress no fewer than 30 days prior to award;
- Successful outcome of appraisal, yielding operating lease and fair market value rental rate;
- Internal reviews and concurrences; and
- Obligation of funds in coordination with lease award.

The successful offer will represent the best value to the Government, price and technical factors weighted equally. Construction completion for the Lake Charles CBOC is targeted for 14 months after lease award, with the first patients to be seen approximately two months after construction is complete.

The Lake Charles CBOC project was authorized by Congress as part of the Veterans Access, Choice, and Accountability Act in fiscal year 2014. Prior to that, the project was on hold since 2012, pending Congressional authorization.

The new 24,008 net usable square foot Lake Charles CBOC will serve Veterans from the surrounding counties and reduce the need for them to travel up to two hours each way to seek treatment at the Alexandria VA Health Care System in Pineville, Louisiana. The new facility is designed to address quality, access, and capacity for Primary Care, Specialty Care, Dental, Laboratory, Mental Health, and limited Pharmacy. It will replace a mobile clinic currently stationed in Lake Charles.

Additional information will be provided when VA has received the required clearances to award the lease, unless unanticipated circumstances warrant an earlier update. Any information regarding the lease procurements will be subject to the strictures of law and regulations applicable to maintaining procurement integrity.