

**OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT INFORMATION  
LETTER**

**TO:** Veterans Integrated Service Network Directors; Directors, VA Healthcare Systems, VA Medical Centers, VA Outpatient Clinics, VA Medical and Regional Office Centers

**ATTN:** Head of the Contracting Activities, Senior Acquisition Officials, and Contracting Officers

**SUBJ:** Guidelines for Execution of Outleases, Licenses, and Permits

**I. PURPOSE**

This Information Letter (IL) establishes guidelines for the execution of certain legal instruments within the Department of Veterans Affairs (VA). It is contemplated that authority to execute these instruments has been or will be delegated to directors of Veterans Health Administration (VHA) field facilities, i.e., VA Healthcare Systems, VA Medical Centers, VA Outpatient Clinics, and VA Medical and Regional Office Centers.

**II. BACKGROUND**

Title 38, United States Code, section 8122, gives the Secretary of Veterans Affairs limited authority to grant interest in real property under his control. Three forms of interest which the Secretary may grant are outleases, licenses, and permits. The authority to execute documents granting these types of interest was delegated to the Chief, Real Property Service (RPS), in the Office of Construction & Facilities Management (CFM), who re-delegated it to Veterans Integrated Service Network Directors.

**III. APPLICABILITY**

This guidance applies to any official delegated authority, now or in the future, to execute certain legal instruments transferring a temporary interest in real property controlled by VA. These instruments are outleases, licenses, and permits. Easements represent transfer of a greater interest in real property, and approval or acceptance authority for easements is not delegated outside CFM.

**IV. ACTION**

VHA field facility directors executing outleases, licenses, and permits are responsible for ensuring that:

**A. Outleases, Licenses, and Permits Are Executed Properly.** Field facility directors will execute outleases, licenses, and permits affecting VA real property under their organizational jurisdiction, subject to the time limits included in this IL, under the authority delegated by the Chief, RPS (00CFM3C).

VA may enter into outleases with public or non-profit organizations without having to advertise or solicit for competitive bids, and the lease may provide for the maintenance, protection, or restoration by the lessee of the property leased as all or part of the consideration for the lease. Outleases, licenses, and permits will include attachments outlining general and specific conditions attached to the grant by VA to protect the interests of the government.

**B. Term Limits Are Enforced**

(1) Outleases are limited to a maximum term of 3 years by Title 38, United States Code (U.S.C.), §8122(a)(1). Every subsequent term must be treated as a new request.

(2) Revocable license or permit requests in excess of 5 years must be forwarded to the Chief, RPS (00CFM3C), 810 Vermont Avenue, NW, Washington, DC 20420, for processing.

**C. Requests Are Submitted in Writing.** All requests for outleases, licenses and permits must be submitted in writing and the executing official must determine that VA, government, or public interests are served by the proposed request. Any request submitted to RPS for execution must include at least the following information:

(1) The nature and purpose of the proposed use;

(2) The description of the property to be used, including a metes and bounds description for land, or building number with square feet for space within buildings.

(3) If the request is for limited space within a building, the building designation, square foot area, location, room number, etc.;

(4) Present use of the property by VA and duration of proposed use by the interested party;

(5) Utilities or other services to be provided by VA;

(6) Amount of reimbursement to VA, to include any reimbursement for utilities or other services provided by VA;

(7) Separate metering of utilities to be required by VA;

(8) Such other terms and conditions as are considered necessary by the field facility director to protect the interests of the United States.

**D. Reviews Are Conducted by Office of Regional Counsel.** The responsible Office of Regional Counsel will review and provide concurrence prior to execution of all outleases and all revocable licenses and permits for 5 years or less affecting or involving real property in which VA has an interest, or over which VA has control.

**E. Child Care Outleases Receive Appropriate Review.** The Child Care Program Manager will review and concur with all requests involving the establishment or renewal of Child Care Centers. Questions may be referred to the Child Care Program Manager (10A2) at (925) 372-2129.

**F. Radio Transmitter Installations Are Appropriately Processed.** Requests from vendors requiring installation of radio transmitter equipment and antennae of any type on VA facilities must provide a certified copy of their Federal Communications Commission (FCC) operating license(s). Field facility directors should require FCC approval of a proposed installation before allowing operation of a radio transmitter. The following clause must be added to any license that involves frequency-producing devices: "Licensee shall cease operation and eliminate any frequency interference to other communications equipment in the vicinity of the medical center or medical equipment in use at the VA medical center."

**G. New Outleases, Licenses, and Permits Are Entered Correctly into the VA Space and Functional Database.** Information on all newly-executed outleases, licenses or permits must be entered into VA's Space and Functional Database (Capital Asset Inventory) under the "Agreements" tab. Financial Management Service Accounting Classification Codes (ACC) are different from Office of Asset Enterprise Management (OAEM) asset-related ACC's. Revenue Source Codes (RSC) have been created to track outleases, licenses and permits. Contact OAEM at (202) 266-4662 with questions about the following requirements.

(1) ACC/RSCs assigned are based on individual agreement/contract regardless of administrative organization. The office overseeing an agreement/contract is responsible for reviewing the agreement/contract to determine the asset type and whether it comes under the criteria of OAEM for tracking purposes. If so, a unique ACC/RSC is assigned.

(2) RSCs for outleased assets begin with an alpha character of "U" followed by three sequential numbers.

(3) ACCs for outleased assets begin with an alpha character of "OL" followed by four sequential numbers, alpha character "S" for Steady-State, followed by fiscal year and alpha character for the applicable VA Administration.

(4) ACCs should be used when posting costs; the RSC should be used to record all incoming revenue generated from outleases, licenses, permits, inter-agency agreements and intra-agency agreements.

**H. Easement Requests Are Forwarded to VA Central Office for Processing.** The granting and acceptance of easements was delegated to the Director, CFM. Authority to execute easements has been delegated to the Chief, RPS (00CFM3C). A request from the facility director where the easement will be located, along with concurrence from the next-level supervisor, is needed by RPS to begin the process.

**V. REFERENCES**

A. Title 38 U.S.C. Section 8122.

B. Memorandum Delegating Authority to Execute Certain Outleases, Licenses, and Permits, dated July 15, 2011.

**VI. RESCISSION**

This IL is intended to supplement VHA Directive 2005-004, dated January 21, 2005.

**VII. POINT OF CONTACT**

Please direct questions regarding this IL to Real Property Service at (202) 632-4641. Useful definitions, forms, and clauses are referenced in Attachment A.



Robert L. Neary, Jr.  
Acting Director  
Office of Construction & Facilities Management

## ATTACHMENT A

### Definitions, Forms, and Clauses

The following definitions, forms, and clauses will be useful in completing the actions contemplated by this IL.

a. **Definitions.**

(1) Easement. An easement is an interest in real property that conveys to the grantee the right of use, but not ownership, of a portion of the grantor's property.

(2) Lease. A lease is a contract by which one conveys lands, tenements, or hereditaments for life, for a term of years, or at will, or for any lesser interest than that of the lessor, usually for a specified rent or compensation. A lease creates a limited estate in the land.

(3) Outlease. Outlease is the leasing of real property owned by the Department of Veterans Affairs (VA) to public or private interests outside of VA. In such cases VA is the lessor, and the entity leasing the property from VA is the lessee.

(4) Permit. A permit is a revocable license (see below) granted by one Federal agency to another.

(5) Revocable License. A revocable license (also referred to simply as a license) is permission to enter upon and do a specific act or series of acts upon the land of the licensor without possession or acquiring any estate therein. It legalizes an act which, in the absence of the license, would constitute a trespass. A license is personal and non-assignable (unless by agreement), and is revocable at any time.

b. **Real Estate Forms.** Real estate forms used in conjunction with this IL can be found at: <http://vawww.cfm.va.gov/real/>; they are:

(1) Outlease Template;

(2) VA Form 10-6211, Revocable License for Non-Federal Use of Real Property;

(3) VA Form 08-6215, Permit for Use of Real Property by Federal Agency.

c. **Real Estate Clauses.** Real estate clauses from the Federal Acquisition Regulation used in conjunction with this IL can be found on the Government Printing Office website:

(1) Title 48 CFR 52.233-1, Disputes  
[http://edocket.access.gpo.gov/cfr\\_2009/octqtr/48cfr52.233-1.htm](http://edocket.access.gpo.gov/cfr_2009/octqtr/48cfr52.233-1.htm);

(2) Title 48 CFR 52.222-26, Equal Opportunity  
[http://edocket.access.gpo.gov/cfr\\_2009/octqtr/48cfr52.222-26.htm](http://edocket.access.gpo.gov/cfr_2009/octqtr/48cfr52.222-26.htm)