



# Introduction to Occupancy Agreements

## Pricing and Defining Your Space

### Background and Benefits

An Occupancy Agreement (OA) is a formal, signed agreement between the Public Buildings Service (PBS) and a customer agency for a specific space assignment. An OA demonstrates the customer's agreement for any given space project to the General Services Administration, Office of Management and Budget, and Congress.

OAs further ensure that customers and PBS have a mutual understanding of the proposed scope and financial terms of a space project and that both parties know their rights and responsibilities regarding space acquisition and billing.

Since OAs cover the financial specifics and responsibilities of both parties, they also serve as billing documents that keep the customer informed of rent changes and project costs. The OA can also serve as a budgeting tool since it documents the current and future rent a customer agency can expect to pay.

### What are The Different Types of OAs?

- Pro Forma OA**  
 A Pro Forma OA includes estimated rent charges based on early collaboration between PBS personnel and a customer agency. This document is typically drafted after a customer's initial needs are determined through the requirements development process. A customer then signs this OA to indicate that the agency agrees to the initial terms of the project. The signature on the Pro Forma OA allows PBS to proceed with a project. Without a Pro Forma OA, PBS cannot obligate funds or resources to work on a project.

As a project progresses, additional iterations of a Pro Forma OA may be drafted and signed to reflect changes in a project's financial terms or size.
- Final OA**  
 When a project is complete and billing begins, a Final OA will be developed and issued. The Final OA contains full financial terms and conditions of the GSA rent bill. No signature is required on the Final OA if the costs of each component on a signed Pro Forma OA are equal or higher than the final costs.
- Interim Billing OA**  
 If the project is completed and the customer agency has taken occupancy of the space but PBS does not have a signed OA for the full rental amount, then an interim OA will bill up to the amount in the signed OA while an updated signature is obtained.
- Administrative OA**  
 Administrative OAs are developed typically when joint use amenities, antennas or parking spaces are added or subtracted. They do not require a customer signature, are accompanied by a cover letter and are for notification purposes only. For a complete list of when administrative OAs are sent out, please see the [Pricing Desk Guide](#).



## What Does An OA Include?

- **Description of Space and Services**
  - This section of the OA lists the building, its address, identifies the type of space, square footage, number of parking spaces, and OA term. The OA gives customers a right to occupy the space for a specific duration. Customer agencies do not have a perpetual right to occupy the space identified in the OA.
- **Clauses (term and conditions)**
  - OAs can contain many different clauses; some are mandatory and some are optional. Mandatory clauses are required for all occupancies and may not be changed as they implement Federal Management Regulations for space provisions.

Clause Type	Requirement	Application
PBS Standard Clauses	Mandatory	Required for all occupancies; separate set for leased and federally owned space
Agency-Specific Clauses	Mandatory or Optional	Can apply to all of a customer agency's occupancies (mandatory) or just a subset (optional)
Optional Clauses	Optional	Can apply to any occupancy, based on the situation
Ad Hoc Clauses	Optional	Specific to one occupancy

- **Signature Page**
  - When a signature is required, GSA will first sign the OA and send it to a customer agency for confirmation and a reciprocal signature. If there are any questions regarding the OA, the customer can arrange a meeting with a PBS customer lead to review any questions.
  - A signature is required from the customer agency when:
    - Purchasing a new site or obtaining new federal or leased space
    - Expanding a space assignment
    - Amortizing tenant improvements

*\*Additional scenarios may also require a signature. Refer to the Pricing Desk Guide for a complete list.*

- **Financial Summary**
  - An OA's financial summary section breaks out the cost of shell rent, operating costs, joint use space, Building Specific Amortized Capital (BSAC), and any lump sum payments.

## For More Information

To learn more about Occupancy Agreements, consult GSA's [Pricing Desk Guide](#).