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PQ-2005 07

MEMORANDUM FOR ALL REAL PROPERTY LEASING ACTIVITIES
(PX DISTRIBUTION LIST)

THRU: ANTHONY E. COSTA
DEPUTY COMMISSIONER, PBS - PD

FROM: CHRIS REUTERSHAN
INTERIM ASSISTANT COMMISSIONER FOR
OFFICE OF NATIONAL CUSTOMER SERVICES
MANAGEMENT - PQ

SUBJECT: Obtaining and Disseminating Schedules of Lease Periodic
Services Other Than Daily, Weekly or Monthly

1. Purpose. This Realty Services Letter transmits guidance to leasing program associates to timely obtain schedules of periodic services from lessors. Once obtained, they shall then provide these schedules to that part of their organization that has responsibility for day-to-day lease management and inspections of leased space.
2. Background.
 - a. GSA's Office of the Inspector General's Real Property Audit Office (JA-R) prepared an audit of PBS Lease Oversight Practices, Report Number A030104/P/R/R04003. The Regional Inspector General for Auditing transmitted this report to the PBS Commissioner on January 6, 2004. This audit report covered several issues. This Realty Services Letter addresses only the portion of the report concerning obtaining lessors' schedules of periodic services. Management controls regarding actually performing lease inspections for these periodic services will be addressed separately from the Office of Real Property Asset Management (PV) once a review of lease administration tools is completed.
 - b. The purpose of the audit was to address, "...whether the General Services Administration (GSA) is effectively managing its leases. Primarily the audit assessed whether the actions taken by the Public Buildings Service (PBS) in managing and administering its leases are in the best interests of the Government and responsive to tenant needs."
 - c. In their findings, JA-R stated that, "PBS's performance of some key aspects of lease oversight is not effective due to lapses in controls. PBS needs to become more assertive in lease management to ensure tenants receive the services to which they are entitled, particularly for periodic services such as window cleaning and carpet shampooing."

- d. Another finding was that, "Specifically, property managers are not always knowledgeable about the services tenants are due under their leases. To a large degree they rely on tenants to keep them informed about unsatisfactory services, even though tenants themselves may not be cognizant of lease terms. As a result, the tenants do not appear to be receiving all the services they are entitled to under the lease."
 - e. A further finding also indicated, "PBS...may rely too heavily on tenants to identify substandard lease services. PBS needs to adopt a more assertive role in lease management to mitigate these conditions."
 - f. JA-R recommended, "...obtaining the detailed information on lessor services and PBS inspections needed to proactively manage the lease.... The contracting officer should obtain these and forward them to the property manager to verify that tenants receive services as scheduled." PBS management agreed with the recommendation.
3. Effective Date/Expiration Date. These instructions are effective immediately on the date of issuance, and will expire 12 months from the date of issuance, unless extended.
 4. Cancellation. None.
 5. Applicability. All real property leasing activities.
 6. Instructions/Procedures.
 - a. Regions shall institute a practice that will more closely monitor requests for, and receipt of, schedules of periodic services required in a lease and to further provide copies of these schedules to the responsible lease administration associates in their organization.
 - b. By separate Realty Services Letter, we are adding a reference to the Standard Lease File Checklist's Lease Administration tab to reflect requesting and obtaining the schedule.
 - c. To assist in this effort, a sample letter has been developed and is attached hereto. If regions currently have or implement written procedures in place which address the request for, and monitoring receipt of, periodic services schedules, they may be used in lieu of the sample letter.
 - d. Due to differing regional organizational structures and responsibility assignments, each region must have a written procedure in place to ensure that, after receipt of the schedules, they are distributed to the regions' components that are responsible for lease administration.
 - e. In addition to providing the schedule to the PBS associate(s), the Contracting Officer shall also provide a copy of the schedule to the tenant agency's local designated official.

ATTACHMENT

(DATE)

LESSOR
ADDRESS
CITY, STATE, ZIP

Dear _____:

General Services Administration's (GSA) customer agency recently occupied space at (building and address, city, state, zip) which is being leased under the terms and provisions of Lease (GS-xxx-xxxxx). The lease requires that you submit several items within a certain time frame after occupancy. The pertinent paragraphs in the Solicitation for Offers (SFO) attached to and forming a part of the lease are as follows:

1. Paragraph _____, Schedule of Periodic Services requires you to submit within 60 days after occupancy by the Government a detailed written schedule of all periodic services and maintenance to be performed other than daily, weekly, or monthly. Please send this schedule no later than _____.
2. Paragraph _____, Floor Plans After Occupancy and Paragraph _____, CAD As-Built Floor Plans require you to submit Mylar as-built floor plans and their CAD files within _____ days after occupancy. Please send these items no later than _____.

Please send these items to:

If you have any questions, please contact _____ at (AC) (Phone) or via email at _____.

Sincerely,

XXXXXXXXXXXXXX
Contracting Officer
Public Buildings Service (XX)