



CHAPTER 24:

Lease Delegations

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1. Overview

As the Federal Government's main provider and procurer of space, the General Services Administration (GSA) is authorized to enter into a lease agreement with a person, co-partnership, corporation, or other public or private entity for the accommodation of a federal agency in a building (or improvement) which is in existence or being erected by the lessor to accommodate the federal agency for a term of up to 20 years and the required obligation of amounts for a lease under this authority is limited to the current fiscal year for which payments are due without regard to [section 1341\(a\)\(1\)\(B\) of title 31](#). When appropriate, GSA delegates its leasing authority to other Federal agencies if GSA determines it is in the Government's best interest. A lease delegation provides lease acquisition authority and allows an agency to annually obligate funds for multi-year leases. When GSA delegates leasing authority to other agencies, GSA is still responsible for overseeing each agency's overall delegated leasing program for cost-effectiveness and adherence to statutory and regulatory requirements.

The GSA Lease Delegations Program is responsible for providing support, oversight, and guidance to Federal agencies using delegated leasing authority as an option to address space requirements. This chapter provides an overview, and key guidance for GSA's Lease Delegations Program governed by [FMR Bulletin C-2, April 16, 2014](#). It outlines the different types of lease acquisition authority under that bulletin and distinguishes delegated authority from independent statutory authority. Additionally, the chapter describes the process for Federal agencies to request and obtain lease delegation authority from GSA, the policies that impact the decision to grant a lease delegation request, and the expectations of a Federal agency in procuring, managing and administering leases acquired with a GSA delegation as set forth in the bulletin.

The latter part of this chapter outlines the standard procedures and guidelines that GSA follows for the management and oversight of GSA's portfolio of delegated leases. This includes GSA's responsibility in assessing agencies' policies, procedures, and performance in managing their overall delegated leasing activities, (including agencies' performance in meeting requirements and meeting GSA management goals), and the specific roles of GSA's regional and national offices in performing oversight reviews.

This chapter addresses GSA's Standing Delegation Authority as described in Section 3 of this chapter. In summary, there are three types of GSA Standing Delegation Authority for real estate lease acquisition and each has its unique policies and procedures. The three types of GSA Standing Authorities are:

- General Purpose space lease acquisition,
 - GSA's Standing Authority for General Purpose space leases includes all non-Prospectus level requests for General Purpose delegations of 19,999 usable (ABOA) square feet or less.
- Special Purpose space lease acquisition,
 - The Standing Authority for Special Purpose requests are determined by agency as outlined in the Federal Management Regulations (FMR). Special Purpose space delegations can include leases of improved and unimproved land (unimproved land leases are limited to being leased on a fiscal year basis) up to Prospectus level, and

- Categorical space lease acquisition as determined by agency as detailed in the FMR, up to Prospectus level.

Two of GSA's Standing Delegation Authorities allow for reduced or no pre-award processing of requests for delegations falling under the authority (i.e., Categorical of any size and Special Purpose under 2,500 usable (ABOA) square feet). But, all three types of Standing Authorities always require post-award reporting to GSA and to the Federal Real Property Profile (FRPP) database, and all General Purpose delegations require pre-use authorization from the GSA Assistant Commissioner of Leasing.

Use of GSA's Standing Authority for lease acquisition eliminates the requirement of obtaining delegation approval directly from the GSA Administrator for each proposed lease acquisition. Instead, review and certification by the GSA Assistant Commissioner for Leasing is required for Standing Authority General Purpose lease acquisitions and some Special Purpose lease acquisitions as detailed in the FMR and this chapter. Any request for a lease delegation outside of Standing Delegation Authority must be directed to the PBS Office of Leasing, Center for Lease Delegations for review and approval by the GSA Administrator.

Also, this chapter applies only to delegations for the acquisition of leased space or land and should not be confused with other types of delegated authority including:

- Delegation of Facility Management Activities
 - Real Property Management and Operation Authority
 - Individual Repair and Alteration Project Authority
 - Lease Management Authority (Contracting Officer's Representative – COR)
- Delegation of Administrative Contracting Officer (ACO) Authority
- Delegation of Real Property Disposal Authority
- Security Delegation of Authority
- Utility Services Delegation of Authority

Further descriptions of the above and other authorities can be found in [FMR Subchapter C - Sub-Part B, Section 102-72 \(Delegation of Authority\)](#).

2. Background and History

In 1996, GSA Bulletin FPMR D-239 announced "Can't Beat GSA Leasing," and the delegation of lease acquisition authority issued by the Administrator of General Services to the heads of all Federal agencies in his letter of September 25, 1996. The delegation required agencies to comply with all laws, executive orders and regulations governing GSA contracting officers with real property leasing warrants (i.e., lease contracting officers or LCOs) and required agencies to communicate and coordinate with GSA regional offices prior to using the delegation.

In 2007, FMR Bulletin 2008-B1 limited the square footage permissible under a General Purpose lease delegation to 19,999 usable ANSI/BOMA ("ABOA") square feet of space. It established more rigorous management controls, reporting, and oversight over delegations of lease authority. In 2013, GSA modified the lease delegation programs by centralizing delegation authorizations

and oversight to address program deficiencies identified by the U.S. Government Accountability Office (GAO) and GSA's Office of the Inspector General (GSA OIG).

As of April 16, 2014, agencies using the Standing lease delegations must also comply with [FMR Bulletin C-2](#), which governs real estate lease delegations. It requires that Federal agencies demonstrate the organizational capacity to acquire and administer the lease and must establish that it is cost-effective for GSA to authorize the lease delegation. It requires that Standing lease delegation authorization requests must meet the submittal requirements contained in FMR Bulletin C-2, including a square footage limitation of 19,999 usable (ABOA) square feet. Special Purpose lease delegation authorization requests of 2,500 usable (ABOA) square feet or greater are also covered by the submittal requirements contained in FMR Bulletin C-2.

As established by FMR Bulletin C-2, GSA's centralized approval process promotes consistency in:

1. Processing of delegation requests.
2. Providing guidance to petitioning agencies.
3. Performing post-award reviews of delegated leases.

The 2014 changes to the program enhanced GSA's ability to assess agency accountability and facilitate benchmarking of agency performance against GSA measures. The oversight program provides better reporting capabilities to stakeholders and more precise knowledge of delegation trends.

3. Types of Agency Lease Acquisition Authority

In order to sign a real property lease an agency must either have independent statutory authority for lease acquisition or delegated authority for lease acquisition. GSA has broad lease acquisition authority under [40 U.S.C. § 585](#) which it can delegate to Federal agencies that do not have leasing authority. GSA may also delegate lease acquisition authority to Federal agencies that have independent statutory authority (ISA) for lease acquisitions.

Independent Statutory Authority

A limited number of Federal agencies possess some type of independent statutory authority, typically with prescribed limits. Federal agencies possessing and utilizing their own independent statutory authority to acquire leased space are not subject to GSA regulation and oversight, but must comply with OMB guidance on funding leases acquired under their authority and must follow all statutes, Executive Orders, and their own internal policies, regulations and procedures for acquiring leases. GSA does not determine for agencies the limits of their own independent authority for lease procurements. It is up to an agency to ascertain what independent statutory authority it has been granted by Congress (if any) and the limits of that authority.

GSA's Standing Delegation Authority

A standing delegation does not require a request to the GSA Administrator. However, the use of the standing delegation authority for the acquisition of General Purpose space up to 19,999

usable (ABOA) square feet must be approved on a lease by lease basis by the PBS Assistant Commissioner for Leasing. Use of the standing delegation authority for the procurement of any size of Categorical space, or Special Purpose space under 2,500 usable (ABOA) square feet, (if provided for the agency in FMR Subchapter C (Real Property) Subpart B [§102-73.160](#) through [§102-73.225](#)), does not require further review, certification, or approval from GSA prior to procurement and award.

Use of GSA's delegation authority requires GSA's oversight of the delegated agency's activities to ensure the agency receiving the delegated authority procures a lease according to all laws, regulations, Executive Orders, GSA policies and procedures, and OMB Circulars governing lease procurement activities. GSA's FMR Bulletin C-2 issued in 2014 provides usage and reporting requirements for delegations of leasing authority.

Note that in accordance with [40 U.S.C. 3307](#), real property lease procurements exceeding the Prospectus threshold net annual rent have a different process. This process is outlined in Chapter 11 (Prospectus Level Leases) of this Leasing Desk Guide. Please contact the Center for Lease Delegations in the PBS Office of Leasing at: delegate@gsa.gov for further information.

The Three Types of GSA Standing Lease Delegation Authority

There are three types of standing delegation of lease authority for GSA lease delegations:

a. General Purpose Delegation

This delegation type provides GSA's lease acquisition authority for a requesting federal agency to perform all functions necessary for acquiring General Purpose (office) space. Use of a General Purpose standing delegation of lease authority must be approved by GSA on a lease-by-lease basis. Each delegation is specific in its authority for that particular lease, including; the lease procurement type, amount of usable (ABOA) square footage, lease term, and location.

General purpose delegations are subject to the limitations contained in the Federal Management Regulations (FMR) Bulletin C-2 which, among other things, limits the amount of space to 19,999 usable (ABOA) square feet. Agencies are also prohibited from using the General Purpose lease delegation to enter into a supplemental lease agreement or lease amendment to expand the amount of space currently under lease, if such expansion would cause the agency to lease a total of more than 19,999 usable (ABOA) square feet of General Purpose space at the leased premises.

b. Special Purpose Delegation

An agency Special Purpose lease delegation is a standing delegation of authority from the GSA Administrator to specific Federal agencies to lease their own Special Purpose space as identified in FMR Subchapter C (Real Property), Subpart B [§102-73.160](#) through [§102-73.225](#), subject to limitations.

Thirteen specifically identified agencies have standing Special Purpose lease delegation authority for special types of space, as outlined under [Part 102-73, Subpart B, Sections 73.160 through 73.225](#), subject to additional limitations described in [Sections 73.230 through 73.240](#). Per FMR Subchapter 2, Subpart 102-73.165, Special Purpose Delegations are limited to lease terms of 20 years maximum excluding all options, with some more stringent limitations as

provided in FMR Subchapter C. Use of a Special Purpose Space Delegation less than 2,500 usable (ABOA) square feet does not require additional approval beyond the GSA Administrator's standing delegation; however its use must be recorded as required under FMR Bulletin C-2, part 5(b) and as further described under Part 8.b of this desk guide chapter. Thus, a Special Purpose delegation falling under the agency's FMR identified uses, and under 2,500 usable (ABOA) square feet, is automatic and does not require project by project authorization from GSA.

Except as otherwise provided in [FMR Subchapter C](#), the use of Special Purpose lease delegation authority for 2,500 square feet of space or greater is treated similar to a General Purpose delegation and requires explicit approval from GSA for each lease.

c. Categorical Delegation

A Categorical Delegation is a standing delegation of authority from the GSA Administrator for all Federal agencies to acquire a specific type of space (with no square footage restriction) as identified in FMR Subchapter C at [Part 73.145 - 155](#). Examples include antennas, docks, and recruitment stations for the armed forces. Use of a Categorical Delegation does not require additional approval beyond this standing delegation; however, its use must be recorded as required under FMR Bulletin C-2, part 5(b) and as further described under Part 8.c of this desk guide chapter. Per FMR Subchapter C, Subpart 102-73.150, Categorical Delegations are limited to lease terms of 20 years maximum including all options.

4. General Conditions for the Use of Lease Delegations

Agencies are responsible for compliance with all laws, regulations, Executive Orders, GSA policies and procedures, and OMB Circulars governing lease procurement activities when using delegated leasing authority. In other words, agencies using GSA's delegation of lease authority must procure leases following the same requirements and procedures as would GSA if GSA was procuring the leased space. Agencies must also conform to the specific delegation of lease acquisition authority from GSA. These requirements typically include, among other things, limits on square footage and the length of the lease.

In addition, all delegations of leasing authority, including General Purpose, Special Purpose, and Categorical space delegations must comply with [FMR Bulletin C-2](#) and other guidance. Some of those provisions are:

- None of the GSA lease delegations provide authorization for agencies to conduct procurements on behalf of or to collect rent from other agencies or private entities.
- The authority to lease granted by a delegation from GSA may only be exercised by a warranted lease contracting officer (LCO) fully meeting the experience, training and continuing education requirements of GSA's warranting standards, currently the [Leasing Certification Program \(LCP\)](#).
- Federal agencies must acquire and use the space in accordance with all applicable laws, Executive Orders, regulations, and OMB Circulars that apply to Federal space

acquisition activities, including (but not limited to) scoring rules as set forth in OMB Circular A-11.

- Agencies are responsible for maintaining the capacity to support all delegated leasing activities, including an LCO, legal review and oversight, construction and inspection management, cost estimation, lease management and administration, and program oversight.
- [GSAM 570](#), (including [GSA Acquisition Letters and Class Deviations](#) that are not yet incorporated into GSAM 570), [PBS Lease Acquisition Circulars \(LACs\)](#), [PBS Realty Service Letters \(RSLs\)](#) and [PBS Leasing Alerts](#).

As detailed in Section 9 of this chapter, post award file reviews and lease procurement audits are conducted to verify compliance.

5. Delegated Agency's Funding Responsibility

Agencies acting under delegated authority from GSA are solely responsible for securing the necessary funding to fully fund their contractual obligations, including up-front budget authority related to the award of a particular lease, as well as liabilities and payment obligations arising under a lease contract for the entirety of its term. Under a delegation of GSA leasing authority, an operating lease shall be construed to require budget authority sufficient to cover the monthly lease payments on an annual basis. This is consistent with the budgetary treatment of lease payments made from the Federal Buildings Fund, a self-insuring fund, as described in OMB Circular A-11.

6. Lease Delegations – GSA Oversight Responsibility

It is the responsibility of GSA to guide and monitor an agency receiving delegated authority to make sure the delegated agency is capable of performing the lease procurement in accordance with all laws, regulations, Executive Orders, GSA policies and procedures, and OMB Circulars that govern lease procurement activities. This oversight is done by the PBS Center for Lease Delegations within the GSA Office of Leasing at GSA headquarters (hereinafter 'Center for Lease Delegations').

When an agency seeks delegation of leasing authority they must have the staffing and organizational structure to support a lease acquisition as well as demonstrate they can perform lease acquisition and administration under the terms and conditions set out in [FMR Bulletin C-2](#). See Section 11 of this chapter for the associated required checklist referenced therein for annual certification requirements regarding these provisions. A delegation of leasing authority will be granted after GSA reviews the delegation application and a determination is made that leasing authority should be delegated to promote efficiency and cost effectiveness for the Federal government.

GSA retains the right and obligation to assess, at any time, both the integrity of each lease action as well as the capability of an agency to perform all aspects of the delegated leasing activities, and, if necessary, to revoke an agency's delegation in whole or in part. Improper use of any delegation may result in revocation of the lease delegation and denial of future lease delegation requests.

7. Lease Delegation Application Requirements

FMR Bulletin C-2 requires that all agencies use the GSA lease procurement data system for all delegated leases.

Federal agencies seeking a delegation of GSA's lease acquisition authority must request a delegation of authority using the GSA approved delegations system of record, currently G-REX. All individuals outside of GSA requiring access to the Delegations data system must submit a G-REX system account form for External Users. The form requests verification of security clearance and must be signed by a supervisor. The access form can be found on the "Lease Delegations" webpage currently at <http://www.gsa.gov/portal/content/102810> and submitted to GREXaccess@gsa.gov.

The Center for Lease Delegations reviews the lease delegation request and supporting documentation in the G-REX application, and will delegate or deny use of GSA's lease authority after consultation with the appropriate GSA region to determine the availability of existing GSA controlled space and any potential for competing with existing procurements.

The following are the general requirements that Federal agencies must meet when submitting delegation requests to GSA for review:

1. All LCOs signing a lease under delegated authority must meet the qualifications of GSA's [Leasing Certification Program](#) (LCP), whose requirements are also published on www.gsa.gov.
2. A Delegation Request should be submitted in the G-REX data system by the requesting agency with enough time to allow for the agency to procure the space in a timely manner after receiving the delegation. Per Bulletin C-2, the request for the delegation is to be made no less than 18 months prior to the current lease expiration date or need for space. Failure to do so will require the requesting agency to accelerate the lease acquisition process or, in extreme cases, seek a short term lease extension to accommodate the lease acquisition process. This should be avoided at all costs as hastily procured leases and short term extensions typically come with associated opportunity cost premiums.
3. The application for delegated authority must include:
 - a. An SF-81 or equivalent,
 - b. A Space Needs Questionnaire,
 - c. Copies of any existing lease documents,
 - d. Delineated area description/map,
 - e. Acquisition Plan (per GSAM subpart 507.1, indicating among other things the name of the warranted lease contracting officer who will be conducting the

- procurement),
- f. A certification that the proposed space action is consistent with the OMB “Freeze the Footprint” policy, or current OMB guidance,
 - g. Market research (including a plan for meeting or exceeding GSA’s performance measure for the cost of leased space relative to industry market rates),
 - h. Justification for Other than Full and Open Competition (JOFOC) or, for actions at or below the Simplified Lease Acquisition Threshold (SLAT), a memorandum explaining the lack of competition – if applicable,
 - i. FEMA floodplain map,
 - j. An Agency Labor Cost Worksheet found in the G-REX templates library, and
 - k. A detailed narrative including cost estimates, (typically shown using the Agency Labor Cost Worksheet) demonstrating why the granting of a delegation is in the Government’s best interests from a cost-effective basis.

The proposed LCO’s current credentials (warrant; training) must also be in G-REX.

8. The Lease Delegation Request Process (By Type of Delegation)

Creating a Delegation Request

Federal agencies are required to submit all delegation requests for General Purpose up to 19,999 usable (ABOA) square feet and for any Special Purpose greater than or equal to 2,500 usable (ABOA) square feet for formal approval through the G-REX application. Special Purpose and Categorical delegation requests must be recorded in G-REX as outlined in this section.

G-REX is a document and data management application that organizes the PBS leasing process and simplifies the delegation application process. It allows for contact and content management and allows leasing professionals to see exactly where they are in the delegation process for each of their projects.

Federal agency employees must request access to G-REX as outlined in Section 7. Once access is provided they are able to create and submit delegation requests to GSA. Submission requirements are outlined in Section 7 of this chapter.

The G-REX account request form is currently found at <http://www.gsa.gov/portal/content/102810>. Contact the PBS Center for Lease Delegations at delegate@gsa.gov with any issues or questions.

a. General Purpose Delegations up to 19,999 USF and all Special Purpose Delegations of 2,500 USF or greater, (except for land leases)

Agency Delegation Request Process

The delegation request process starts with creating a project in G-REX for the city and state in which an agency is seeking to lease space. The G-REX application will prompt the agency submitter to enter data and upload documentation to support their request for approval to use the lease delegation. This data will generate an Acquisition Plan that is the basis for the delegation request. The system provides tasks for the internal agency review and approval of the acquisition plan and documentation being submitted as part of the delegation request. The project may be submitted to GSA for review once an agency has completed all tasks and uploaded source documents into G-REX.

GSA Review of Delegation Requests

The Center for Lease Delegations in the PBS Office of Leasing administers an internal review process for all delegation requests that are submitted in the G-REX system. The GSA review will generally be completed within 30 - 45 business days if a project has been submitted with all required documentation and does not need to be returned to the agency for lack of completeness or clarification of requirements.

1. GSA's Center for Lease Delegations reviews delegation applications submitted by an agency for completeness and accuracy. If requirements are missing or deficient, the application will be returned to the applicant through the G-REX application. The PBS Center for Lease Delegations also confirms that the requesting agency is eligible to receive a delegation, that the requesting LCO is properly credentialed, that they have not violated previous delegations, and the agency is otherwise in good standing.
2. After the Center for Lease Delegations reviews the delegation request and confirms that the request is proper, the completed delegation application and source documents are forwarded to the assigned G-REX regional reviewer user role point of contact through G-REX requesting regional review and response. The regional response will be submitted to the Center for Lease Delegations through G-REX.

The requested use of the delegation of leasing authority must be in the overall best interest of the Government. GSA's regional offices are required to consider the following criteria at a minimum when evaluating a request for a lease delegation:

- Is there federally controlled space or leased space available to meet this requirement?
- Does this delegation request conflict with GSA community plans?
- Does this delegation request conflict with GSA activities in the market?
- Does the GSA region have any other objection to granting this delegation?
- Is it in the best interest of the Government based upon a labor hour cost analysis, cost-benefit factors and GSA leasing expertise?

3. The Center for Lease Delegations will make a final determination on the issuance of the approval to use the delegation of lease authority. If approved, the Center for Lease Delegations will prepare an Executive Summary and an approval letter for signature by the Assistant Commissioner for Leasing. Once signed, the letter, which will include the square footage, term, lease type, and location, will be sent to the agency.
4. If GSA determines that it is in the best interest of the Government that a delegation request be denied, the GSA region will be responsible for procuring the required space on behalf of the agency and will be responsible for all follow-up communication with the agency to procure the required space. The Center for Lease Delegations will prepare a letter identifying the reason for the denial, signed by the PBS Assistant Commissioner of the Office of Leasing and sent to the agency. The letter will provide GSA regional contact information and a date the full Agency Space Requirements package is due to the GSA region. In the event of such denial, the agency will be responsible for requesting any needed delegation for an extension should one be necessary due to time constraints that would prevent GSA from procuring the lease before the expiration of the existing one. GSA is not responsible for extending a delegated lease.

The denial of a lease delegation request will be accompanied by an alternate solution for GSA to satisfy the space requirement (e.g., vacant space backfill or a GSA procured lease).

Compliance Checklist

As outlined under Leasing Alert [LA-19-12](#), federal agencies seeking to utilize a delegation of GSA lease authority must also complete an annual certification of organizational compliance checklist ('compliance checklist'). Completed checklists are due to the Center for Lease Delegations no later than November 30th. Note that, in the event the checklist is not timely submitted, GSA will notify that agency's Senior Real Property Officer (SRPO) or equivalent; depending upon the circumstance, further delegations of authority may be suspended until the compliance checklist is transmitted to GSA. For a federal agency seeking a delegation of lease acquisition authority for the first time, the compliance checklist must be completed and submitted to GSA prior to GSA granting the delegation authority.

b. Special Purpose Delegations Less Than 2,500 USF and Special Purpose land leases of any size

Special Purpose Delegations of less than 2,500 usable (ABOA) square feet and land leases of any size by those agencies with Special Purpose land lease authorities do not require approval by the GSA Center for Lease Delegations and instead are only required to be entered in G-REX. An agency submitter will create a G-REX project for the city and state of the delegation. The G-REX application will then prompt the agency submitter to enter the appropriate data to enter these delegations. The request will move through the G-REX internal agency workflow. Once the project is submitted to GSA via G-REX, no further review or review by the Center for Lease Delegations is required.

c. Categorical Delegations

Similar to Special Purpose delegations less than 2,500 USF, Categorical Delegations need only be entered in the GSA delegations system of record, G-REX.

Delegation Request Tasks – Categorical Delegations

The agency must create a project in G-REX application for a Categorical Delegation and enter all the data requested by the system to complete the record of the delegation. Once these projects are submitted to GSA no further review is required and no formal approval provided.

9. Post Award Requirements

Per Paragraph 5(c) of FMR Bulletin C-2, agencies are required to submit documents into G-REX within 30 days of lease award. Documentation is submitted through the G-REX application. Untimely submission of documents as required by FMR Bulletin C-2 may affect future delegation request approvals. In addition to GSAM 570 and FMR Bulletin C-2, the following [PBS Leasing Alerts](#) impose post-award requirements upon agencies with lease delegations: [LA-20-05](#) (issued 4/14/2020), [LA-20-02](#) (issued 2/21/2020), and [LA-19-12](#) (issued 12/16/2019).

After uploading documents into G-REX, agencies are then responsible for lease administration for the term of the lease and to effectively manage lease expirations to avoid occupancy beyond the delegation (and lease) term.

Post Award File Reviews and Lease Procurement Audits

The Center for Lease Delegations will conduct post award lease file reviews and lease program audits of delegations of lease authority. Per FMR Bulletin C-2, GSA will confirm that the delegation was cost-effective to the Government including factors such as rental rate, general and administrative overhead including personnel costs, support contract costs, travel costs, accounting costs, and reporting costs.

For standing delegations, GSA will be reviewing the following factors:

1. The agency and whether the type of space qualifies as Categorical or Special Purpose in accordance with [41 CFR 102-73.145](#) and [102.-73.160](#) respectively;
2. Suitable Government-controlled owned or vacant leased space was not available;
3. The average net annual rent for the lease action is below the Prospectus threshold for submission to the Congressional oversight committees per 40 U.S.C. 3307; and
4. The organizational structure and warranted contracting staff are in place to support the procurement.

Post award reviews will include a search for any of the following violations:

Types of Violations:

Procurement Violations including but not limited to;

- Exceeding Prospectus limits
- Improper use of Sole Source procurements
- Funding irregularities
- OMB Circular A-11 Scoring violations
- Execution of a lease over a Contracting Officer's Warrant Authority or the Contracting Officer not having met current required training
- Not advertising the procurement if needed
- Not posting the post award synopsis
- Not following GSAM, FAR, and other procurement regulations or Executive Orders (including excessive rental rates and not maximizing competition)

Delegation Violations including but not limited to;

- Executing leases above the approved square foot threshold
- Executing leases for lease terms not approved
- Executing leases, including extensions, without delegation of leasing authority
- Improper use of delegation authority type (Categorical, Special Purpose, etc.)
- Failure to submit documents within 30 days of lease award into G-REX and/or not providing matching summary info into FRPP

Program Audits:

Program audits include, but are not limited to,

- FRPP/G-REX data comparison,
- Agency-wide lease award statistics on use of holdovers and extensions, and
- Monitoring of agencies' program performance.

Violations are monitored and recorded for Agency and individual Contracting Officers in the GSA delegations system of record, currently G-REX. Violations will be reported to the Agency's Senior Real Property Official (SRPO) or equivalent via letter. The letter will include recommendations and the required actions that must be performed by the agency to correct the violation(s).

If any post award audit indicates an agency has numerous or consistent procurement or delegation of authority violations the Center for Lease Delegations will issue a performance improvement action plan. Additional delegation requests may be withheld while performance issues are being satisfactorily resolved.

If an agency-wide audit is performed and major or systemic violations are identified in procurements and/or major delegation of authority violations (as identified above), the findings may also be sent directly to the GSA OIG for further audit and recommendations. The GSA OIG will share the report with the violating agency's OIG office for additional investigation. If such action is necessary, the Center for Lease Delegations will issue a letter to the agency stating that their violation was sent to the GSA OIG and that no new delegation of authority will be reviewed or issued until the agency's OIG has acted to rectify the matter. The Center for Lease Delegations will act in accordance with the GSA OIG's determination on future delegations of authority unless the circumstances warrant a recommendation by the GSA OIG that a delegation authority be removed entirely from the agency and the GSA OIG requires GSA to perform and assume all of the agency's leases. See Leasing Alert [LA-20-04](#) for additional information regarding the Standard Operating Procedures for these post-award reviews.

10. Managing Delegated Leases

a. General Expectations

Delegation Authority

Federal agencies are expected to use the delegation authority granted by GSA appropriately in lease procurement, lease administration, and lease portfolio management. In accordance with Bulletin C-2, Federal agencies must stay within all guidelines set in the delegation authority, most especially those for the location, square footage, and term of lease. Agencies that do not follow the guidelines are subject to having their delegation authority limited or fully revoked. This includes not receiving delegation authority for future leases if they do not follow the terms and conditions within a delegation granted.

Organizational Resources

Agencies are required to have adequate organizational resources, including a sufficient number of warranted lease contracting officers, attorneys, and other Subject Matter Experts (SMEs) to evaluate a prospective lease as per FMR Bulletin C-2. These teams must ensure that all laws, regulations, Executive Orders, GSA policies and procedures, and OMB Circulars governing lease procurement activities are fully followed in soliciting, awarding, and administering a delegated lease.

b. Continuing Need and Expiring Leases

Lease Portfolio Management

Federal agencies must take into consideration long term planning for all leases. It is expected that agencies avoid extensions and holdovers, and implement cost-effective long term planning for agency space needs to continually right-size space and maximize use of existing Federally controlled space. This includes giving space preference to occupying Federally owned buildings, (including those owned by the US Postal Service), over leasing, and to any vacant leased space. Agencies are also expected to meet agency space utilization square foot targets as agreed with OMB. As previously mentioned, per Bulletin C-2, agencies must submit their delegation request at least 18 months prior to the expiration of their current lease or need for space to allow ample time to award a replacement lease in order to avoid a holdover or the need for an extension.

c. Agency Non-Continuance of an Expiring Delegation for an Expiring Delegated Lease

If a Federal agency does not wish to procure a replacement lease for an expiring lease, or if the agency has an expiring General Purpose delegation for a lease of 20,000 usable (ABOA) square feet or greater, the agency must contact both the Center for Lease Delegations and the agency's GSA Client Engagement National Client Executive to initiate a replacing action through GSA, assuming there is a continuing need for space. The National Client Executive will be the liaison between GSA and the agency throughout the process and contact the GSA region to inform them about the lease procurement assignment for GSA. The agency notice must include a complete

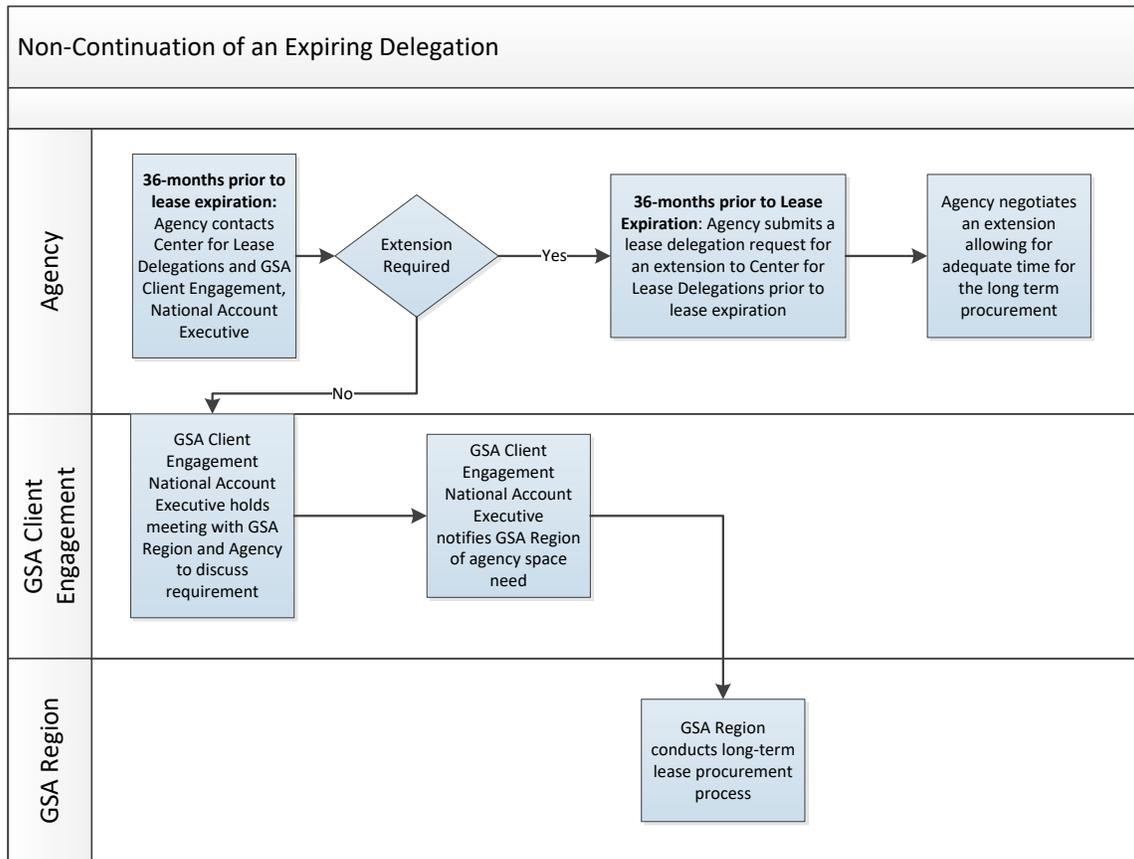
Agency Space Requirements package to enable GSA to develop a procurement schedule and, if necessary, recommend and request a delegation for a lease extension term, if an extension of the delegated lease will be necessary to afford GSA adequate time to procure a long-term replacement lease.

The delegated agency is responsible for extending an existing lease procured with a delegation of lease authority. It is important that the lease procured under a delegation does not enter into holdover and it is the agency's responsibility to monitor the expiration of all of its delegated leases to ensure that this does not occur.

A General Purpose lease delegation of authority is no longer permissible for leases of 20,000 usable (ABOA) square feet or greater. Thus, delegated lease authority for General Purpose that exceeds 19,999 ABOA will not be approved for a new delegation. The 19,999 ABOA limitation does not apply to Special Purpose or Categorical delegations of lease authority.

Factors when an agency requests that GSA satisfy a previously delegated space requirement:

- GSA will not accept a mid-term lease return
- Timing/Schedule
 - Per Bulletin C-2, the notification to GSA to obtain an alternate space solution must be made to GSA a minimum of 18 months of notice prior to lease expiration. While Bulletin C-2 requires the request be at least 18 months prior, GSA's policy [memorandum dated January 10, 2017](#) requires agencies to work with GSA via the GSA Client Engagement National Account Manager to develop a draft Client Project Agreement 36 months in advance of the need for space. While not required by Bulletin C-2, effective notification will be provided at the time of the joint development of the draft Client Project Management Agreement.
- Clear and Complete Agency Requirements
 - As in all lease procurements done by GSA, the agency must provide clear and complete requirements, including move and replication costs.



11. Agency Administrative Oversight Responsibilities of its Lease Delegations

a. Annual Agency Certification: Compliance Checklist

Per GSA (PBS) Leasing Alert [LA-19-12](#) issued December 16, 2019, agencies seeking or having lease delegation authority must annually provide a certification of organizational compliance to perform the duties outlined in FMR Bulletin C-2 and Leasing Alert [LA-19-12](#) via a GSA prescribed compliance checklist. The checklist is attached to this chapter as Attachment 1 and can also be found in the G-REX Forms library. The Compliance Checklist is due to GSA (submit to: delegate@gsa.gov) annually by November 30 of each fiscal year. This checklist report identifies the leasing program data that delegated agencies must provide to GSA annually in order to demonstrate their compliance with GSA’s management goals. See Attachment 1 of this Chapter.

In the event the checklist is not timely submitted, GSA will notify the agency’s Senior Real Property Officer (SRPO) or equivalent. Depending upon the circumstance, further delegations of authority may be suspended until the compliance checklist is transmitted to GSA.

b. Federal Real Property Profile/G-REX Data Reconciliation

In accordance with [Executive Order 13327](#) which was later enacted into law under Section 21 of the [Federal Sales and Transfer Act of 2016](#), agencies must input all leases into the Federal Real Property Profile (FRPP) database annually during the appropriate reporting period. The information entered in FRPP for leases awarded in the previous fiscal year must match the equivalent fields for those leases in G-REX. The G-REX data fields include: 1) Agency/Bureau name, 2) Size of space (rentable and usable (ABOA)), 3) Location of space, 4) Type of Space, and 5) Whether the delegation is a General Purpose, Categorical or Special Purpose Delegation less than 2,500 ABOA square feet or 2,500 ABOA square feet or more. A complete list of FRPP data elements and definitions can be found [here](#). This FRPP data entry requirement applies to all delegated leases, including Categorical Delegations and all Special Delegations, regardless of size.

GSA will annually reconcile the FRPP with G-REX. GSA PBS will report identified discrepancies to the GSA Office of Government-wide Policy (OGP) who will transmit them to the reporting agency for appropriate corrective action. Failure of an agency to timely or fully provide matching data in both databases may result in GSA's revocation of the delegation of authority to that agency. See Leasing Alert [LA-20-02](#) for additional Standard Operating Procedures regarding this reconciliation process.

c. Lease Data Reporting

In order to remain eligible for a delegation of leasing authority, agencies must demonstrate their progress in meeting GSA's performance goals for lease cost relative to industry market rates and in reducing holdovers.

Agencies with an inventory of delegated leases are required to submit the following annually:

1. A report representing the awarded lease costs relative to industry market rates for all leases awarded during the latest fiscal year.
2. A report detailing the leases that were in holdover at any time during the fiscal year and the rate or frequency of holdovers in the agency's lease inventory. When available, the trend of holdover rates and frequency compared to prior years' reports should be identified.

Submissions are due 60 days after the end of each Fiscal Year, no later than November 30. See Leasing Alert [LA-20-05](#) for additional guidance regarding these reporting requirements.

Attachment 1: Compliance Checklist for Federal Agencies Seeking Lease Delegations

Certification of Organizational Compliance Checklist

By completing this checklist, you are representing your agency's organizational certification of compliance to perform the duties outlined in FMR Bulletin C-2 and Leasing Alert 19-12 in relation to delegation of lease acquisition authority.

Submit checklist no later than November 30th of each fiscal year** to delegate@gsa.gov

**FY 20 deadline is March 31, 2020

PROGRAM OVERSIGHT AREA CERTIFICATION FY20__	<input checked="" type="checkbox"/>
Needs assessment reviews are performed prior to seeking delegation of lease acquisition authority (4. General Conditions for the use of All Leasing Authority) (g))*	<input type="checkbox"/>
Files will be available to GSA for review in G-REX at all times - pre and post award (4. General Conditions for the use of All Leasing Authority) (h))*	<input type="checkbox"/>
The agency's overall space needs are consistent with the OMB "Reduce the Footprint" policy and the agency's OMB approved implementation plan (5.(a) Additional Delegation Requirements (9))*	<input type="checkbox"/>
A process is in place to submit delegation of lease acquisition authority requests being submitted to GSA a minimum of 18 months in advance (4. General Conditions for the use of All Leasing Authority) (i))*	<input type="checkbox"/>
A process is in place for required documents to be uploaded into G-REX thirty (30) days after lease award. (5.(c) Additional Delegation Requirements)*	<input type="checkbox"/>
Controls are in place to affect and monitor the minimization of lease extensions and lease holdovers by managing delegated lease inventory (i.e., current, awarded, expiring leases). (4. General Conditions for the use of All Leasing Authority) (j))*	<input type="checkbox"/>
A process is in place for complying with the FRPP reporting requirement. (6. Federal Real Property Profile Reporting Requirements for General Purpose, Categorical and Special Purpose Leasing Authority)*	<input type="checkbox"/>
A process is in place to monitor and assess the cost of leased space relative to industry market rates. (5.(a) Additional Delegation Requirements (7))*	<input type="checkbox"/>
The agency has a sufficient organizational structure and support in relation to legal, subject matter experts (including but not limited to, seismic, fire and life safety, environmental and sustainability experts), and Realty Specialists/LCO's. (4. General Conditions for the user of All Leasing Authority (l) and 5.(a) Additional Delegation Requirements (6))*	<input type="checkbox"/>
A system is in place that insures that only warranted LCO's that have	<input type="checkbox"/>

met GSA's training and continuing education requirements are permitted to make awards. (4. General Conditions for the Use of All Leasing Authority (c))*

* Reflects citation from FMR Bulletin C-2, April 16, 2014.

Name of Individual Certifying and their Official Title (Senior Real Property Officer/equivalent or designee)

Signature of the Individual Certifying (wet or digital)

Date Signed and Submitted

Version 1 dated 12/13/19