



April 14, 2020

MEMORANDUM FOR: AGENCIES UTILIZING DELEGATIONS OF LEASE ACQUISITION AUTHORITY FROM GSA

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SUBJECT: LEASING ALERT (LA-20-05) – Lease Delegation Program Data Submission Requirements for Federal Agencies Utilizing Lease Delegations

Purpose. This Leasing Alert establishes a requirement and Standard Operating Procedure for the annual submission of lease program management data by federal agencies utilizing delegations of GSA lease acquisition authority for real property leasing activities (see Attachment 1 of this Leasing Alert for associated guidance). This requirement is in response to [GAO Report Number 19-405, "Federal Real Property: GSA Needs to Strengthen Oversight of Its Delegated Leasing Program."](#) In order to remain eligible for a delegation of leasing authority, agencies must report their status regarding awarded lease costs relative to industry market rates and their progress in reducing holdovers.

Effective Date. This Leasing Alert and attachments are effective as of the date of issuance unless modified, canceled, or re-issued.

Applicability. This Leasing Alert and its attachments are mandatory and apply to all federal agencies that utilize a delegation of GSA lease acquisition authority for real property leasing activities. It does not apply to GSA lease acquisitions.

Cancellation. None

Instructions and Procedures. See Attachment 1 of this Leasing Alert for instructions and procedures.

Attachments

Attachment 1 – Instructions and Procedures

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Instructions

In order to remain eligible for continued delegations of lease acquisition authority, federal agencies with delegations must:

- Annually report their status regarding awarded lease cost relative to industry market rates as required by Federal Management Regulation (FMR) Bulletin C-2 para 5 (a) 7.
- Manage their delegated lease inventory to avoid occupancy beyond the approved lease term. A lease in holdover is in violation of lease delegation authority and may result in denial of future delegation requests (FMR Bulletin C-2 para 5 (j)). In support of this requirement, agencies must also annually report out data on the status of any holdovers in their delegated lease inventory and any trends that demonstrate their progress in reducing holdovers.

Procedures

Beginning in FY21, agencies with an inventory of delegated lease are required to submit the following annually:

1. A report presenting the awarded lease costs relative to industry market rates for all leases executed during the prior fiscal year for general office space. Lease awards for space types other than general office (e.g., laboratory, warehouse, medical) are non-reportable and are excluded. The report must include each lease's awarded lease rate (identify if fully serviced or net of operating costs), target market range and source of target market range. The design and format of the report are at the agency's discretion.
2. A report detailing the leases that were in holdover at any time during the prior fiscal year, the period of holdover, 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. Initial data submissions will be required on November 30, 2021, in support of FY20 performance, the first full fiscal year covered by this alert.

In the event the required reports are 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 required reports are transmitted to GSA.

For a federal agency seeking delegations of lease acquisition authority for the first time, this data must be compiled and submitted to GSA after the first full fiscal year that GSA granted use of delegated authority.

Reports shall be submitted to the following GSA email inbox: delegate@gsa.gov.