



March 26, 2020

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

FROM:

JOHN D. THOMAS
ACTING ASSISTANT COMMISSIONER
OFFICE OF LEASING - PR

DocuSigned by:
John D. Thomas
E3E2C88CB1274E8

SUBJECT: LEASING ALERT (LA-20-04) – Post Award Reviews of Delegated Leases

Purpose. This Leasing Alert establishes a Standard Operating Procedure for the steps that will be taken annually to select and review a sample of the documents required to be submitted post-award for all delegated leases as required by Federal Management Regulation (FMR) Bulletin C-2. This is in response to GAO Report Number 19-405 entitled "[Federal Real Property: GSA Needs to Strengthen Oversight of Its Delegated Leasing Program.](#)"

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 utilizing a delegation of GSA lease acquisition authority for real property leasing activities.

Cancellation. None

Instructions and Standard Operating Procedures. Instructions and procedures are in Attachment 1.

Attachment 1 – Instructions and Standard Operating Procedures

Attachment 1 – Instructions and Standard Operating Procedures

Instructions:

GSA will conduct annual Post Award delegated lease file compliance reviews on a pool of projects from the G-REX system selected based on the three risk factors outlined below.

1. Lease value - based on total annual rent
2. Lease size - based on RSF (Rentable Square Footage)
3. Procurement complexity

Annual Compliance Review Standard Operating Procedures:

1. GSA will select an audit sample size of 5% of current year actions for review based on highest risk.
2. GSA will review the selected files to assess the following:
 - a. Whether the agency failed to submit required documentation to GSA within 30 days of lease award, as outlined in FMR Bulletin C-2, section 5 (c).
 - b. Whether the files are in compliance with the conditions of their delegation of authority, as required by FMR Bulletin C-2.
 - c. Whether the files indicate any significant violations of procurement regulations.
3. GSA will document this review in a report and transmit this report to the affected agency's Senior Real Property Officer for information and possible corrective action.
4. All major delegation authority violations or procurement violations cited in the report require a response back to GSA with a corrective action plan as appropriate.

Note that GSA's post award audit review does not replace the need for the delegated agency to conduct its own program audits and procurement management reviews (PMR).