

Federal Management Regulation

§ 102-73.80

§ 102-73.50 What historic preservation provisions must Federal agencies comply with when acquiring space by lease?

When acquiring space by lease, Federal agencies must comply with the provisions of section 110(a) of the National Historic Preservation Act of 1966, as amended, (16 U.S.C. 470h-2(a)), regarding the use of historic properties.

§ 102-73.55 With whom may Federal agencies enter into lease agreements?

Federal agencies, upon approval from GSA, may enter into lease agreements with any person, copartnership, corporation, or other public or private entity, which do not bind the Government for periods in excess of twenty years (40 U.S.C. 490(h)(1)). This policy does not include persons who might otherwise be barred from contracting with the Federal Government (*e.g.*, debarred or suspended contractors or Members of Congress).

§ 102-73.60 Are there any limitations on leasing certain space?

Yes, the limitations on leasing certain space are as follows:

(a) In general, Federal agencies may not lease any space to accommodate computer and telecommunications operations; secure or sensitive activities related to the national defense or security; or a permanent courtroom, judicial chamber, or administrative office for any United States court, if the average annual net rental cost of leasing such space would exceed the prospectus threshold (40 U.S.C. 606(e)).

(b) Federal agencies may lease such space only if the Administrator of General Services first determines that leasing such space is necessary to meet requirements which cannot be met in public buildings and submits such reasons to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives in accordance with 40 U.S.C. 606(e).

§ 102-73.65 When may Federal agencies consider acquiring leases with purchase options?

Agencies may consider leasing with a purchase option at or below fair market value when one or more of the following conditions exist:

(a) The purchase option offers economic and other advantages to the Government and is consistent with the Government's goals;

(b) The Government is the sole or major tenant of the building, and has a long-term need for the property; or

(c) Leasing with a purchase option is otherwise in the best interest of the Government.

§ 102-73.70 What scoring rules must Federal agencies follow when considering leases and leases with purchase options?

All Federal agencies must follow the budget scorekeeping rules for leases, capital leases, and lease-purchases identified in appendices A and B of OMB Circular A-11 (For availability, see 5 CFR 1310.3).

§ 102-73.75 When may Federal agencies consider purchase of buildings?

Agencies may consider purchase of buildings on a case-by-case basis when one or more of the following conditions exist:

(a) It is economically more beneficial to own and manage the property;

(b) There is a long-term need for the property;

(c) The property is an existing building, or a building nearing completion, that can be purchased and occupied within a reasonable time; or

(d) When otherwise in the best interests of the Government.

§ 102-73.80 What factors must Executive agencies consider when purchasing sites?

Agencies must locate proposed Federal buildings on sites that are most advantageous to the United States. Executive agencies must consider factors such as whether the site will contribute to economy and efficiency in the construction, maintenance and operation of the individual building, and how the proposed site relates to the

Government's total space needs in the community. Prior to acquiring, constructing or leasing buildings (or sites for such buildings), Federal agencies must use, to the maximum extent feasible, historic properties available to the agency. In site selections, Executive agencies must consider Executive Orders 12072 (3 CFR, 1978 Comp., p. 213) and 13006 (40 U.S.C. 601a note). In addition, Executive agencies must consider all of the following:

(a) Maximum utilization of Government-owned land (including excess land) whenever it is adequate, economically adaptable to requirements and properly located, where such use is consistent with the provisions of part 101-47, subpart 101-47.8, of this title.

(b) A site adjacent to or in the proximity of an existing Federal building which is well located and is to be retained for long-term occupancy.

(c) The environmental condition of proposed sites prior to purchase: The sites must be free from contamination, unless it is otherwise determined to be in the best interests of the Government to purchase a contaminated site (*e.g.*, reuse of a site under an established "Brownsfields" program).

(d) Purchase options to secure the future availability of a site.

(e) All applicable policies concerning the location of Federal facilities (*e.g.*, to give first priority to locating facilities in rural areas under the Rural Development Act (7 U.S.C. 2204b-1)).

§ 102-73.85 What land acquisition policy must Federal agencies follow?

Federal agencies must follow a land acquisition policy that:

(a) Encourages and expedites the acquisition of real property by agreements with owners;

(b) Avoids litigation, including condemnation actions, where possible and relieves congestion in the courts;

(c) Provides for consistent treatment of owners; and

(d) Promotes public confidence in Federal land acquisition practices.

§ 102-73.90 What relocation assistance policy must Federal agencies follow?

Federal agencies, upon approval from GSA, must provide appropriate reloca-

tion assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. 4651-4655) to eligible owners and tenants of property purchased for use by Federal agencies. Appropriate relocation assistance means that the Federal agency must pay the displaced person for actual reasonable moving expenses (in moving himself, his family, business, etc.); actual direct losses of tangible personal property as a result of moving or discontinuing a business; actual reasonable expenses in searching for a replacement business or farm; and actual reasonable expenses necessary to reestablish a displaced farm, non-profit organization, or small business at its new site, but not to exceed \$10,000. The implementing regulations are found in 49 CFR part 24 (see § 105-51.000 of this title).

§ 102-73.95 Is a prospectus required for all acquisition, construction or alteration projects?

(a) No, a prospectus is not required if the dollar value of a project does not exceed the prospectus threshold. The Public Buildings Act of 1959, as amended, 40 U.S.C. 601-619, establishes a prospectus threshold, applicable to Federal agencies operating under, or subject to, the authorities of the Administrator of General Services, for the construction, alteration, purchase, and acquisition of any building to be used as a public building, and establishes a prospectus threshold to lease any space for use for public purposes. (Because of the important role the prospectus approval process plays in the budget preparation and planning process and with Congressional oversight responsibilities, Federal agencies must continue to prepare and submit prospectuses for all projects that exceed the prospectus threshold identified in § 102-73.55. All GSA delegations of leasing, alteration, and construction authority are subject to this policy.)

(b) Public Law 104-66, 109 Stat. 734, eliminated the prospectus submission requirement of the Public Buildings Act of 1959 (40 U.S.C. 606(a) and 610(b)).