

**U.S. Department of Commerce  
Real Property Management Manual  
POLICY BULLETIN #FY2015-001**

**Subject:** Lease Acquisition of Office and Warehouse Space

**Reference:** U.S. Department of Commerce Real Property Management Manual

**Effective:** Immediately

**Cancellation:** Effective until cancelled, suspended, or incorporated in a new version of the Real Property Management Manual

1. **Purpose.** This Policy Bulletin (Bulletin) supplements the U.S. Department of Commerce (DOC) Real Property Management Manual (Manual), and has the same status and effect as the Manual.
2. **Applicability.** This Bulletin applies to all new, succeeding, and replacement leases of office and warehouse space.
3. **Requirements.** It is DOC policy to locate as much DOC office and warehouse space in federally-owned space as is practicable, subject to the suitability of specific missions. If using available federally-owned space is not practicable, the next option shall be to use existing federally-leased space, as an interim option before subsequently locating in federally-owned space, if practicable.

If an Operating Unit (OU) concludes that available federally-owned space and existing federally-leased space do not meet their office and/or warehouse space requirements, the OU may seek an exception from this policy. An exception requires the approval of the DOC Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA). The CFO/ASA may delegate the responsibilities regarding the review and approval of such exceptions. Requests for exceptions shall be submitted through the Director of Facilities and Environmental Quality.

The request for an exception will, at a minimum, address the following:

<b>APPROVED FOR RELEASE AND DISTRIBUTION TO ALL OPERATING UNITS</b>	
<b>By:</b> 	<b>Date Signed:</b>
Richard L. Townsend Director, Office of Facilities and Environmental Quality	<b>Page:</b> 1 of 3

- a. Mission justification for the space,
- b. If there will be an offsetting space reduction that is equal to or greater than the space request,
- c. Confirmation that office requirements will be in compliance with Department Administrative Order (DAO) 217-21, *Space Allowance and Management Program*,
- d. A cost analysis of options (e.g., comparing the cost of using federally-owned space versus using leased space, and including applicable related costs, such as moving, alterations, replication, etc.) over five years (or for the entire anticipated term, if the anticipated term will be for less than five years), and
- e. The adverse impact on the OU's mission, if an exception is not approved.

If an exception is approved, and if GSA leasing authority will be used for the transaction, the CFO/ASA, or delegatee, will inform GSA that the OU needs to be placed in a leased location in lieu of available federally-owned space and existing federally-leased space.

4. Responsibilities.

a. Operating Units:

OUs are responsible for compliance with this Bulletin.

b. Office of Facilities and Environmental Quality:

The Office of Real Property Programs (ORPP), within the Office of Facilities and Environmental Quality (OFEQ), shall provide technical services to the OUs and work with other DOC units and with GSA to ensure that OUs receive the most suitable space and to ensure compliance with this policy. However, OUs seeking assistance from ORPP shall contact ORPP in a timely fashion, allowing adequate time for the process of obtaining space.

5. Background Policies.

41 C.F.R. § 102-73.45 (“When may Federal agencies consider leases of privately owned land and buildings to satisfy their space needs?”) states that “Federal agencies may consider leases of privately owned land and buildings only when needs cannot be met satisfactorily in Government-controlled space and one or more of the following conditions exist:

- (a) Leasing is more advantageous to the Government than constructing a new building, or more advantageous than altering an existing Federal building.
- (b) New construction or alteration is unwarranted because demand for space in the community is insufficient, or is indefinite in scope or duration.

- (c) Federal agencies cannot provide for the completion of a new building within a reasonable time.” (Emphasis added.)

Office of Management and Budget (OMB) Memorandum M-12-12, *Promoting Efficient Spending to Support Agency Operations* (May 11, 2012) and OMB Memorandum No. 2013-02, *Implementation of OMB Memorandum M-12-12 Section 3: Freeze the Footprint*, (March 14, 2013), instructed Federal agencies, among other things, to improve space utilization through co-locations and consolidations, and not increase the size of their domestic real property inventory, for space predominately used for offices and warehouses space without offsets.

