Part 570 - Acquiring Leasehold Interests in Real Property

Subpart 570.1 - General

570.101 Applicability.

570.102 Definitions.

570.103 Authority to lease.

570.104 Competition.

570.105 Methods of contracting.

570.105-1 Contracting by negotiation.

570.105-2 Criteria for the use of two-phase design-build.

570.106 Advertising, publicizing, and notifications to Congress.

570.106-1 Synopsis of lease awards.

570.107 Oral presentations.

570.108 Responsibility determination.

570.109 Certifications.

570.110 Cost or pricing data and information other than cost or pricing data.

570.111 Inspection and acceptance.

570.112 Awards to Federal employees.

570.113 Disclosure of mistakes after award.

570.114 Protests.

570.115 Novation and change of ownership.

570.116 Contract format.

570.117 Sustainable requirements for lease acquisition.

570.117-1 Federal leadership in environmental, energy, and economic performance.

570.117-2 Guiding principles for federal leadership in high performance and sustainable buildings.

570.118 Foreign Ownership Disclosure.

Subpart 570.2 - Simplified Lease Acquisition Procedures

570.201 Purpose.

570.202 Policy.

570.203 Procedures.

570.203-1 Market survey.

570.203-2 Competition.

570.203-3 Soliciting offers.

570.203-4 Negotiation, evaluation, and award.

Subpart 570.3 - Acquisition Procedures for Leasehold Interests in Real Property Over the Simplified Lease Acquisition Threshold

570.301 Market survey.

570.302 Description of requirements.

570.303 Solicitation for offers.

570.303-1 Preparing the SFO.

570.303-2 Issuing the SFO.

570.303-3 Late offers, modifications of offers, and withdrawals of offers.

570.303-4 Changes to SFOs.

570.304 General source selection procedures.

570.305 Two-phase design-build selection procedures.

570.306 Evaluating offers.

570.307 Negotiations.

570.308 Award.

570.309 Debriefings.

Subpart 570.4 - Special Aspects of Contracting for Continued Space Requirements

570.401 Renewal options.

570.402 Succeeding leases.

570.402-1 General.

570.402-2 Publicizing/Advertising.

570.402-3 Market survey.

570.402-4 No potential acceptable locations.

570.402-5 Potential acceptable locations.

570.402-6 Cost-benefit analysis.

570.403 Expansion requests.

570.404 Superseding leases.

570.405 Lease extensions.

Subpart 570.5 - Special Aspects of Contracting for Lease Alterations

570.501 General.

570.502 Alterations by the lessor.

570.502-1 Justification and approval requirements.

570.502-2 Procedures.

570.503 Alterations by the Government or through a separate contract.

Subpart 570.6 - Contracting for Overtime Services and Utilities in Leases

570.601 General.

Subpart 570.7 - Solicitation Provisions and Contract Clauses

570.701 FAR provisions and clauses.

570.702 GSAR solicitation provisions.

570.703 GSAR contract clauses.

570.704 Deviations to provisions and clauses.

Subpart 570.8 - Forms

570.801 Standard forms.

570.802 GSA forms.

Parent topic: General Services Administration Acquisition Manual

Subpart 570.1 - General

570.101 Applicability.

(a) This part applies to acquisitions of leasehold interests in real property except:

(1) Leasehold interests acquired by the power of eminent domain or by donation.

(2) Acquisition of leasehold interests in bare or unimproved land.

(b) In addition, the GSAR rules in the table below apply. Other provisions of 48 CFR Chapter 5 (GSAR) do not apply to leases of real property unless specifically cross-referenced in this part 570.

GSAR Rules Applicable to Acquisitions of Leasehold Interests in Real Property

501	515.209-70	522.805	536.271
502	515.305	522.807	537.2
503	517.202	538.270	539
509.4	517.207	533	552
514.407	519.7		553

(c) The following GSAM provisions apply to acquisitions of leasehold interests in real property. These are in addition to the GSAR requirements identified in 570.101.

GSAM Applicable to Acquisitions of Leasehold Interests in Real Property

501		522.13	532.6
503	506	522.14	532.8
504.2	507	523.4	532.9
504.8	519.3	530	532.11
504.9	519.6	532.1	533
504.71	519.7	532.4	537.2
505			

(d) The FAR does not apply to leasehold acquisitions of real property. Where referenced in this part, FAR provisions have been adopted based on a statutory requirement applicable to such lease acquisitions or as a matter of policy, including, but not limited to “Federal agency procurement” as defined at FAR 3.104.

570.102 Definitions.

“ANSI/BOMA Office Area (ABOA)” means the area “where a tenant normally houses personnel, and/or furniture, for which a measurement is to be computed,” as stated by the American National Standards Institute/Building Owners and Managers Association(ANSI/BOMA)publication Z65.1-1996.

“Contract” means lease.

“Contractor” means lessor.

“Landlord” or “lessor” means any individual, firm, partnership, trust, association, State or local government, or other legal entity that leases real property to the Government.

“Lease” or “leasehold interest in real property” means a conveyance to the Government of the right of exclusive possession of real property for a definite period of time by a landlord. It may include operational services provided by the landlord.

“Lease acquisition” means the acquiring by lease of an interest in improved real property for use by the Government, whether the space already exists or must be constructed.

“Lease extension” means extension of the expiration date of a lease to provide for continued occupancy on a short term basis.

“Lease renewal” (option) means the right, but not the obligation of the Government to continue a lease upon specified terms and conditions, including lease term and rent.

“Lessee” or “tenant” means the United States of America.

“Operational services” means services that support use of a leased property, such as heating, ventilation, air conditioning, utilities, and custodial services.

“Simplified lease acquisition procedures” mean the procedures for awarding leases at or below the simplified lease acquisition threshold.

“Simplified lease acquisition threshold” means the simplified acquisition threshold (see FAR 2.101), when applied to the average annual amount of rent for the term of the lease, including option periods and excluding the cost of services.

“Small business” means a concern including affiliates, which is organized for profit, is independently-owned and operated, is not dominant in the field of leasing commercial real estate, and that has annual average gross receipts for the preceding three fiscal years which are less than the size standard established by the Small Business Administration pursuant to 13 CFR 121. The size standards may be found at https://www.sba.gov/content/small-business-size-standards. For most lease procurements, the NAICS code is 531190.

“Solicitation for Offers (SFO)” means a request for proposals.

“Substantially as follows” or “substantially the same as,” when used in prescribing a provision or clause, means that the contracting officer may prepare and use a variation of that provision or clause to accommodate requirements peculiar to an individual acquisition. The variation must include the salient features of the FAR or GSAR provision or clause. It must also be consistent with the intent, principle, and substance of the FAR or GSAR provision or clause and related coverage on the subject matter.

“Succeeding lease” means a lease whose effective date immediately follows the expiration date of an existing lease for space in the same building.

“Superseding lease” means a lease that replaces an existing lease, prior to the scheduled expiration of the existing lease term.

570.103 Authority to lease.

(a) The Administrator of General Services is authorized by 40 U.S.C. §585 to enter into a lease agreement for the accommodation of a Federal agency in a building (or improvement) which is in existence or being erected by the lessor for the accommodation of the Federal agency. The lease agreement may not bind the Government for more than 20 years.

(b) The contracting officer has exclusive authority to enter into and administer leases on the Government’s behalf to the extent provided in the certificate of appointment as a contracting officer.

Nothing in this paragraph is intended to limit the contracting officer's authority to designate, consistent with statute and regulation, a contracting officer's representative.

570.104 Competition.

Unless the contracting officer uses the simplified procedures in subpart 570.2, the competition requirements of FAR part 6 apply to acquisition of leasehold interests in real property.

570.105 Methods of contracting.

570.105-1 Contracting by negotiation.

Contracting by negotiation is appropriate for acquiring space in a building through a lease contract. The contracting officer will usually need to conduct discussions with offerors about their proposals and consider factors other than price in making the award.

570.105-2 Criteria for the use of two-phase design-build.

The contracting officer may use the two-phase design-build selection procedures in 41 U.S.C. 253m for lease construction projects. This includes lease construction projects with options to purchase the real property leased. Use the procedures in 41 U.S.C. 253m and FAR 36.3 when the conditions in (a) and (b) below are met:

(a) The contracting officer anticipates that the lease will involve the design and construction of a building, facility, or work for lease to the Government.

(b) The contracting officer determines whether the procedures are appropriate for entering into a lease construction contract based on the following:

(1) The contracting officer expects to receive three or more offers.

(2) Offerors will need to perform design work before developing a price.

(3) Offerors will incur a substantial amount of expense in preparing offers.

(4) The contracting officer considers criteria such as the following:

(i) The extent to which the project requirements have been adequately defined.

(ii) The time constraints for delivery of the project.

(iii) The capability and experience of potential contractors.

(iv) The past performance of potential contractors.

(v) The suitability of the project for use of the two-phase selection procedures.

(vi) The capability of the agency to manage the two-phase selection process.

(vii) Other criteria established by the HCA.

(c) See 570.305 for additional information.

570.106 Advertising, publicizing, and notifications to Congress.

(a) If a proposed acquisition is not exempt under FAR 5.202 or GSAR 570.106(e), and is for a leasehold interest in real property estimated to exceed 10,000 square feet, then the contracting officer must publicize the proposed acquisition in the System for Award Management Contract Opportunities at https://www.sam.gov in its place.

(b) For leasehold acquisitions where the solicitation requires the construction of a new building on a preselected site, the contracting officer, in accordance with the timeframes established in FAR 5.203, must publicize the proposed acquisition in the GPE regardless of size or value.

(c) For leasehold acquisitions not subject to a square foot measurement (*e.g.*, antennas, piers, parking), contracting officers must publicize the proposed acquisition in the GPE when the contract action is expected to exceed $25,000, unless an exception under FAR 5.202 applies.

(d) Other than as identified in paragraphs (a) through (c) of this section, the contracting officer need not publicize the proposed acquisition of a leasehold interest in real property, including expansion requests within the scope of a lease (see 570.403), lease extensions under the conditions defined in 570.405, and building alterations within the scope of a lease (see 570.5). However, the contracting officer may publicize proposed lease acquisitions of any dollar value or square footage in the GPE or local newspapers if, in the opinion of the contracting officer, doing so is necessary to promote competition.

(e) The contracting officer may issue a consolidated advertisement for multiple leasing actions.

(f) Except as otherwise provided in paragraph (b) of this section, where publicizing of the proposed acquisition is required, the notice shall be published in the GPE not less than three calendar days prior to issuance of a solicitation.

(g) Except as otherwise provided in paragraph (b) of this section and as set forth in paragraphs (g) and (h) of this section, the contracting officer shall provide offerors not less than 20 calendar days between solicitation issuance and the date established for receipt of initial offers.

(1) For a proposed acquisition using simplified lease acquisition procedures (see 570.2), consider the individual acquisition and establish a reasonable response time.

(2) In cases of unusual and compelling urgency (FAR 6.303-2), provide as much time as reasonably possible under the circumstances and document the contract file.

(h) If a Member of Congress has specifically requested notification of award, the contracting officer must provide award notifications in accordance with 505.303.

570.106-1 Synopsis of lease awards.

(a) Except for lease actions described in paragraph (b) of this subsection, contracting officers must synopsize in the GPE awards exceeding $25,000 total contract value that are likely to result in the

award of any subcontracts. However, the dollar threshold is not a prohibition against publicizing an award of a smaller amount when publicizing would be advantageous to industry or to the Government.

(b) A notice is not required if—

(1) The notice would disclose the occupant agency's needs and the disclosure of such needs would compromise the national security; or

(2) The lease—

(i) Is for an amount not greater than the simplified lease acquisition threshold;

(ii) Was made through a means where access to the notice of proposed lease action was provided through the GPE; and

(iii) Permitted the public to respond to the solicitation electronically.

(3) Justifications for other than full and open competition must be posted in the GPE. Information exempt from public disclosure must be redacted.

570.107 Oral presentations.

The contracting officer may require oral presentations for acquisitions of leasehold interests in real property. Follow the procedures in FAR 15.102.

570.108 Responsibility determination.

(a) Determine that the prospective awardee is responsible with respect to the lease under consideration. The standards in FAR 9.104 apply. As part of the determination that a prospective contractor is otherwise qualified and eligible for award, review exclusions in the System for Award Management (SAM).

(b) The contracting officer's signature on the contract is deemed an affirmative determination.

(c) If the contracting officer finds an offeror nonresponsible, sign and place in the contract file a determination of nonresponsibility. State the basis for the determination.

(d) If the contracting officer finds a small business concern nonresponsible, the procedures at FAR 19.6 apply. Place all documents and reports supporting a determination of responsibility or nonresponsibility in the lease file.

570.109 Certifications.

Before awarding a lease, review applicable representations and certifications for compliance with statute and regulations.

570.110 Cost or pricing data and information other than cost or pricing data.

(a) The policies and procedures of FAR 15.403 apply to lease contract actions.

(b) FAR 15.403-1 defines exceptions to and waivers for submitting cost or pricing data. Most leasing actions will have adequate price competition. For price analysis of offered rental rates, the contracting officer may use a market survey, an appraisal conducted using accepted real property appraisal procedures to establish a market price for comparison, or other relevant market research data. For price analysis of offered tenant improvement costs, obtain two offers or cost and pricing data.

(c) In exceptional cases, the requirement for submission of certified cost or pricing data may be waived under FAR15.403-1(c)(4).

(d) If cost or pricing data are required, follow the procedures in FAR15.403-4 and 15.406-2.

570.111 Inspection and acceptance.

Before accepting the space, the contracting officer must verify that the space complies with the Government's requirements and specifications and document this in an inspection report. The inspection and acceptance document must contain the square footage accepted and the acceptance date. Include the inspection and acceptance in the contract file. When space such as piers, antennas, and parking are leased, square footage may not be the manner in which the amount of space is specified; therefore, document that the space complies with the Government's written requirements.

570.112 Awards to Federal employees.

If the contracting officer receives an offer from an officer or employee of the Government, follow the procedures in FAR 3.6.

570.113 Disclosure of mistakes after award.

If a mistake in a lessor's offer is discovered after award, the contracting officer should process it substantially in accordance with FAR 14.407-4 and GSAM 514.407-4.

570.114 Protests.

FAR 33.1 and 533.1 apply to protests of lease acquisitions.

570.115 Novation and change of ownership.

In the event of a transfer of ownership of the leased premises or a change in the lessor's legal name, FAR 42.12 applies.

570.116 Contract format.

The uniform contract format is not required for leases of real property.

570.117 Sustainable requirements for lease acquisition.

Contracting officers must include sustainable design requirements appropriate for the type of leasing action in the solicitation. Contracting officers can find solicitation requirements and instructions at https://www.gsa.gov/real-estate/realestate-services/leasing/leasing-policy under the "Sustainability Policies" tab and within the applicable Leasing Desk Guide chapter to assist them in complying with GSA's sustainable requirements.

570.117-1 Federal leadership in environmental, energy, and economic performance.

In order to create a clean energy economy that will increase our Nation's prosperity, promote energy security, protect the interests of taxpayers, and safeguard the health of our environment, GSA will accomplish all sustainability requirements described in 570.117-2 that apply to lease acquisitions.

570.117-2 Guiding principles for federal leadership in high performance and sustainable buildings.

GSA is committed to the design, construction, operation, and maintenance of leased space that complies with all of the following Guiding Principles:

(a) Employ Integrated Design Principles;

(b) Optimize Energy Performance;

(c) Protect and Conserve Water;

(d) Enhance Indoor Environmental Quality; and

(e) Reduce the Environmental Impact of Building Materials.

570.118 Foreign Ownership Disclosure.

If a foreign ownership disclosure is made pursuant to clause 552.270-33:

(a) The contracting officer shall notify the Federal tenant for the leased space in writing:

(1) If the disclosure is made during the lease acquisition process, the contracting officer shall notify the Federal tenant prior to lease award.

(2) If the disclosure is made concurrent with a request for novation, the contracting officer shall notify the Federal tenant prior to executing the novation.

(3) If the disclosure is made concurrent with a renewal option or extension, the contracting officer shall notify the Federal tenant prior to executing the renewal option or extension.

(b) The contracting officer shall coordinate with the Federal tenant regarding security concerns and any necessary mitigation measures.

Subpart 570.2 - Simplified Lease Acquisition Procedures

570.201 Purpose.

This subpart prescribes simplified procedures for small leases. These procedures reduce administrative costs, while improving efficiency and economy, when acquiring small leasehold interests in real property.

570.202 Policy.

Use simplified lease acquisition procedures to the maximum extent practicable for actions at or below the simplified lease acquisition threshold.

570.203 Procedures.

570.203-1 Market survey.

Conduct a market survey to identify potential sources. Use information available in GSA or from other sources to identify locations that will meet the Government’s requirements.

570.203-2 Competition.

(a) To the maximum extent practicable, the contracting officer must solicit at least three sources to promote competition. If there are repeated requirements for space in the same market, invite two sources, if practicable, that are not included in the most recent solicitation to submit offers.

(b) If the contracting officer solicits only one source, document the file to explain the lack of competition.

570.203-3 Soliciting offers.

(a) The contracting officer must solicit offers by providing each prospective offeror a proposed short form lease GSA Form 3626 or SFO. The short form lease or SFO must:

(1) Describe the Government’s requirements.

(2) List all award factors, including price or cost, and any significant subfactors that the contracting

officer will consider in awarding the lease.

(3) State the relative importance of the evaluation factors and subfactors.

(4) State whether all evaluation factors other than cost or price, when combined, are either:

(i) Significantly more important than cost or price.

(ii) Approximately equal in importance to cost or price.

(iii) Significantly less important than cost or price.

(5) Include either in full text or by reference, applicable FAR provisions and contract clauses required by 570.6.

(6) Include sustainable design requirements.

(b) As necessary, review with prospective offerors the Government's requirements, pricing matters, evaluation procedures and submission of offers.

570.203-4 Negotiation, evaluation, and award.

(a) If the contracting officer needs to conduct negotiations, use the procedures in 570.307.

(b) Evaluate offers in accordance with the solicitation. Evaluate prices and document the lease file to demonstrate whether the proposed contract prices are fair and reasonable. See 570.110.

(c) If the total price, including options, exceeds the amount established by FAR 15.403-4, consider whether the contracting officer needs cost and pricing data to determine that the price is fair and reasonable. In most cases, the exceptions at FAR 15.403-1 will apply.

(d) Regardless of the process used, the contracting officer must determine whether the price is fair and reasonable.

(e) If the total contract value of the lease, including options, will exceed the amount established by FAR 19.702(a), the proposed awardee must provide an acceptable small business subcontracting plan. This requirement does not apply if the proposed awardee is a small business concern.

(f) Make award to the responsible offeror whose proposal represents the best value to the Government considering price and other factors included in the solicitation.

Subpart 570.3 - Acquisition Procedures for Leasehold Interests in Real Property Over the Simplified Lease Acquisition Threshold

570.301 Market survey.

Conduct a market survey to identify potential sources. Use information available in GSA or from

other sources to identify locations capable of meeting the Government's requirements.

570.302 Description of requirements.

(a) The description of requirements depends on the nature of the space the agency needs and the market available to satisfy that need.

(b) The description of requirements must include all the following:

(1) A statement of the purpose of the lease.

(2) Functional, performance, or physical requirements.

(3) Any special requirements.

(4) The delivery schedule.

(c) The description must promote full and open competition. Include restrictive provisions or conditions only to the extent necessary to satisfy the agency's needs or as authorized by law.

570.303 Solicitation for offers.

570.303-1 Preparing the SFO.

The SFO forms the basis for the lease negotiation process and becomes part of the lease. Document each SFO in writing or electronically. Include the information necessary to enable prospective offerors to prepare proposals. Each SFO, at a minimum, must:

(a) Describe the Government's requirements.

(b) State the method the Government will use to measure space.

(c) Explain how to structure offers.

(d) Specify a date, time, and place for submission of offers.

(e) Explain how the Government will evaluate offers.

(f) Describe the source selection procedures the Government will use.

(g) Include a statement outlining the information the Government may disclose in debriefings.

(h) Include appropriate forms prescribed in 570.8.

(i) Include sustainable design requirements.

570.303-2 Issuing the SFO.

Release the SFO to all prospective offerors at the same time. The SFO may be released

electronically.

570.303-3 Late offers, modifications of offers, and withdrawals of offers.

Follow the procedures in FAR 15.208.

570.303-4 Changes to SFOs.

(a) If the Government's requirements change, either before or after receipt of proposals, issue an amendment. Document the amendment using the same method as for the SFO, written or electronic.

(b) If time is critical, you may provide information on SFO amendments orally.

(1) Make a record of the information provided.

(2) Provide, or attempt to provide, the notice to all offerors or prospective offerors on the same day.

(3) Promptly confirm the information provided orally in a written amendment.

(c) Distribute an amendment as follows:

(1) If before the proposal due date, send the amendment to all prospective offerors who were sent a copy of the SFO.

(2) If after proposal receipt, send the amendment to each offeror who submitted a proposal.

(d) If an amendment is so substantial that it requires a complete revision of the SFO, cancel the SFO, readvertise if required by 570.106, and issue a new SFO.

(e) If there are changes to the Government's requirements for amount of space, delineated area, occupancy date, and/or other major aspects of the requirements, the contracting officer shall consider whether there is a need to readvertise, and to document the file accordingly.

570.304 General source selection procedures.

(a) These procedures apply to acquisitions of leasehold interests except if the contracting officer uses one of the following:

(1) Simplified lease acquisition procedures authorized by 570.2.

(2) Two-phase design-build selection procedures authorized by 570.105-2.

(b) The contracting officer is designated as the source selection official unless the HCA appoints another individual for a particular leasing action or group of leasing actions.

(c) In a trade off procurement, the contracting officer must include price or cost to the Government, past performance, the planned participation of small disadvantaged business concerns in performance of the contract, and other factors as required by FAR 15.304 as evaluation factors. The contracting officer may include other evaluation factors as needed.

(d) The evaluation factors and significant subfactors must comply with FAR 15.304 and either one of the following:

(1) FAR 15.101-1 if the contracting officer will use the tradeoff process.

(2) FAR 15.101-2 if the contracting officer will use the lowest price technically acceptable source selection process.

570.305 Two-phase design-build selection procedures.

(a) These procedures apply to acquisitions of leasehold interests if the contracting officer uses the two-phase design-build selection procedures authorized by 570.105-2. Follow FAR 36.3.

(b) The SFO must include all the following information:

(1) The Scope of Work.

(2) The evaluation factors and subfactors to be used in evaluating phase-one proposals and their relative importance.

(3) The maximum number of offerors to be selected to submit competitive proposals in phase-two.

(4) The evaluation factors, including cost or price, and subfactors to be used in evaluating phase-two proposals and selecting the successful offeror, and their relative importance.

(c) The following procedures apply to phase-one evaluation factors:

(1) Phase one factors include:

(i) Specialized experience and technical competence.

(ii) Capability to perform.

(iii) Past performance of the offeror’s team (including architect-engineer and construction members of the team).

(iv) The planned participation of small disadvantaged business concerns in performance of the contract.

(v) Other appropriate factors, such as site or location.

(2) The contracting officer shall not require offerors to submit detailed design information or cost or price information in phase one. The contracting officer shall not use cost related or price related evaluation factors.

(d) The contracting officer shall set the maximum number of offerors to be selected for phase-two to not exceed five unless the contracting officer determines that a number greater than five is both:

(1) In the government’s interest.

(2) Consistent with the purpose and objectives of the two-phase selection process.

(e) In phase-two, require detailed technical and price proposals. Evaluate the proposals using the

procedures in 570.306.

570.306 Evaluating offers.

(a) The contracting officer must evaluate offers solely in accordance with the factors and subfactors stated in the SFO.

(b) Evaluate prices and document the lease file to demonstrate that the proposed contract price is fair and reasonable. The contracting officer must review the elements of the offeror’s proposed rent to analyze whether the individual elements are realistic and reflect the offeror’s clear understanding of the work to be performed. The contracting officer must discuss any inconsistencies with the offeror. If the offeror refuses to support or make any changes to the rent proposed, consider the risk to the Government prior to making any lease award.

(c) Evaluate past performance on previous lease projects in accordance with 515.305 and FAR 15.305(a)(2). Obtain information through:

(1) Questionnaires tailored to the circumstances of the acquisition;

(2) Interviews with program managers or contracting officers;

(3) Other sources; or

(4) Past performance information collected under FAR 42.15 and available through the Contractor Performance Assessment Reporting System at https://www.cpars.gov/, or successor system.

(d)The contracting officer may obtain information to evaluate an offeror's past performance on subcontracting plan goals and monetary targets from the following sources:

(1) The Small Business Administration;

(2) Information on prior contracts from contracting officers and administrative contracting officers;

(3) Offeror’s references; and

(4) Past performance information collected under FAR 42.15 and available through PPIRS.

(e) Document the evaluation of award factors other than price listed in the solicitation. The file must include the basis for evaluation, an analysis of each offer, and a summary of findings.

(f) Also see the requirements in 570.108, 570.109 and 570.111.

570.307 Negotiations.

(a) Follow the procedures in FAR 15.306 and 15.307 for exchanges (including clarifications, communications, negotiations, discussions, and revisions).

(b) Place a written record of all exchanges in the lease file.

(c) Provide prompt written notice to any offeror excluded from the competitive range or otherwise eliminated from the competition in accordance with FAR 15.503(a).

570.308 Award.

(a) Make award to the responsible offeror whose proposal represents the best value after evaluation in accordance with the factors and subfactors in the SFO.

(b) Make award in writing and in the timeframe specified in the SFO.

(1) If the contracting officer cannot make an award in that time, request in writing from each offeror an extension of the acceptance period through a specific date.

(2) If time is critical, the contracting officer may request the extensions orally. The contracting officer must make a record of the request and confirm it promptly in writing.

(c) Notify unsuccessful offerors in writing or electronically in accordance with FAR 15.501 and 15.503(b).

(d) The source selection authority may reject all proposals received in response to an SFO, if doing so is in the best interest of the Government.

570.309 Debriefings.

The procedures of FAR 15.505 and 15.506 apply to leasing actions.

Subpart 570.4 - Special Aspects of Contracting for Continued Space Requirements

570.401 Renewal options.

(a) *Exercise of options*. Before exercising an option to renew, follow the procedures in 517.207. The contract must first provide the right to renew the lease. If a renewal option was not evaluated as part of the lease at award, then the addition of a renewal option during the lease term must satisfy the requirements of GSAM 506 regarding full and open competition.

(b) *Market information review*. Before exercising an option to renew a lease, review current market information to determine that the rental rate in the option is fair and reasonable.

570.402 Succeeding leases.

570.402-1 General.

(a) If a succeeding lease for the continued occupancy of space in a building does not exceed the simplified lease acquisition threshold, the contracting officer may use the simplified procedures in 570.2. Explain the absence of competition in the contract file.

(b) If a succeeding lease will exceed the simplified lease acquisition threshold, the contracting

officer may enter into the lease under either of the following conditions:

(1) The contracting officer does not identify any potential acceptable locations.

(2) The contracting officer identifies potential acceptable locations, but a cost-benefit analysis indicates that award to an offeror other than the present lessor will result in substantial relocation costs or duplication of costs to the Government, and the Government cannot expect to recover such costs through competition.

570.402-2 Publicizing/Advertising.

The contracting officer must publish a notice if required by 570.106. The notice should:

(a) Indicate that the Government's lease is expiring.

(b) Describe the requirements in terms of type and quantity of space.

(c) Indicate that the Government is interested in considering alternative space if economically advantageous, and that otherwise the Government intends to pursue a sole source acquisition.

(d) Advise prospective offerors that the Government will consider the cost of moving, alterations, etc., when deciding whether it should relocate.

(e) Provide a contact person for those interested in providing space to the Government.

570.402-3 Market survey.

Conduct a market survey following 570.301.

570.402-4 No potential acceptable locations.

If the contracting officer does not identify any potential acceptable locations through the advertisement or the market survey, prepare a written justification to negotiate directly with the present lessor. Fully document the efforts to locate alternative sources. Prepare the justification and obtain approval following FAR 6.3 and 506.3.

570.402-5 Potential acceptable locations.

If the contracting officer identifies potential acceptable locations through the advertisement or market survey, conduct a cost-benefit analysis following the procedures 570.402-6. Based on the results of the cost-benefit analysis, take appropriate action as follows:

(a) If the cost-benefit analysis indicates that the Government will recover relocation costs and duplication of costs through competition, develop an SFO and negotiate with all interested parties following 570.3.

(b) If the cost-benefit analysis indicates that the Government cannot expect to recover relocation

costs and duplication of costs through competition, prepare a justification for approval in accordance with FAR 6.3 and 506.3. Explain both:

(1) How the contracting officer performed the cost-benefit analysis.

(2) That the cost-benefit analysis indicates that award to any other offeror will likely result in substantial costs to the Government that the Government cannot expect to recover through competition.

570.402-6 Cost-benefit analysis.

(a) The cost-benefit analysis must consider all the following:

(1) The prices of other potentially available properties.

(2) Relocation costs, including estimated costs for moving, telecommunications, and alterations, amortized over the firm term of the lease.

(3) Duplication of costs to the Government.

(4) Other appropriate considerations.

(b) Establish the prices for other potentially available properties by requesting each prospective offeror to provide an informational quotation for standard space for comparison purposes.

(1) Adjust the prices quoted for standard space for any special requirements.

(2) You do not need a formal SFO to obtain the informational quotation. However, you must provide a general description of the Government's needs.

(3) If you obtain oral quotations, document the following information, as a minimum:

(i) Name and address of the firm solicited.

(ii) Name of the firm's representative providing the quote.

(iii) Price(s) quoted.

(iv) Description of the space and services for which the quote is provided.

(v) Name of the Government employee soliciting the quotation.

(vi) Date of the conversation.

(4) Compare the informational quotations to the present lessor's price, adjusted to reflect the anticipated price for a succeeding lease.

570.403 Expansion requests.

(a) If the expansion space is in the general scope of the lease, the contracting officer may acquire the space through a modification without further justification under FAR 6.3.

(b) If the expansion space needed is outside the general scope of the lease, the contracting officer must determine whether it is more prudent to provide the expansion space by supplemental agreement to the existing lease or to meet the expansion requirement and existing tenancy to the requirement by competitive means.

(1) Conduct a market survey to determine the availability of suitable alternative locations.

(2) If you identify alternate locations that can satisfy the total requirement, perform a cost-benefit analysis to determine whether it is in the Government's best interest to relocate. Consider, as appropriate:

(i) The cost of the alternate space compared to the cost of expanding at the existing location.

(ii) The cost of moving.

(iii) The cost of duplicating existing improvements.

(iv) The cost of the unexpired portion of the firm lease term. If a termination is possible, use the actual cost of such an action.

(v) The cost of disruption to the agency's operation.

(c) If the contracting officer determines not to use competitive procedures and the expansion space is outside the general scope of the lease:

(1) If the estimated value of the acquisition does not exceed the simplified lease acquisition threshold, document the file as required by 570.203-2.

(2) If the estimated value of the acquisition exceeds the simplified lease acquisition threshold, prepare a justification for approval under FAR 6.3 and 506.3.

570.404 Superseding leases.

(a) Consider executing a superseding lease to replace an existing lease when the Government needs numerous or detailed modifications to the space that would cause complications or substantially change the present lease or when market conditions warrant renegotiation of an existing lease.

(b) If the value of the superseding lease exceeds the simplified lease acquisition threshold, the justification and approval requirements in FAR 6.3 and 506.3 apply. If the cost does not exceed the simplified lease acquisition threshold, the contracting officer may use the simplified procedures in 570.2 and explain the absence of competition in the file.

570.405 Lease extensions.

(a) This subsection applies to extension of the term of a lease to provide for continued occupancy on a short term basis.

(b) If the value of a lease extension will exceed the simplified lease acquisition threshold, the justification and approval requirements in FAR 6.3 and 506.3 apply. For extensions that will not exceed the simplified lease acquisition threshold, the contracting officer may use the simplified

procedures in 570.2 and explain the absence of competition in the file.

(c) FAR 6.302-1 permits contracting without providing for full and open competition when the property or services needed by the agency are available from only one responsible source and no other type of property or services will satisfy the needs of the agency. This authority may apply to lease extensions in situations such as, but not limited to, the following:

(1) The agency occupying the leased space is scheduled to move into other Federally controlled space, but encounters unexpected delays in preparing the new space for occupancy.

(2) The Government encounters unexpected delays outside of its control in acquiring replacement space.

(3) The Government is consolidating various agencies and the contracting officer needs to extend the terms of some leases to establish a common expiration date.

(4) The agency occupying the space has encountered delays in planning for a potential relocation to other federally controlled space due to documented organizational, financial, or other uncertainties.

Subpart 570.5 - Special Aspects of Contracting for Lease Alterations

570.501 General.

(a) The procedures in 570.502 apply to alterations acquired directly from a lessor by modification or supplemental lease agreement. This is allowed if the following conditions are met:

(1) The alterations fall within the scope of the lease. Consider whether the work can be regarded fairly and reasonably as part of the original lease requirement.

(2) The lessor is willing to perform the proposed alterations at a fair and reasonable price.

(3) It is in the Government's interest to acquire the alterations from the lessor.

(b) If proposed alterations are outside the scope of the existing lease, decide whether to acquire the alterations through either:

(1) A supplemental lease agreement, as justified and approved under 570.502-1.

(2) Government performance or a separate contract. The lease must first provide the Government with the right to perform alterations to the leased space.

570.502 Alterations by the lessor.

570.502-1 Justification and approval requirements.

If the proposed alterations are outside the general scope of the lease and the contracting officer plans to acquire them from the lessor without competition, the following justification and approval

requirements apply:

(a) If the alteration project will not exceed the micro-purchase threshold identified in FAR 2.101(b), no justification and approval is required.

(b) If the alteration project will exceed the micro-purchase threshold identified in FAR 2.101(b), but not the simplified lease acquisition threshold, the contracting officer may use simplified acquisition procedures and explain the absence of competition in the file.

(c) If the alteration project will exceed the simplified lease acquisition threshold, the justification and approval requirements in FAR 6.3 and 506.3 apply.

570.502-2 Procedures.

(a) *Scope of work*. The contracting officer must prepare a scope of work for each alteration project.

(b) *Independent Government estimate*. The contracting officer must obtain an independent Government estimate for each alteration project, including changes to existing alteration agreements with the lessor.

(c) *Request for proposal*.

(1) The contracting officer must provide the scope of work to the lessor, including any plans and specifications, and request a proposal.

(2) The contracting officer must request sufficient cost or price information to permit a price analysis.

(d) *Audits*. If the contracting officer requires cost or pricing data and the alteration project will exceed the threshold identified in FAR 15.403-4, request an audit.

(e) *Proposal evaluation*.The contracting officer must—

(1) Determine if the proposal meets the Government's requirements.

(2) Analyze price or cost information. At a minimum, compare the proposed cost to the independent estimate and, if applicable, any audit results received.

(3) Analyze profit following FAR 15.404-4.

(4) Document the analysis under this paragraph and the resulting negotiation objectives.

(f) *Price negotiations*. The contracting officer must—

(1) Exercise sound judgment. Make reasonable compromises as necessary.

(2) Provide the lessor with the greatest incentive for efficient and economical performance.

(3) Document negotiations in the contract file, including discussions regarding restoration cost or waiver of restoration cost.

(g) *Order*. For modifications not exceeding the simplified acquisition threshold, lease contracting

officers may delegate alteration contracting authority to a warranted contracting officer's representative in GSA or the tenant agency. Alterations awards must reference the lease number. If the modification does not exceed the simplified acquisition threshold, the contracting officer may use GSA Form 300, Order for Supplies or Services. Reference the lease on the form.

(h) *Inspection and payment*. The contracting officer must not make final payment for alterations until the work is:

(1) Inspected by a qualified Government employee or independent Government contractor.

(2) Confirmed as completed in a satisfactory manner.

570.503 Alterations by the Government or through a separate contract.

If the Government chooses to exercise its right to make the alterations rather than contracting directly with the lessor, the Government may either:

(a) Have Federal employees perform the work.

(b) Contract out the work using standard contracting procedures that apply to a construction contract performed on Federal property. If the Government decides to contract for the work, invite the lessor, as well as all other prospective contractors, to submit offers for the project.

Subpart 570.6 - Contracting for Overtime Services and Utilities in Leases

570.601 General.

(a) Lease tenant agencies may need overtime services and utilities on a regular or intermittent basis. Lease contracting officers may negotiate overtime rates for services and utilities and include those rates in leases where a need is projected. Only lease contracting officers may negotiate overtime rates.

(b) An independent government estimate is required in support of the negotiated rate.

(c) *Order*. To order overtime services and utilities, if the order does not exceed the simplified acquisition threshold, a warranted contracting officer's representative, in GSA or the tenant agency, may place an order. The order must reference the lease number.

(d) *Payment*. Do not make final payment for services and utilities until confirmed as delivered in a satisfactory manner.

Subpart 570.7 - Solicitation Provisions and Contract Clauses

570.701 FAR provisions and clauses.

Insert provisions or clauses substantially the same as the FAR provisions and clauses listed below.

If . . .	Then include . . .
(a) the estimated value of the acquisition exceeds the micro-purchase threshold identified in FAR 2.101	52.204-3 Taxpayer Identification. 52.204-6 Unique Entity Identifier. 52.219-1 Small Business Program Representations. 52.219-28 Post-Award Small Business Program Rerepresentation (use if lease term exceeds five years). 52.232-23 Assignment of Claims. 52.232-33 Payment by Electronic Funds Transfer-System for Award Management. 52.233-1 Disputes.
(b) the estimated value of the acquisition exceeds $10,000	52.222-21 Prohibition of Segregated Facilities. 52.222-22 Previous Contracts and Compliance Reports. 52.222-25 Affirmative Action Compliance. 52.222-26 Equal Opportunity. 52.222-35 Equal Opportunity for Veterans. 52.222-36 Equal Opportunity for Workers with Disabilities. 52.222-37 Employment Reports on Disabled Veterans and Veterans of the Vietnam Era.
(c) the estimated value of the acquisition is $25,000 or more (not applicable to individuals)	52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards.
(d) the estimated value of the acquisition exceeds the threshold identified in FAR 9.409(b)	52.209-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.
(e) the estimated value of the acquisition exceeds $100,000	52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions.

If . . .	Then include . . .
(f) the estimated value of the acquisition exceeds the simplified lease acquisition threshold	52.203-2 Certificate of Independent Price Determination. 52.203-7 Anti-Kickback Procedures. 52.204-5 Women-Owned Business (Other than Small Business). 52.209-5 Certification Regarding Responsibility Matters. 52.215-2 Audit and Records-Negotiation. 52.219-8 Utilization of Small Business Concerns. 52.223-6 Drug-Free Workplace. 52.233-2 Service of Protest.
(g) the estimated value of the acquisition exceeds the threshold identified in FAR 19.708(b)	52.219-9 Small Business Subcontracting Plan. 52.219-16 Liquidated Damages-Subcontracting Plan.
(h) the value of the contract is expected to exceed $5 million and the performance period is 120 days or more	52.203-13 Contractor Code of Business Ethics and Conduct. 52.203-14 Display of Hotline Poster(s).
(i) the estimated value of the acquisition exceeds $10 million	52.222-24 Pre-award On-site Equal Opportunity Compliance Evaluation.
(j) the contracting officer requires cost or pricing data for work or services exceeding the threshold identified in FAR 15.403-4	52.215-10 Price Reduction for Defective Certified Cost or Pricing Data. 52.215-12 Subcontractor Certified Cost or Pricing Data.
(k) the contracting officer authorizes submission of facsimile proposals	52.215-5 Facsimile Proposals.

570.702 GSAR solicitation provisions.

Each SFO must include provisions substantially the same as the following, unless the contracting officer determines that the provision is not appropriate. The contracting officer shall document the file with the basis for omitting or substantially changing a provision.

552.270-1	Instructions to Offerors—Acquisition of Leasehold Interests in Real Property. Use the provision with its Alternate I if it is advantageous to the Government to allow offers to be submitted up to the exact time specified for award. Use the provision with its Alternate II if the Government intends to award without discussions.
552.270-2	Historic Preference.

552.270-3	Parties to Execute Lease.
552.270-35	System for Award Management - Leasing (in lieu of FAR 52.204-7). Use Alternate I of the provision for procurements not providing for full and open competition due to unusual or compelling urgency.

570.703 GSAR contract clauses.

(a) Insert clauses substantially the same as the following in solicitations and contracts for leasehold interests in real property that exceed the simplified lease acquisition threshold, unless the contracting officer determines that a clause is not appropriate. The contracting officer shall document the file with the basis for omitting or substantially changing a clause. A deviation is not required under section 570.704 to determine that a clause in this section is not appropriate. The following clauses may be inserted in solicitations and contracts for leasehold interests in real property at or below the simplified lease acquisition threshold.

552.215-70	Examination of Records by GSA.
552.270-4	Definitions. Insert this clause if including the clause at 552.270-28.
552.270-5	Subletting and Assignment.
552.270-6	Maintenance of Building and Premises—Right of Entry.
552.270-7	Fire and Casualty Damage.
552.270-8	Compliance with Applicable Law.
552.270-9	Inspection—Right of Entry.
552.270-10	Failure in Performance.
552.270-11	Successors Bound.
552.270-12	Alterations.
552.270-13	Proposals for Adjustment.
552.270-14	Changes.

552.270-15	Liquidated Damages. Insert this clause in solicitations and contracts if you have a critical requirement to meet the delivery date and you cannot establish an actual cost for the loss to the Government resulting from late delivery.
552.270-16	Adjustment for Vacant Premises.
552.270-17	Delivery and Condition.
552.270-18	Default in Delivery—Time Extensions.
552.270-19	Progressive Occupancy.
552.270-20	Payment.
552.270-21	Effect of Acceptance and Occupancy.
552.270-22	Default by Lessor During the Term.
552.270-23	Subordination, Nondisturbance and Attornment.
552.270-24	Statement of Lease.
552.270-25	Substitution of Tenant Agency.
552.270-26	No Waiver.
552.270-27	Integrated Agreement.
552.270-28	Mutuality of Obligation.
552.270-29	Acceptance of Space.

(b) Insert the following clauses in solicitations and contracts for leasehold interests in real property:

552.270-30	Price Adjustment for Illegal Improper Activity.
552.270-31	Prompt Payment.
552.270-32	Covenant Against Contingent Fees.

(c)Insert the representation clause at 552.270-33, Foreign Ownership and Financing Representation for High-Security Leased Space, in novations, solicitations and contracts for leased space that:

(1)Will be occupied by Federal employees for nonmilitary activities; and

(2)Has a facility security level of III, IV, or V.

(d)Insert the clause at 552.270-34 Access Limitations for High-Security Leased Space, in novations, solicitations and contracts for leased space that:

(1)Will be occupied by Federal employees for nonmilitary activities; and

(2)Has a facility security level of III, IV, or V.

570.704 Deviations to provisions and clauses.

(a) The contracting officer needs a deviation approved under Subpart 501.4 to omit any required provision or clause.

(b) The contracting officer also needs an approved deviation to modify the language of a provision or clause mandated by statute *(e.g.*, FAR 52.215-2, Audit and Records—Negotiation). The authorizing statute must allow for a waiver.

(c) Certain clauses required by non-GSA regulations require approval of the issuing agency before the contracting officer can delete or modify them. For example, FARs 52.222-26, Equal Opportunity; 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era; and 52.222-36, Affirmative Action for Workers with Disabilities, require the approval of the Department of Labor's Office of Federal Contract Compliance Programs before they can be deleted from or modified in the SFO or lease.

Subpart 570.8 - Forms

570.801 Standard forms.

Use Standard Form 2, U.S. Government Lease for Real Property, to award leases unless the contracting officer uses GSA Form 3626 (see 570.802).

In accordance with 519.705-6(b), lessors shall use the Standard Form (SF) 294 instead of the ISR to report subcontracting achievements. Use of the SF-294 by contractors to report cumulative subcontracting achievement under a GSA contract should be rare. SSRs are still required in the eSRS system.

570.802 GSA forms.

(a) The contracting officer may use GSA Form 3626, U.S. Government Lease for Real Property (Short Form), to award leases if using the simplified leasing procedures in Subpart 570.2 or if the contracting officer determines it advantageous to use the form.

(b) The contracting officer may use GSA Form 1364, Proposal To Lease Space, to obtain offers from prospective offerors.

(c) The contracting officer may use GSA Form 1217, Lessor's Annual Cost Statement, to obtain pricing information regarding offered services and lease commissions.