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MEMORANDUM FOR ALL REAL PROPERTY LEASING ACTIVITIES  
(PX DISTRIBUTION LIST)

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SUBJECT: Initial Cataloging of Lease Files  
(Augments PX-2001-05, Lease File Secure Storage)

1. Purpose. This realty services letter transmits a recommended process to initially catalog awarded leases and augments a previously recommended secure lease file repository procedure.
2. Background.
  - a. GSA's Office of the Inspector General's Real Property Audit Office (JA-R) prepared an audit of PBS Lease Oversight Practices, Report Number A030104/P/R/R04003. The Regional Inspector General for Auditing transmitted this report to the PBS Commissioner on January 6, 2004.
  - b. JA-R "evaluated whether.... Controls over access to the lease files were sufficient..." JA-R referred to a December 21, 2001 Realty Services Letter (PX-2001-05) which recommended "...the regional real estate director or designee must provide common, secure, accessible file storage, and that hard-copy lease files should be centrally located and secured." In their review of 4 regions, they encountered difficulties in finding files even though some regions had set up secure libraries with on-site custodians. *They concluded that the missing file problem primarily results from the difficulty of initially acquiring files for input into the tracking system.*
  - c. JA-R recognizes that a future on-line lease system will mitigate this problem; however, the missing hard copy files are still of concern since they are the official file containing the source documents that would be needed in the event of potential lease or legal disputes. There is also a security component to the missing files. PBS issued GSA Order PBS 3490.1 addressing the security of paper and electronic building information on March 8, 2002. The objective of this order was to reduce exposure to threats in GSA controlled space by limiting access to such information to those with a legitimate need to know. A secure lease library reduces security risks to the files.

- d. JA-R recommended “strengthening the sufficiency and accuracy of lease information by furnishing all official lease files to Regional Lease Libraries for initial cataloging ...” PBS management agreed with the recommendation.
3. Effective Date/Expiration Date. These instructions are effective immediately on or after the date of issuance and will expire 12 months from the date of issuance, unless extended.
4. Cancellation. None.
5. Applicability. All real property leasing activities.
6. Instructions/Procedures.
  - a. Regions shall institute a practice that will more closely monitor awards of new leases to ensure that they are logged into their lease libraries and kept in a secure location as described below.
  - b. A number of regions have sophisticated tracking systems and secure, controlled lease libraries. Most of these also scan the lease documents so that realty specialists have electronic copies of the leases for post-award activities, and the original lease file is secured and available in the event of protests or legal disputes.
  - c. For those regions that do not utilize database management and lease scanning, it is recommended that at a minimum the region generate a STAR report on a monthly basis and compare new lease awards against a library database and/or the library’s manual lease log. A person should be designated and assigned the responsibility to contact the realty specialist managing the project to obtain the lease file, log it into the automated or manual log, and either scan the lease and file it, or indicate on the log the lease file number, date, associate and phone number, and expected date of return. If a lease is out of the secure library or file cabinets for longer than 30 days, that designated person should be responsible to verify that the log-out information is still accurate and update the expected date of return and file-holder name if needed.
  - d. Refer to PX-2001-05, Lease File Secure Storage, for further requirements regarding securing the lease files. If a separate secure lease library room is not being provided, at a minimum, the lease files should be placed in lockable file cabinets with access limited to those who are responsible for controlling the lease files.
  - e. Recognizing that there are limits to available secure storage space, whether in a separate room or in cabinets, it is further recommended that pre-award files be filed in alternate locations within the building or at another accessible location. We further recommend that TAB 6 of the pre-award files be kept with the lease files in the event the record of the intent of the parties needs to be researched during the term of the lease.