



Date : JAN 20 1982
Reply to : Office of Space Management - PR
Attn of : Office of Finance - BC

PR-82-04

Subject: Rental Payments During Holdover Tenancy

To : All Regional Administrators, GSA

This supersedes the memorandum of September 29, 1981, concerning rental payments for leases in holdover status. It is our policy, where the Federal Government occupies space after expiration of a lease and prior to execution of a succeeding lease, to continue monthly rental payments at the rate stated in the expired lease.

The lease contract for all prospectus level cases in holdover status resulting from delays in congressional approval will be processed in accordance with the requirements of PBS P 1600.1A. This will include legal review, the lessor's signature of the negotiated lease contract, and approval of the Office of Contracts and the Office of Acquisition Policy, as required. The GSA Contracting Officer may execute the lease prior to prospectus approval if the following clause is included in the contract:

"The Lessor and the Government agree that this lease is upon condition that if the lease is not approved by congressional resolutions as provided by 40 U.S.C. 606, this lease shall be void and of no effect, and in such event the rental rate recited in the lease shall be in full restitution for the use of the premises by the Government and the services performed by the Lessor during the period of occupancy by the Government; but if the prospectus is approved by Congress this lease shall be and remain in full force and effect. The Government agrees to diligently seek approval of this prospectus".

For all holdover leases, rental payments will be increased to the new negotiated amount retroactive to the effective date of the contract only after execution of a succeeding lease by the Government. Questions relating to this policy may be directed to Hilary Peoples (PR) (8-566-0638) or Mr. Dave Hollar (BC) (8-566-1260).

RAYMOND A. FONTAINE
Assistant Administrator
for Plans, Programs and
Financial Management

RICHARD O. HAASE
Commissioner
Public Buildings Service

- cc: All Assistant Regional Administrators for Administration
- All Regional Directors, Finance Division
- All Assistant Regional Administrators, PBS
- All Regional Directors, SMD
- Assistant Regional Administrator for Real Property, PBS - 3P
- Assistant Regional Administrator for Contracts, PBS - 3V