

For: MSD and State Offices

Rental Payments to Lessors When Closing and Consolidating Offices

Approved by: Acting Deputy Administrator, Management



1 Lease Rental Payments

A Background

Secretary Vilsack’s initiative, “Blueprint for Stronger Service”, announced on January 9, 2012, that FSA would be closing and consolidating office operations to modernize and transform the Department into a more efficient service organization. The closings and consolidations affected locations across the country. The work entailed in consolidating some offices and closing others, identified the need to reiterate the importance of ensuring the continuity of rental payments to lessors.

B Purpose

This notice serves as a reminder to FSA State real property leasing officers (RPLO’s) and administrative officers of the rental payment process to follow when the lead Agency responsibilities are being transferred.

C Contact Information

State Offices that require additional information may contact either of the following:

- Ernestine Johnson, MSD, by either of the following:
 - e-mail to ernestine.johnson@stl.usda.gov
 - telephone at 314-457-5697

- Morrell Jordan, MSD, by either of the following:
 - e-mail to morrell.jordan@wdc.usda.gov
 - telephone at 202-205-7832.

Disposal Date

May 1, 2013
10-25-12

Distribution

MSD and State Offices

1 Lease Rental Payments (Continued)

D General Information

When terminating a lease, in whole or in part as a result of FSA closing or consolidating an office as the lead Agency, the rental payment to the lessor will continue until the Agency is assuming the lead has completed the appropriate actions to begin rental payments to the lessor.

According to clarification received from OGC, the vacating lead Agency **must** adhere to the terms and conditions of the lease until the lease is transferred to a new lease contracting officer.

RPLO's will coordinate all dates of the transfer with the remaining Agency is assuming the lead to ensure that the lessor continues to receive rent throughout the transfer process. If applicable where FSA is the lead, FSA will bill the new lead Agency for the amount that FSA overpaid the lessor through a reimbursable agreement.

If there are leases with mitigating circumstances, such as pending foreclosure, etc., and RPLO deems that rental payments need to be suspended or stopped, RPLO **must** consult with the State Office, FSA National Leasing Office Policy Team, and OGC **before** proceeding.