



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RELEASED

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OFFICE OF GENERAL COUNSEL

IN REPLY
REFER TO:

B-193345

November 8, 1978

San Antonio, Texas 78209

Dear

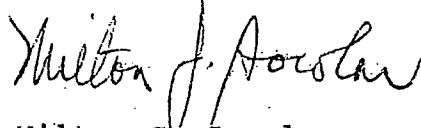
We refer to your your letter of October 24, 1978 regarding the possible renegotiation of a lease agreement between the Triple Bar Company and the Postal Service because of your claim that increased taxes and inflation have resulted in expenses exceeding the amount of rent you now receive from the Postal Service.

Since you did not furnish us with a copy of the lease, we assume from the letter that the lease in question does not contain an escalation provision allowing adjustment of rent to meet increased expenses. As a general proposition, without such a provision, a Government official may not renegotiate a lease agreement in order to pay a higher rent than is provided for in the agreement, without some further consideration flowing to the Government. This Office has consistently held that no officer or employee of the Government may modify an existing Government contract in favor of the other party, or surrender or waive vested contract rights, absent a compensating benefit to the Government. B-169004, March 6, 1970; 40 Comp. Gen. 309 (1960).

In this regard, any possible modification of the lease providing some benefit to the Government to support an increase in the rental rate is a matter for consideration between your firm and the Postal Service. B-169004, April 12, 1973. Moreover, we wish to point out that because the Postal Service is not

subject to the settlement authority of this Office,
we do not consider matters involving Postal Service
contracts or claims arising under such contracts.
Contract Master Services, Inc., B-188506, March 14,
1977, 77-1 CPD 188.

Sincerely yours,



Milton J. Socolar
General Counsel

cc: The Honorable Benjamin F. Bailar
Postmaster General