

BOARD MEETING DATE: NOVEMBER 13, 2017

SUBJECT: PROCUREMENT APPROVAL REQUEST

PREPARED BY: BRIAN BRAUN, CFO

Proposed Action:

Board Approval to enter in to an office space lease to accommodate the corporate, medical assistance and appeals staff.

Summary:

Requesting approval to enter in to a lease for approximately 21,230 square feet of office space. The current lease expires on March 31, 2018. C4HCO conducted an extensive office search starting in June 2017. The search included touring 18 properties. As the result of the search one property has been determined to best meet the ongoing needs of the organization. Some of the factors taken in to account in finalizing the decision included:

- Costs – including base rents, utilities, parking
- Location – maintain similar average overall commute time
- Amenities
- Amount of light in space and flexibility in design of space
- Ability to consolidate all operations on one floor
- Public and staff meeting space and parking availability

The period of the lease is 65 months and the total base lease cost is **estimated to be \$2,750,000 over the contract period.**

Staff Recommendation:

Staff recommends the approval of this lease.

Procurement Compliance:

Procurement Exceeds \$150,000 (Federal)/\$250,000 (non-Federal) threshold: Yes

Procurement/Business Initiative is necessary or advisable: Yes

Type of procurement vehicle: lease

Need for RFP,RFI,RFS or similar: Service of an outside broker was used to assist in inventorying the real estate market, touring properties and performing financial analysis. Bids were received on properties that best met the organization needs.

Funding Source:

Anticipate the use of general operating funds. There is a possibility of some costs being reimbursed through our cost allocation with HCPF.