

BOARD MEETING DATE: AUGUST 12, 2019

SUBJECT: PROCUREMENT APPROVAL REQUEST

PREPARED BY: BRIAN BRAUN, CFO

Proposed Action:

Board Approval to enter in to an office space lease to accommodate expansion of the customer service and technology staff.

Summary:

Requesting approval to enter in to a lease for approximately 3,229 square feet of office space on the 2nd floor (Suite 220) of the Metropoint office building. This space is needed to accommodate the additional staffing as approved in the fiscal year 2020 budget. The growth in staffing is primarily the result of 2 initiatives:

- Internalization of a portion of the service center operations to handle the more complex calls,
- Internalization of certain technology functions where development oversight and subject matter expertise is needed to be maintained internally.

In determining the space requirements, C4HCO evaluated our needs for the space in conjunction with initiatives to maximize the existing space in Suite 300 and the roll out of a remote worker and shared workspace program. Through these other initiatives, C4HCO was able to reduce the square footage needed to accommodate the increase in staffing.

The primary criteria used in selecting this space was proximity to the current office and cost. Multiple spaces were evaluated (both sublease and direct lease space). The Suite 220 space was selected given its close proximity to Suite 300, cost compared to other space in the building, the landlord's willingness to assist in the buildout of the space and the spaces ability to accommodate our expansion needs.

The period of the lease is 46 months (coterminous with existing Suite 300 lease). The total base lease cost is **estimated to be \$325,000 over the lease period**. The cost per employee for this additional space falls within the budgeted amount.

Staff Recommendation:

Staff recommends the approval of this lease.

Procurement Compliance:

Procurement Exceeds \$250,000 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.