



Kenai Peninsula Borough

Planning Department
Land Management Division
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MEMORANDUM

TO: Dale Bagley, Mayor

THRU: Mark Fowler, Purchasing and Contracting
P.O. Max Best, Planning Director
P.O. Paul C. Ostrander, Land Management Officer

FROM: *MA* Marcus A. Mueller, Land Management Agent

DATE: August 25, 2005

SUBJECT: Proposed Sole Source of CEDD Office Space Lease

Land Management is proposing to sole source the CEDD Office Space Lease through an extension of the existing lease at Red Diamond Center through 3 one-year renewals, given a one time 3% rental increase.

This sole source lease is in the best interest of the Kenai Peninsula Borough pursuant to KPB 5.28.280 and based on the following:

- The Borough has established a presence in providing services to the public at this location, which is accessible and convenient.
- The Borough has been satisfied with the office space and services received through the existing lease.
- The proposed one-time 3% rental increase, is a fair and reasonable adjustment.
- The original lease was procured through competitive procedures of KPB 05.28.
- The structure of the extension, being one year terms, provides the Borough with a certain amount of flexibility to discontinue the office space lease.
- Sole sourcing the lease to retain the borough's existing office space saves the Borough in moving expenses and related costs.
- The Borough could not reasonably expect any substantial savings in cost or resources by putting the lease out on the open market.
- The leased space is fully occupied and not in surplus.

A draft resolution to authorize the proposed lease extension has been prepared. Staff recommends that this resolution be introduced to the Assembly on September 6, 2005