

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #343 (2000-2001)

June 7, 2001

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: SOLE SOURCE PROCUREMENT: GENERAL OFFICE SPACE FOR
CURRICULUM AND INSTRUCTIONAL SUPPORT
DEPARTMENTS

PERTINENT FACTS:

On April 13, 2001, at a Special Board Meeting, the School Board acted on ASD Memorandum #269, to approve Rodney C. and Ronald K. Bradley, represented by Realty Executives; 6th and K Limited Partnership, represented by Bond Stephens & Johnson, Inc., and The Boniface Mall Group, represented by Pacific Tower Properties as lessors for general office space for the Curriculum and Instructional Support Departments.

During the month of May, lease agreements for 6th and K and Boniface Mall Group were finalized. Tenant improvement work is currently underway at both locations with the expectation of all work being completed by June 30, 2001. Tenant improvement consists of replacing carpet, painting walls, electrical wiring, cabling for local network, constructing walls, and installing doors. The district is in the process of soliciting competitive bids for relocation services to move existing offices into these new locations.

The District was not successful in finalizing a lease agreement with Rodney C. and Ronald K. Bradley for the Murray Bradley Building. The District provided notice of its intentions to award this portion to Mr. Bradley starting March 8th and following through with its intent to negotiate on March 30th; intent to award on April 3rd. The School Board approved the Administration's recommendation on April 13, 2001, ASD Memorandum #269 (2000-2001) and the Administration hand carried the proposed lease documents to the property manager on April 18, 2001. During negotiations, several issues were raised which were not satisfactorily resolved. On May 24, 2001, in the afternoon, the District received formal notice from the owner, Mr. Bradley, terminating negotiations with the District.

Concerned with this late development, the short window of obtaining suitable office space, the amount of available office space on the open market, and the fact

that the District's lease was due to expire in less than 6 weeks with Alyeska Pipeline Service Company, the District obtained an opinion from its legal firm, Jermain Dunnegan and Owens, P.C., as to whether or not the District could use Sole Source Procurement or Emergency Procurement procedures (School Board Policy 725.15) to obtain the necessary office space that it required. It was determined that Sole Source procedures were appropriate in this situation.

Through the District's agents, Schwamm & Frampton, LLC, an announcement was prepared and sent to real estate brokers within the Anchorage area. Several firms responded and provided Schwamm & Frampton, LLC, a listing of available properties that meet the District's needs. Of this listing, two properties were reviewed, selected and inspected. One property is located at Airport Business Park, 2000 W. International Airport Rd, and the other is the Emerald Building, at 615 E. 82nd Avenue. Of the two properties, the Emerald Building meets the District's criteria and requirements. This building, with tenant improvements completed, will be available on June 15, 2001, for occupancy.

The following is a comparison of costs of the Murray Bradley Building and Emerald Building:

Murray Bradley Building

| | |
|---------------------------------|--------------|
| SF Basement | 9,308SF |
| Tenant Improvement Allowance SF | \$5.00 |
| Rent P/SF | \$1.30 |
| Total Rent Amount / year | \$145,204.80 |

Emerald Building

| | |
|---------------------------------|--------------|
| SF 1 st Floor | 3,282SF |
| SF Basement | 7,200SF |
| Tenant Improvement Allowance SF | \$5.00 |
| Rent -1 st Floor | \$1.40 |
| Rent - Basement | \$1.25 |
| Total Rent Amount / year | \$163,519.20 |

Total Amount authorized by ASD Memorandum #269 (2000-2001): \$1,171,905

Total Amount per Facilities:

| | |
|-----------------------------------|-----------------------|
| Emerald Building | \$163,519.20 |
| Boniface Mall | \$371,131.20 |
| 6 th & K (Legal Bldg) | \$386,400.00 |
| Alyeska Bldg (Basement- Annex) | \$120,600.00 |
| | \$1,041,650.40 |

Annual Rent Savings

Below Approved Amount: (\$1,171,905.00 - \$1,041,650.40) = **\$130,254.60**

CC/GV/BH

Prepared by : Bob Henry, Director, Purchasing/Warehouse

Approved by: George Vakalis, Assistant Superintendent, Support Services