

Agenda Item: 13.a.

MEMORANDUM

TO: Programs, Projects and Operations Subcommittee

SUBJECT: Review and Recommendation on NRCS Lease Agreement for Washington County Service Center

DATE: May 6, 2010

FROM: Ralph Puls, Land and Water Programs Coordinator

The District was notified by the NRCS on May 3, 2010 that the lease proposal submitted by the District for the Blair Natural Resources Center had been approved. An agreement was included for the District's approval and signature. The basics of the lease agreement are the same as was presented to the Board at their March 12, 2010 meeting. The District would lease to the NRCS 4,275 square feet of space at a rate of \$17 per square foot with utilities and maintenance included for a period of ten years. The NRCS required that the Agreement be signed and returned by May 7, 2010. Since this is before the Directors May 14, Board Meeting the NRCS was notified that it was not possible for the Board to approve the agreement until they had considered it the May 14, 2010 Board of Directors Meeting.

The NRCS was also advised some requirements stated in the agreement were not possible primarily because of Board Policies. The NRCS required that a contract for construction be awarded much sooner than the District's policy for solicitation of formal sealed bids. The agreement calls for the facility to be ready for occupancy on November 1, 2010. This completion date is also not possible given the time required to advertise for bids and award a construction contract and the time required for construction.

Staff has developed a proposed schedule that calls for a contract to be awarded and the contractor be given a Notice To Proceed on September 1, 2010. The District's architects for this project advise that a realistic time for construction is 9 to 10 months, which would result in a completion date of approximately June 1, 2011. (A copy of the Schedule proposed by the District is attached.)

There are questions about security requirements for the facility that were included in the letter sent to NRCS. NRCS was advised that any extensive changes in the facility design that would result in additional costs would be costs that the NRCS should bear. It was proposed that the NRCS approve less costly and easily achieved security measures such as an adequate setback distance from the building to the parking lots.

The requirements noted above would have been raised with the NRCS following their review of the District's offer, but the District was not given the opportunity to negotiate any issues it had. The opportunity to negotiate was part of the process involved in coming to an agreement. This was noted in our response to the NRCS.

At this time we await word from NRCS and are optimistic that these issues will be resolved, because the proposal made by the District is realistic and achievable. In the event the issues are resolved to the District's satisfaction, the lease would be essentially the same as what was submitted to the NRCS originally.

Management recommends that the PPO Subcommittee recommend to the Board that the General Manager be authorized to execute the proposed lease with USDA/NRCS for office space in the Washington County Service Center in Blair, subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.

May 5, 2010

Proposed Schedule
For
Blair Natural Resources Center

- May 11, 2010 – PPO Subcommittee makes recommendation to the Board of Directors to proceed with Bidding Phase.
- May 13, 2010 – Board of Directors meeting – Formal action on PPO Subcommittee recommendation
- July 2, 2010 – Submit advertisement to Omaha World-Herald and “plan houses” soliciting formal sealed bids for Natural Resources Center (NRC)
- July 8 & 15, 2010 – Advertisements Soliciting Sealed Bids for NRC
- July 22, 2010 – Contractor Site Showing (10:00 am)
- July 29, 2010 – (10:00 am) Deadline for Receipt of Formal Sealed Bids, and Public Bid opening at P-MRNRD Office
- August 10, 2010 – PPO Subcommittee Meeting to Review Bids and make recommendation to Board
- August 12, 2010 – Board of Directors Meeting – Formal action on PPO Subcommittee recommendation
- September 1, 2010 – Construction Contract Approved/Notice to Proceed Issued
- June 1, 2011 – Building completed and available for occupancy