

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 10, 2010

Board Item V-A-16

**ADDITIONAL FUNDS FOR  
SUBLEASE OF OFFICE SPACE FOR THE CIS PROJECT  
CONTRACT 11252A**

Action by Consent

Action

Information

The CIS Implementation Project began on January, 2008 and has continued for approximately 30 months. During this time, a group of approximate 25 people have been working full time on this project. This number has increase to 40 or more at peak times. Denver Water has been subleasing property at 650 South Cherry Street to meet the office and training room needs of the CIS employees.

In September 2007, the Board authorized a sublease contract with Prestige Capital Funding, Inc. at the cost of \$384,435.18 in base rent, with a provision that the Board will be responsible for additional charges for excess utility consumption and base operating expenses. At that time the utility and operating expenses were estimated at approximately \$55,000.00 to bring the total contract authorization approved by the Board to \$440,000.00. Over 2008 and 2009, the operating expenses have increased and CIS employees worked a number of weekend days which considerably increased the excess utility consumption charges from the original estimate. Final projections indicate that the excess utility and operation expenses will total approximately \$125,000.00 to bring the necessary total contract authorization to \$510,000.00.

The cost for renting project space, including the increased operating and utility expenses has been included in the project budget MPC 3HN0015.

**RECOMMENDATION**

It is recommended the Board approve the additional expenditures of \$60,000.00 to Prestige Capital Funding, Inc., not to exceed \$510,000.00 for Agreement 11252A, over the lease period expiring June 30, 2010.

**Budget Considerations**

Master Plan Code(s): 3HN0015

- Budgeted Item ○ Unbudgeted Item ○ Funds transferred from another project:

**Budget Information**

2010 Budget	\$1,570,000.00
Amount Requested This Item	\$60,000.00
YTD Expenditures	\$109,149.00
Additional Expenditures Anticipated	\$1,400,851.00
Revised 2010 Estimate	\$1,570,000.00
Variance Required	\$0.00

Approvals:

Robert J. Mahoney  
Director of Engineering

Chris Dermody  
Director of Information Technology

for Manager Approval  
MS Barry

Patti Wells, General Counsel