



C H A B O T - L A S P O S I T A S

| *Community College District*

# Project Construction Delivery Models

Board of Trustees Meeting – October 15, 2019

# Project Delivery Methods

- Design – Bid – Build
  - CM at Risk
  - CM Multi Prime
- Design – Build (Progressive)
- Lease - Leaseback



# Project Delivery Methods - Risk

	Design – Bid – Build	Design-Build	Lease- Leaseback
Ability to meet Budget Goals	Unpredictable	Best	Best
Ability to meet Schedule Goals	Unpredictable	Best	Best
Potential Litigation	Variable to high	Low	Low
Safety During Construction	Varied	Better/Best	Better/Best



# Project Delivery Methods - Outcomes

	Design – Bid – Build	Design-Build	Lease- Leaseback
Initial Cost	Low	Higher	Higher
Change Orders	High	Moderate	Low to None
Final Cost	Often Higher than Initial	Moderate	Close to Initial Cost
Quality of Finished Product	Varies	Typically Higher	Typically Higher



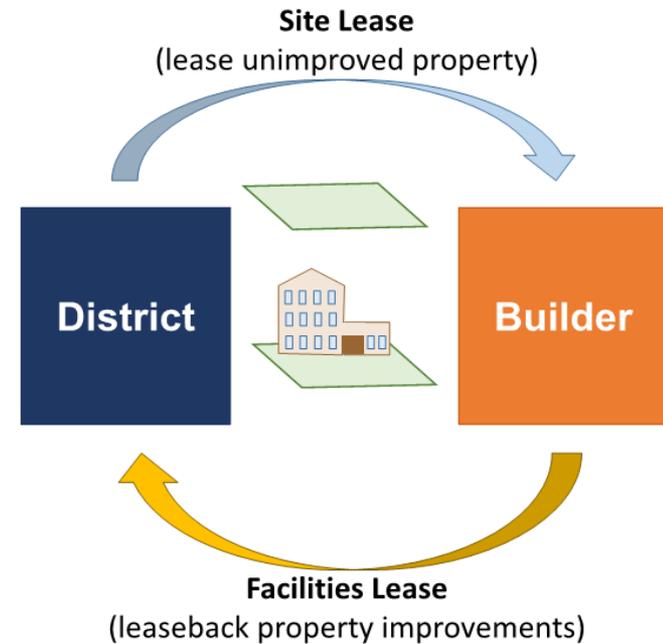
# Project Delivery Methods - Experience

	Design – Bid – Build	Design-Build	Lease-Leaseback
Campus Experience	Unpredictable	Better	Typically Very Good
Staff Experience	Unpredictable	Better	Typically Very Good
Overall Experience	Unpredictable	Better	Typically Very Good
Board Involvement	Low	Moderate	High



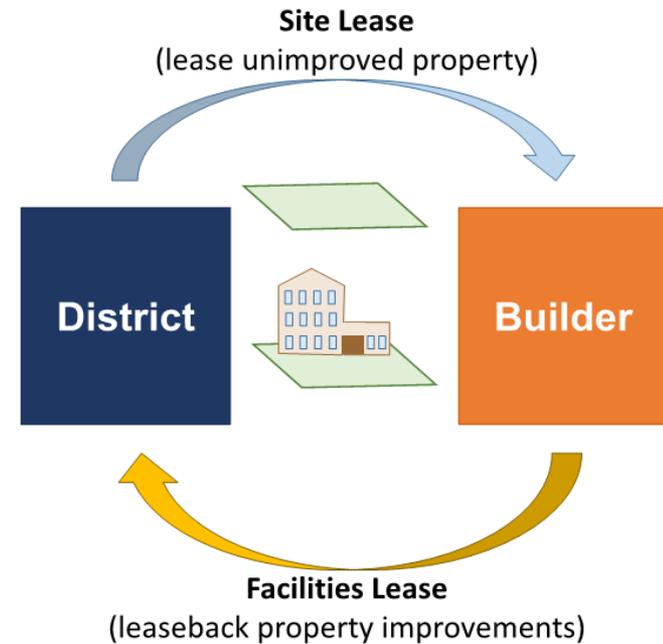
# Project Delivery Methods – Lease Leaseback Process

- District leases property to Builder (Site Lease).
- Builder constructs District defined facility.
- Builder “leases back” completed project to District (Facilities Lease).



# Project Delivery Methods – Lease Leaseback Process

- Site Lease –
  - Terminates when facilities lease terminates
- Facilities Lease –
  - May include preconstruction services
  - When District occupies, Builder leases back to District
  - Once final lease payment is made, lease terminate & revert back to District



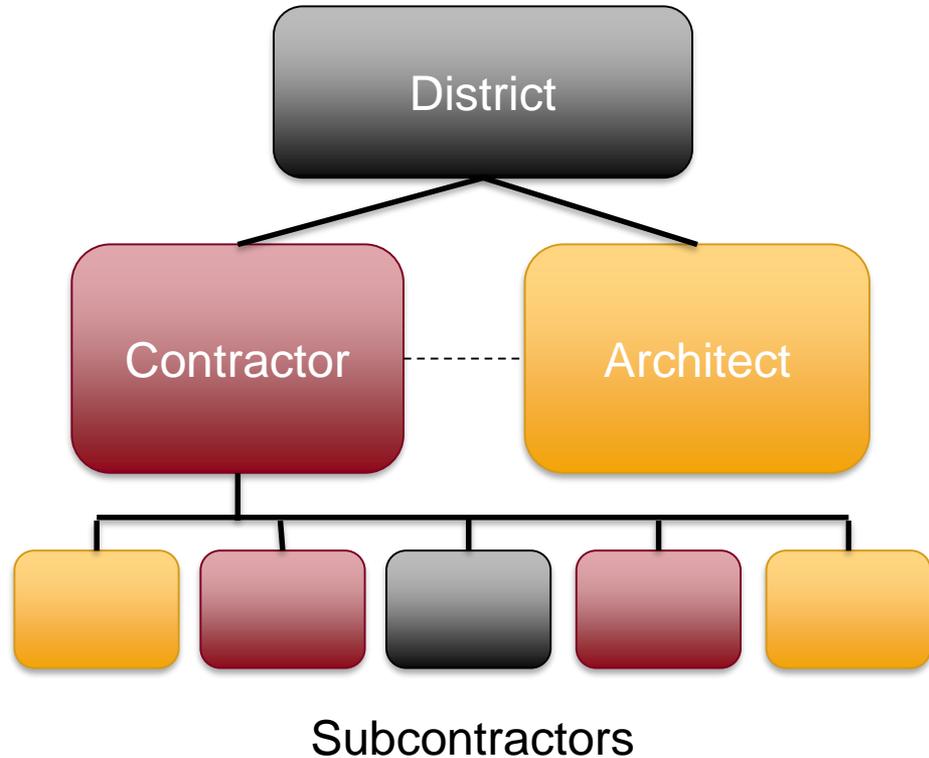
# Project Delivery Methods – Lease Leaseback Education Code

- **Section 81335**
  - The governing board of a School District, may let, for a minimum rental of one dollar per year, to any person, firm or corporation any real property that belongs to the district if the instrument by which such property is let requires the lessee therein to construction on the demised premises....



# Project Delivery Methods – Lease Leaseback Relationships

- District contracts directly with Architect via RFQ
- District contracts directly with General Contractor via RFQ
- Contractor performs pre-construction services
- Contractor bids/holds contracts with subcontractors



# Project Delivery Methods – Lease Leaseback in 2019/2020

- Must contain Lease occupancy period
  - Benefits District for M&O staff training and completion of user requests after occupancy
- Must contain lease payment schedule
  - Lease period length determined by the District
  - Contractor to provide services to the District during lease period



# Project Delivery Methods – Lease Leaseback in 2019/2020

- General Obligation Bond and Tax Counsel have revised requirements as follows:
  - Turnkey Contract
  - Payment Contemporaneous with Availability
  - District has right to re-enter/terminate lease
  - District named as additional insured
  - Set Price for building and improvements



# Project Delivery Methods – Lease Leaseback in 2019/2020

- SB 683 (PCC Section 2602(a)) requires best value contracts to require Skilled and Trained Workforce Requirements
  - District may enter into PLA that binds all contractors and subcontractors performing work on the project



# College District's Using LLB

Ohlone College

Academic Core Buildings

Athletic Fields

San Jose Evergreen CCD

South Campus Dev.

Automotive Tech Building

Foothill DeAnza CCD

Sunnyvale Center

Physical Science &  
Engineering Complex

CLPCCD – District Office

Third Floor Renovation

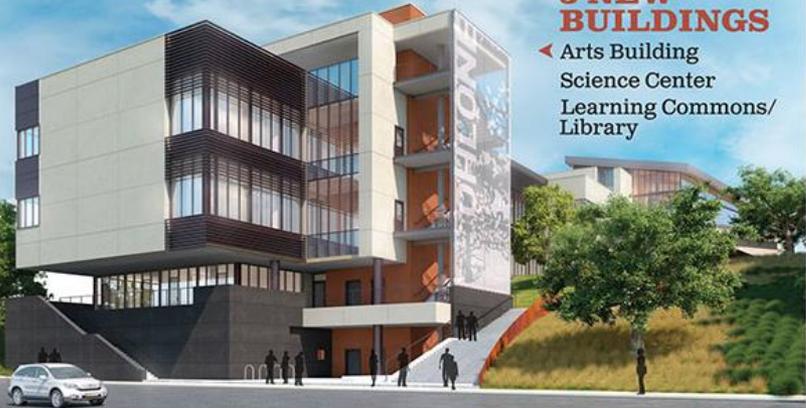
## OHLONE Academic Core Buildings

College

OPEN IN 2019

**3 NEW  
BUILDINGS**

- ◀ Arts Building
- Science Center
- Learning Commons/  
Library



# K-12 Districts using LLB delivery

Pleasanton USD

Lydiksen Elementary

Freemont USD

Centerville Middle School

Livermore Valley USD

Mitchell K-8

Livermore High Aquatics

San Leandro USD

San Leandro High (2014)



# Project Delivery Methods – Lease Leaseback in 2019/2020

## Risk

Builder takes on responsibilities and therefore has additional motivation

## Outcomes

Timely Delivery, Price Evaluation

## Experience

Qualification based selection

Current Construction Industry Climate



# Project Delivery Methods – Lease Leaseback in 2019/2020

- **Chabot College**
  - Library & Learning Connection
- **Las Positas College**
  - Academic Support & Offices
  - Public Safety Complex/Advanced Manufacturing Technology



# Next Steps

- Board validates project delivery options
  - RFQ/RFP process
  - Preconstruction services agreement
  - Guaranteed Maximum Price (GMP)
  - Lease Agreements
- Plans are Flexible/Living Documents

