



North Monterey County Unified School District
Board of Education Presentation

CONSTRUCTION DELIVERY METHODS FOR FUTURE FACILITY IMPROVEMENTS

2/25/2016

Presented by: Rick Diaz
Bond Program Manager

Construction Delivery Method Options For Consideration



- **Design, Bid, Build**
- **Lease Leaseback**

Design, Bid, Build

➤ **Characteristics**

- Detailed plans and specifications prepared in advance of bidding
- Contractor bids on completed construction documents
- Price-based contractor selection
- Publicly funded projects governed by Public Contract Code
- Most successfully used with Agency CM for large/complex projects Course objective 1

➤ **Application**

- Traditional public sector delivery
- Prescriptive scope requirements
- Widely understood methodology

Lease-Leaseback

➤ **Characteristics**

- Similar to a builder-developer delivery
- Owner leases property for \$1 /year – Builder-developer delivers project & leases back the improvements to the district

➤ **Application**

- K-12 - Ed Code Section 17406 which allows districts to select a contractor through a qualification process

Lease-Leaseback

➤ **Benefits**

- Increased control over subcontractor selection
- Flexible project financing options
- Cost containment through establishing a Guaranteed Maximum Price (GMP)
- Reduces owner's financial risk exposure

Lease-Leaseback

➤ Important Concepts

- Delivery method— not widely understood by the public
- Misconception that project is not competitively bid
- More time required developer selection process

Where is NMCUSD in this Process?

➤ **HS Library Media Center Project**

- Used the Design Bid Build method (routine project not complex in scope)

■ **HS Gym Bleachers & Restroom Project**

- Will recommend the Design Bid Build method (routine project not complex in scope)

■ **HS Track and Field**

- Will recommend the Lease-Leaseback method (project is more complex and unique, so hiring a qualified contractor with strong track & field expertise is extremely important)

What are the Next Steps for Lease-Leaseback?

➤ **Request for Qualifications**

- The RFQ process was completed in May 2015

■ **Contractor Interviews**

- Contractor panel interviews were held in May 2015

■ **Contractor Recommendation**

- Next step is to bring recommended contractor forward for board approval to negotiate terms of an agreement (March 2016)

What are the Next Steps for Lease-Leaseback?

➤ Final Steps

- Once county and DSA approvals are received, will bring forward the formal lease-leaseback agreement and establish a timeline for project completion
- The goal is to break ground in June/July 2016

Questions/Discussions

Thank You