

Board of Trustees Agenda Item

Board Meeting Date: February 1, 2010

Title of Item: Lease Leaseback Construction Procurement Process for Large Capital Projects

Background and Analysis:

Information briefings were provided to the Board on December 7, 2009 and January 19, 2010 concerning the use of a Lease Leaseback construction procurement process for the upcoming Physical Sciences and Engineering Center at Foothill College and the Mediated Learning Center at De Anza College. These briefings included a discussion of the legal aspects of the process as well as likely risks and benefits associated with construction of these two new facilities using the authority provided under education code section 81335.

If approved by the Board, separate procurement actions will be initiated as allowed under education code section 81335 for each of the following projects:

- Physical Sciences and Engineering Center at Foothill College
- Mediated Learning Center at De Anza College

The Board will be requested to review and approve multiple key decisions and actions in the procurement process in the coming months. Target dates for key actions associated with the Physical Sciences and Engineering Center at Foothill College are as follows:

- May 2010; Approval of the Lease Leaseback contractor
- May 2010; Approval of a pre-construction agreement for the Lease Leaseback contractor
- September 2010; Approval of a site and facilities lease agreement with the Lease Leaseback contractor including a guaranteed maximum price for construction.

The procurement process for the Mediated Learning Center will be consistent with the process for the Physical Sciences and Engineering Center and will include the same key decision / Board approval steps. The timing for the Mediated Learning Center process is anticipated to be slightly different, behind or ahead, of the process for the Physical Sciences and Engineering Center.

Recommendation: Interim Chancellor Mike Brandy recommends that the Board approve the initiation of a construction procurement process under the Lease Leaseback provision of Education Code section 81335 for the Physical Sciences and Engineering Center at Foothill College and the Mediated Learning Center at De Anza College subject to the subsequent Board approvals as noted.

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Is backup provided?	No