

Board of Trustees Agenda Item

Board Meeting Date: February 6, 2012

Title of Item: Lease-Leaseback Construction Procurement Process for the Foothill-De Anza Educational Center

Background and Analysis:

At the August 8, 2011 meeting, the Board of Trustees announced the Onizuka Air Force Station as its preferred site as a permanent home for an Educational Center. The Educational Center is the type of project that is appropriate for use of the Lease- Leaseback delivery method. The project is funded by Measure C project #801, Property Acquisition, with a total project budget of \$38,000,000.

Information was provided to the Board of Trustees on December 7, 2009 and January 19, 2010 concerning the use of a Lease-Leaseback construction procurement process for Measure C projects. The information included a discussion of the legal aspects of the process as well as the likely risks and benefits associated with construction using the authority provided under the Education Code section 81335. On August 31, 2010, a default judgment was issued by the Santa Clara County Superior Court which confirmed the validity of the use of this procurement process. Since that time the Board has approved the use of Lease-Leaseback procurement for three projects: the Mediated Learning Center, the Physical Sciences & Engineering Center, and the District Data Center.

The procurement process for this project will be consistent with the process used for previously-approved projects, and it will include the same key decision/Board approval steps. The Board will be requested to review and approve key decisions and actions in the procurement process over a period of time. Target dates for key actions associated with the project are as follows:

- July, 2012 - Approval of the Lease-Leaseback contractor based upon a Request for Qualifications and Request for Proposals process
- July, 2012 - Award of a pre-construction services agreement for the Lease- Leaseback contractor
- Fall, 2012 - Approval of a Site Lease and a Facilities Lease with the Lease- Leaseback contractor including a guaranteed maximum price for site demolition, subject to the District's receipt of clear title to the Onizuka Air Station site
- Fall, 2013 – Approval of amendments to the Site Lease and Facilities Lease after approval of the project by the Division of the State Architect to include a guaranteed maximum price for construction of the Educational Center

Recommendation: The Executive Director of Facilities, Operations, and Construction Management recommends that the Board approve the initiation of a construction procurement process under the Lease-Leaseback provision of Education Code section 81335 for the Educational Center project subject to the subsequent Board approvals as noted.

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Is backup provided?	No