



Huntington Beach City School District



Board Presentation –
Alternative Construction Delivery

3/7/17

Construction Delivery Methods Available to Public Schools:

- **Traditional Delivery Method:**
 - Design - Bid - Build

(w/ or w/o prequalification)
- **Alternative Delivery Methods:**
 - Lease – Lease Back
 - CM at Risk / Multi-Prime
 - Design - Build



TRADITIONAL DELIVERY METHOD



Design - Bid – Build (DBB)

- **Architect Designs the Project, Contractors Bid the Project and “Lowest Responsible Bidder” Builds the Project**

- **Pros**
 - Competitive, explicitly meets the public contract code

- **Cons**
 - No familiarity with the design
 - Not a “team” atmosphere
 - Often breeds change orders

- **Prequalification Requirements (2500 ADA+)**



TRADITIONAL DELIVERY METHOD



What are we trying to avoid?



ALTERNATIVE DELIVERY METHODS



Lease - Lease Back (LLB) - Ed Code 17406

- Contractor selected based on “qualifications” and is part of the Architect, Owner, Builder team traditionally through “pre-construction services” agreement

- **Pros**
 - Team Member from onset = partnership
 - Guaranteed Maximum Price
 - Great for complex modernization projects with unforeseen conditions
 - Reduced Risk/ Better Value (Time, Cost, Quality)

- **Cons**
 - Perceived as not as competitive (more cost up front)
 - Legal challenges arising from Davis v. Fresno USD ruling in 2015 and recent legislation (AB 566, AB 2316)

CM (Construction Manger) at Risk/ Multi Prime

- Contractor also selected on “qualifications” and manages owner risk typically through multiple prime contracts

- **Pros**
 - Team Member from onset = partnership

- **Cons**
 - Perceived as not as competitive (more cost up front)
 - Generally not as attractive for smaller scale projects of high complexity
 - Generally used on projects exceeding \$10M

Design – Build (DB)

- **Contractor carries the prime contract and hires team of architect and engineers to complete the work**

- **Pros**
 - Team Member from onset = partnership
 - Guaranteed Maximum Price


- **Cons**
 - Generally used on projects that have more simple design parameters
 - Architect and Engineers one step removed from client

Recommendations for Huntington Beach CSD Projects:

- **Traditional Delivery Method:**

- Design - Bid - Build  Yes, if willing to take on risk... prequalification is necessary

- **Alternative Delivery Methods:**

- Lease – Lease Back  Yes, if willing to consider revised LLB terms

~~CM at Risk / Multi Prime~~

No, projects not large enough

~~Design - Build~~

No, projects not suitable for DB

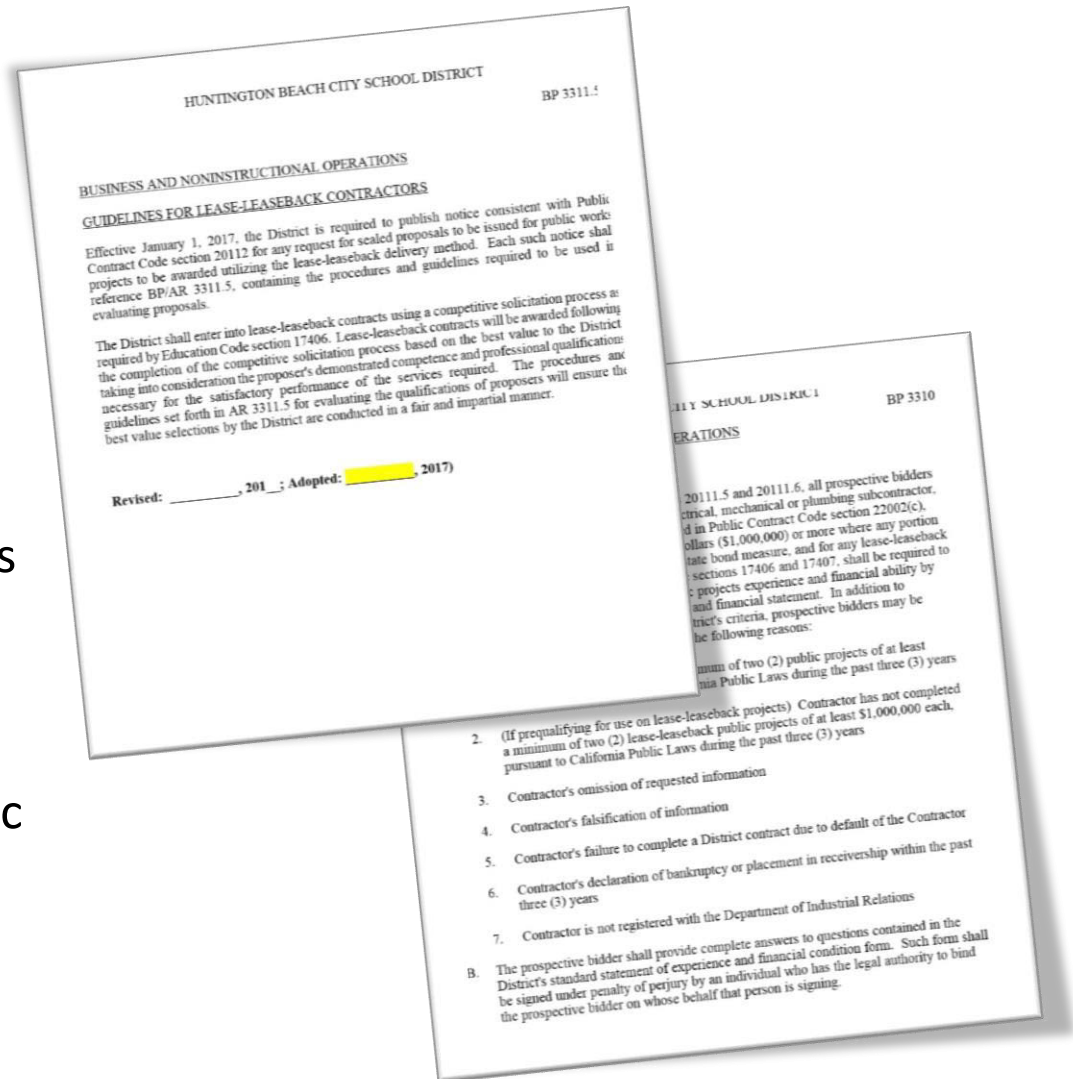
On January 1, 2017, new LLB legislation came into affect allowing for the use of “value-based” pre-construction services. Projects will still be required to meet AB 566 requirements for skilled and trained workforce.

RECOMMENDATIONS



Legal Requirements to Pursue LLB:

- **Adopt a LLB Board Policy – Parker & Covert** to supply guidelines
- **Prequalify General Contractors prior to LLB RFP** – allows District to select group of prequalified contractors based on “best value” scoring process
- **Issue LLB Request for Proposals and Select Contractor** – allows District to select optimum contractor for specific project and enter “pre construction services” with proposed costs and interview



QUESTIONS?



Questions for the Design Team?

