
Lease-Leaseback Policy 2-305

Scope:

This policy applies to District lease-leaseback procurement for school facilities projects and related preconstruction and construction services authorized by California Education Code section 17406 and other applicable law.

1. Generally

The Governing Board shall ensure that lease-leaseback procurement is conducted in a manner that:

- Promotes a fair, competitive, and impartial best value selection process;
- Ensures fiscal responsibility and value to the District over the life of the project;
- Complies with Education Code section 17406, applicable prequalification requirements, and other state and federal laws;
- Avoids conflicts of interest and improper influence; and
- Supports timely, high-quality delivery of District facilities.

2. Compliance with Law

All lease-leaseback instruments and related procurement activities shall comply with applicable law, including:

- Education Code section 17406 and related school facilities leasing requirements;
- Prequalification requirements applicable to lease-leaseback contractors and, when required by law, mechanical, electrical, and plumbing subcontractors;
- Conflict of interest, ethics, prevailing wage, and public contracting laws; and
- Any applicable funding, grant, and regulatory requirements.

Purpose

The purpose of this policy is to establish standards for the District's use of the lease-leaseback delivery method for school facilities projects, to ensure a fair and competitive best value selection process, promote transparency and fiscal accountability, and support lawful, efficient delivery of high-quality facilities in accordance with Education Code section 17406 and other applicable law.

Adopted on: September 1, 2026

Revised on: N/A

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3. Purchasing Authority

The Governing Board delegates to the Superintendent or designee the authority to administer the lease-leaseback procurement process, including to:

- Prepare requests for sealed proposals and related procurement documents;
- Conduct evaluations consistent with Board-adopted best value procedures;
- Recommend award of lease-leaseback instruments and related agreements to the Governing Board.

Final approval of any lease-leaseback site lease, facilities lease, construction services agreement, preconstruction services agreement, or related amendment requiring Board action shall remain with the Governing Board.

4. Competitive Bidding Requirements:

Lease-leaseback instruments shall be awarded through a competitive solicitation process based on best value to the District, taking into consideration the proposer's demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required.

Before awarding a lease-leaseback instrument, the Governing Board shall adopt and publish procedures and guidelines for evaluating proposers to ensure that best value selections are conducted in a fair and impartial manner.

The District's lease-leaseback procurement process shall include, at a minimum:

- A request for sealed proposals from qualified proposers that describes the project, required services, proposal format, evaluation criteria, and schedule;
- Prequalification of proposers and any subcontractors required by law to be prequalified before submission of proposals; and

The District shall publicly announce the selected proposer and make the basis for the best value selection available as required by law.

5. Contract Approval

Contracts requiring Governing Board approval shall be reviewed and approved in a public meeting in accordance with applicable laws and Board procedures.

Contracts executed on behalf of the District shall be legally binding only when authorized in accordance with this policy and applicable law.

Administrative Regulations

1. General Administration

The Superintendent or designee shall develop and implement administrative procedures for lease-leaseback procurement that ensure compliance with Board policy, Education Code section 17406, and other applicable law.

Administrative procedures shall address project planning, use of preconstruction services, coordination of site lease and facilities lease documents, internal review, and documentation of the District's best value procurement process.

2. Purchasing Authority and Approval

The Superintendent or designee shall establish procedures that define:

- Responsibility for preparation and advertisement of requests for sealed proposals;
- Evaluation committee procedures, scoring methodology, and documentation of best value determinations; and
- Requirements for legal review, financial review, Board approval, and retention of procurement records.

All lease-leaseback instruments and related agreements shall be approved and executed only by individuals authorized to do so.

3. Competitive Procurement

The lease-leaseback procurement process shall utilize a competitive best value solicitation. Requests for sealed proposals shall, at a minimum, include an estimate of project price, a clear description of the facilities to be constructed and any required preconstruction services, the material terms of the proposed instrument, the proposal format, evaluation standards, the due date for proposals, and the anticipated review schedule.

- Public advertisement of the request for sealed proposals in the manner required by law;
- Prequalification of proposers, and of subcontractors if required by law, before submission of proposals; and

- Evaluation and selection based on the published best value criteria.

Best value criteria may be tailored to the specific project, but should be objective, published in advance, and reasonably related to the proposer's ability to successfully deliver the project. Suggested criteria may include:

- o Proposed price, fee structure, and overall value to the District;
- o Demonstrated experience with lease-leaseback or comparable K-12 public works projects, including experience delivering projects on occupied campuses;
- o Qualifications, availability, and relevant experience of the proposer's key personnel and project team;
- o Approach to preconstruction services, constructability review, cost control, and coordination with the District and design professionals;
- o Project schedule, phasing strategy, and ability to minimize disruption to school operations;
- o Safety record, quality control procedures, and claims history;
- o Financial strength, bonding capacity, and ability to support the lease-leaseback structure;
- o References and past performance on similar projects, including record of timely completion and responsiveness; and
- o Compliance with applicable labor, apprenticeship, skilled workforce, and prequalification requirements.

Procedures shall ensure that:

- All proposers are treated fairly and consistently;
- The published evaluation criteria are applied in a fair and impartial manner; and
- The award recommendation is supported by written documentation of the District's best value determination.

The District shall not use a lease-leaseback instrument to avoid otherwise applicable legal requirements and shall maintain records sufficient to demonstrate compliance with law and Board policy.