

Board of Supervisors/ School Board Joint Meeting December 20, 2010

1. Call to Order
2. Pledge of Allegiance/Moment of Silence
3. Roll Call
 - 3.1 Board of Supervisors
 - 3.2 Board of Education
4. Approval of Agenda
 - 4.1 Board of Supervisors
 - 4.2 Board of Education
5. Presentations
 - 5.1 PPEA
 - 5.2 Comprehensive
 - 5.3 Financing of the new schools
6. Board Comments and Questions
7. Adjournment
 - 7.1 Board of Supervisors
 - 7.2 Board of Education

Note: SBO Special Called Meeting (9:00 p.m.)
BOS Special Called Meeting (9:30 p.m.)



Board of Supervisors/ School Board Presentations Objectives

1. Discuss PPEA Process
 - a. Definition
 - b. Advantages
 - c. Disadvantages
 - d. Process elements
 - e. Flowchart
 - f. Next steps
2. Discuss Comprehensive Agreement
 - a. Definition
 - b. Timeframe
 - c. Requirements
3. Discuss Finance
 - a. VPSA bonds
 - b. QSCB funding
 - c. Literary loans
4. Question/Answers



Objective I: Discuss PPEA Process



Public-Private Education Facilities and Infrastructure Act (PPEA)

1. Definition

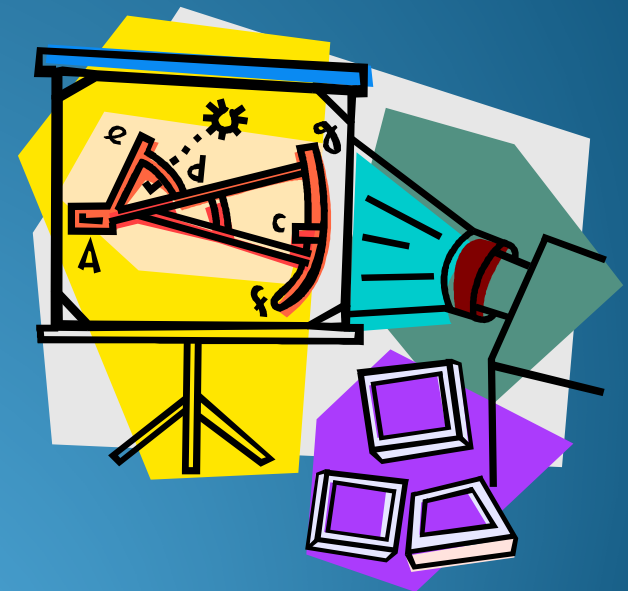
- a. Enacted into law in 2002
- b. Procurement method
- c. Designed to improve speed and reduce costs
- d. Qualify as an education facility

2. Advantages of PPEA

- a. Reduces procurement time
- b. Reduces construction costs
- c. Allows design/build concept
- d. Provides guaranteed maximum price
- e. Reduces owner's risk

3. Disadvantages of PPEA

- a. Is complicated process
- b. Can be rigid process
- c. Is not commonly utilized in our area



Primary Steps of the PPEA Process Solicited Proposals

1. SB and BOS adopts PPEA policy
2. SB issues a Request for Proposals (RFP)
3. SB receives and reviews proposals
4. SB determines if proposals:
 - a. Creates public benefit
 - b. Is fiscally advantageous
 - c. Meets the needs of SB
5. SB decides:
 - a. Proceed with PPEA
 - b. Proceed with traditional procurement
6. Initial review of proposals
7. Conduct conceptual phase
8. Conduct detailed phase
9. Develop comprehensive agreement



Public-Private Education Facilities and Infrastructure Act (PPEA) of 2002 - Review Process Overview

Solicited PPEA

Public entity solicits proposals by either 1) issuing a project specific request or 2) generally advertising interest in ideas for developing a project under PPEA

Unsolicited PPEA

Private entity initiates a project

Public entity drafts and adopts PPEA guidelines - **MUST BE ADOPTED BEFORE PROPOSALS CAN BE CONSIDERED**

Upon request from the private-sector proposer, the public entity makes a determination about what information in the proposal is confidential and proprietary, and thus exempt from FOIA disclosure

Private entity submits PPEA proposal to the public entity, pays application fee

Public entity refuses to accept proposal and does not publish notice

STOP

Public entity accepts proposal and posts notice to allow competing proposals to be filed within no less than 45 days (For **UNSOLICITED** proposals only)

Responsible public entity meets to review proposals

Public entity determines that the proposal does not meet a public need, does not favorably compare on cost, or does not result in faster project delivery

STOP

Public entity determines that there is a public need or benefit derived from the project, its cost is reasonable, and it will result in timely delivery

Move to Page 2

Public-Private Education Facilities and Infrastructure Act (PPEA) of 2002 - Review Process Overview - PAGE 2

Public entity determines that there is a public need or benefit derived from the project, its cost is reasonable, and it will result in timely delivery

Public entity determines in writing that the proposal **is not** likely to be fiscally advantageous because of the probable scope, complexity or urgency of the project, or risk sharing, added value or an increase in funding or economic benefit from the project

Public entity determines in writing that the proposal **is** likely to be fiscally advantageous because of the probable scope, complexity or urgency of the project, or risk sharing, added value or an increase in funding or economic benefit from the project

Public entity returns all proposals and issues an RFP

Public entity uses guidelines consistent with the Virginia Public Procurement Act when evaluating all proposals

Public entity proceeds to initial phase of review with one or multiple proposals, uses internal staff or hires outside advisors for review process

STOP

Public entity decides not to proceed with any proposer

Public entity decides to proceed to detailed phase with one or more proposers

STOP

Public entity develops list of specific questions/issues for response by proposer(s)

Public entity rejects proposal(s)

Public entity begins negotiations on a comprehensive agreement with top choice

STOP

If public entity is a school board, the local governing body must approve deal before executing the comprehensive agreement

If public entity is a state agency, the Governor or Cabinet Secretary must approve deal before executing a comprehensive agreement

Current Status and Future of PPEA Process

1. Current Status

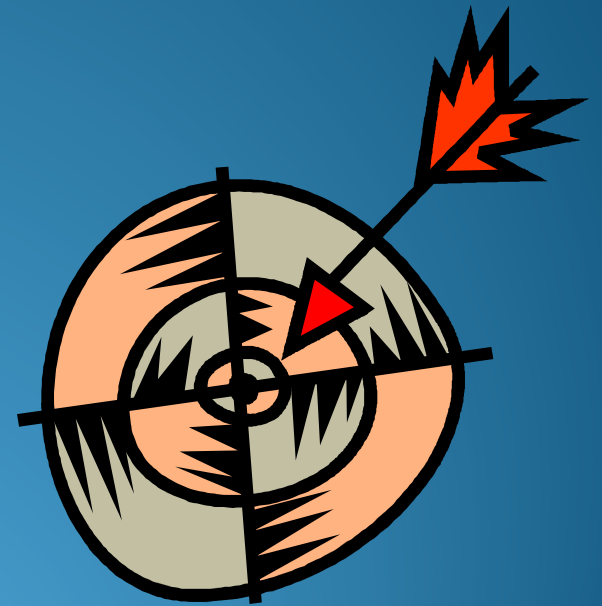
- a. Issued RFPs
- b. Reviewed and selected firm (at-risk)
- c. Arrived at the conceptual/detailed phase

2. Need for Restart?

- a. Allow us to apply for literary loans
- b. Allow us to better adhere to PPEA requirements
- c. Allow us to move forward without challenges

3. Timeframe for Completion

- a. Apply for literary loans late-December
- b. Issued RFPs after literary loans received
- c. Close proposals mid-January
- d. Select winning proposal mid-February
- e. Approve comprehensive agreement mid-March



Objective II: Discuss Comprehensive Agreement



Comprehensive Agreement

1. Definition

- a. Contract between SB and Design/Build Firm
- b. Outline the scope of work
- c. Provide a maximum price
- d. Specify the details of the work

2. Timeframe for Completion

- a. Begin negotiations w/ winning firm mid-Feb.
- b. Complete by mid-March
- c. Begin construction in late March

3. Requirements

- a. Must be posted for 30 days
- b. Must conduct public hearing
- c. Must be approved by BOS



Objective III: Discuss Financing



Virginia Public School Authority Bonds

1. Definition

- a. Funding created by VPSA
- b. General obligation bonds

2. Components of VPSA

- a. Rates are determined by
 - * Market
 - * County bond rating
- b. Term is 1 -20 years
- c. Requires no referendum
- d. Two issuances
 - * Spring
 - * Fall

3. Assistance

- a. Bond counsel
- b. Bond attorney



Qualified School Construction Bonds

1. Definition

- a. Authorized by ARRA
- b. Federally subsidized bonds
- c. Low interest loans (virtual 0%)

2. Components of QSCBs

- a. Can be used for specific capital projects
- b. Three-year spend down period
- c. Must incorporate Davis-Bacon act
- d. Must spend 10% within six months
- e. Must have maximum maturity limit (16 years)

3. Current Status

- a. Applied for funding
- b. Notification first of year
- c. Will not be impacted by RFP re-issuance



Literary Loan

1. Definition

- a. Fund created by Commonwealth
- b. Can be used for specific capital projects
- c. Amount is allocated each budget year

2. Components of Literary Loan

- a. Currently not funded
- b. Interest rate based on LCI (2% for WCPS)
- c. Apply for \$7.5 million for each school
- d. Apply for \$15 million in total
- d. May save us as much as \$8 million over 20 years
- e. Use as temporary financing for reimbursement
- f. Submit RFPs after application is received



Recommendation Summary

1. Have SB reject all PPEA proposals
2. Have SB approve Literary Loan
3. Have BOS approve Literary Loan
4. Complete geo-technical work
5. Issue PPEA RFPs after LL are received
6. Close proposals mid-Jan.
7. Complete comprehensive agreement
8. Begin site work late-March
9. Complete project fall 2013



Tentative Timeline

Line	EVENT	DATE
1.	Execution of Comprehensive Agreement	3/15/2011
2.	Approval by School Board and Board of Supervisors at Joint Meeting	3/14/2011
3.	Posting of Completed Comprehensive Agreement	3/14/2011
4.	Negotiations and drafting of Comprehensive Agreement	2/11/2011 to 3/13/2011
5.	School Board Hearing on Proposals	NLT 2/11/2011
6.	Selection of at least 2 Detailed Proposers for Negotiations	NLT 2/11/2011
7.	Receipt of Detailed-Phase Proposals	NLT 1/28/2011
8.	Selection of Proposers to Submit Detailed-Phase Proposals and Invitations to do so Issued	NLT 1/21/2011
9.	Posting of Conceptual Proposals and Availability for Public	NLT 1/25/2011 (NLT 1/20/2011 if earlier date used for receipt of proposals)
10.	Receipt of Conceptual Proposals	1/15/2011 (1/10/2011 if RFP goes out before Christmas)
11.	Issuance of RFP	NLT 12/30/2010
12.	Submit literary loan applications	NLT 12/25/2010

Questions/Answers

