

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of January 18, 2011

ITEM # 39

ITEM TITLE:

Consider Approval to Enter into a Purchase Agreement with Mobile Modular for Portable Buildings for Interim Housing Needs at Laney College

SPECIFIC BOARD ACTION REQUESTED:

Approval is requested to enter into a purchase agreement with Mobile Modular for portable buildings for interim housing needs at Laney College, in the amount of \$541,462.50.

ITEM SUMMARY:

Approval is requested to enter into a purchase agreement with Mobile Modular for portable buildings for interim housing needs at Laney College, in the amount of \$541,462.50. This amount includes a hard cost of \$452,078.00 for the purchase and a final negotiated amount of \$89,384.50 for lease charges incurred between May 1, 2010 and January 31, 2011. There were some delays in bringing the item before the Board due to prolonged negotiations with the vendor to reduce the ongoing lease amount. Staff was able to reduce and negotiate a lower lease payment (by approximately \$20,000) due to changing market conditions in the demand for modular and portable buildings. The District's decision to purchase or lease the portables was delayed by information from the vendor that was not received until October 2010.

BACKGROUND/ANALYSIS:

Based on the "lease versus buy" analysis performed by the Department of General Services, the cost of rental for the seven classroom trailers and one restroom trailer will equal the cost to purchase in 60.48 months (approximately five years). The "lease versus buy" analysis is based upon renegotiated rental rates that are 43% less than the current lease rates. Based on current lease rates, the cost of rental will equal the cost to purchase in less than three years. With the anticipated need for swing space at Laney College for the Tower Modernization and Student Center projects, as well as future need under Measure "A" and beyond, it is in the best interest of the District to purchase the modular buildings.

ALTERNATIVES/OPTIONS:

Not applicable.

EVALUATION AND RECOMMENDED ACTION:

Approval is requested to enter into a purchase agreement with Mobile Modular for portable buildings for interim housing needs at Laney College, in the amount of \$541,462.50.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

Measure A, as approved by the voters in Peralta's constituency and authorized under Resolution 05/06-45, Exhibit A-1, Laney College, Swing space for "Administration – Tower building repairs, upgrades, and renovations," "Consolidate Student Services," "Student Center," "Student Center Food Services," "Plumbing, electrical, mechanical system upgrades and improvements," and "Classroom and facilities repairs and grounds improvements."

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

Yes _____ No X

COMMENTS:

All Board recommended contracts are subject to negotiation and execution by the Chancellor.

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Vice Chancellor Ikhara

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? Yes _____ No X

IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:

Prepared by: Sadiq B. Ikharo Date: 1-10-2011
Dr. Sadiq B. Ikharo
Vice Chancellor of General Services

DOCUMENT PRESENTED BY:

Sadiq B. Ikharo Date: 1-10-2011
Dr. Sadiq B. Ikharo
Vice Chancellor of General Services

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: Ron Gerhard, by Roxanne Epstein Date: 1/13/11
For Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: Thuy T. Nguyen, by Roxanne Epstein Date: 1/13/11
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: Wise E. Allen Date: 1/12/11
Wise E. Allen, Chancellor



Mobile Modular Management Corporation
 5700 Las Positas Road
 Livermore, CA 94551
 Phone: (925) 606-9000 Fax: (925) 453-3201
 www.MobileModularRents.com

Quotation

Quotation Reference: 110008582.1
 Date of Quote: 12/01/2010

Customer & Site Information		Mobile Modular Contact
Customer Information: Peralta CCD 333 E 8Th Street Oakland, CA 94606-2844	Site Information: Peralta CCD Laney College Swing Space Oakland, CA 94601	Questions? Please Contact: Open - Livermore Direct Phone: (925) 606-9000 Fax: (925) 453-3201

Product Information				
	Qty	Purchase Price	Extended Purchase Price	Taxable
Classroom, 36x40 DSA (NonStd) <i>Non-Standard Configuration. Tackboard interior. Purchase of Building ID 45098</i>	1	\$46,538.00	\$46,538.00	N
Classroom, 36x40 DSA (NonStd) <i>Non-Standard Configuration. Tackboard interior. Purchase of Building ID 45196</i>	1	\$62,909.00	\$62,909.00	N
Classroom, 36x40 DSA (NonStd) <i>Non-Standard Configuration. Tackboard interior. Purchase of Building ID 45197</i>	1	\$62,909.00	\$62,909.00	N
Classroom, 36x40 DSA (NonStd) <i>Non-Standard Configuration. Tackboard interior. Purchase of Building ID 45099</i>	1	\$46,538.00	\$46,538.00	N
Classroom, 36x40 DSA (NonStd) <i>Non-Standard Configuration. Tackboard interior. Purchase of Building ID 45199</i>	1	\$62,909.00	\$62,909.00	N
Classroom, 36x40 DSA (NonStd) <i>Non-Standard Configuration. Tackboard interior. Purchase of Building ID 45198</i>	1	\$62,909.00	\$62,909.00	N
Classroom, 36x40 DSA (NonStd) <i>Non-Standard Configuration. Tackboard interior. Purchase of Building ID 45195</i>	1	\$62,909.00	\$62,909.00	N
Restroom, 12x40 DSA (Item1003) <i>Boy/Staff/Girl or Male/Staff/Female. Configuration and Fixture Count Varies. May or May Not Include Access Area. Fiberglass Reinforced Plastic (FRP) interior. No windows. Purchase of Building ID 33792</i>	1	\$44,457.00	\$44,457.00	N

	Qty	Charge Each	Total One Time	Taxable
Charges Upon Delivery:				
Classroom, 36x40 DSA (NonStd)			\$0.00	
Classroom, 36x40 DSA (NonStd)			\$0.00	
Classroom, 36x40 DSA (NonStd)			\$0.00	
Classroom, 36x40 DSA (NonStd)			\$0.00	
Classroom, 36x40 DSA (NonStd)			\$0.00	



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Classroom, 36x40 DSA (NonStd)

\$0.00

Classroom, 36x40 DSA (NonStd)

\$0.00

Restroom, 12x40 DSA (Item1003)

\$0.00

Special Notes

Purchase of buildings currently under contracts 582357, 582358, 582359, 582360, 582362, 582363, and 582364

Floor Plans

All drawings and specifications are nominal

Additional Information

- Quote is valid for 30 days
- A minimum cleaning charge per floor will apply for modular buildings and for containers with offices, no minimum cleaning charge applies for storage containers.
- Customer's site must be dry, compacted, level and accessible by normal truck delivery. Costs to dolly, crane, forklift, etc. will be paid by customer. Unless noted, prices do not include permits, ramp removal, stairs, foundation systems, foundation system removal, temporary power, skirting, skirting removal, engineering, taxes or utility hookups.
- This transaction is subject to prior credit approval and all terms, conditions, and attachments of MMMC's standard contract. Security deposit and payment in advance may be required.
- **Prices do not include applicable tax.**

LANEY SWING SPACE - EAGLE VILLAGE (Buy vs. Lease)

**Original Seven (7) Trailers
and One (1) Restroom Trailer**

	Total Cost per Month	Unit Cost Per Month	Sunk Costs Paid to Date**	Rental Fee 12 Months***	Break Even Point # of Months
LEASE*					
(7) Trailers - 36x40	\$ 11,501.00	\$ 1,643.00	\$ 512,304.00	\$ 89,724.00	60.48
(1) Restroom - 12x40	\$ 1,556.00	\$ 1,556.00			

* Current Lease Agreement went to month-to-month starting May 1, 2010; total spent for base contract was \$407,848

**As of Nov. 01, 2010; includes one-time charges

***12 Month rental fee is based on new lease rates, which represents a 43% savings compared to current rates.

PURCHASE

(7) Trailers - 36x40	Total Cost	Cost per Unit****
	\$ 407,621.00	\$ 58,231.57
(1) Restroom - 12x40	\$ 44,457.00	\$ 44,457.00

****average cost per unit

NOTE: Trailers can be used for future swing space needs and/or future bond needs.

		Sunk Costs
Cost to Purchase	452,078.00	Paid to Date -
		TOTAL
		\$ 512,304.00
Total Cost to Purchase	964,382.00	Total Cost to
		Rent - 12 Months
		\$ 89,724.00

1) New lease rates were negotiated with Mobile Modular at a 43% savings compared to current rental rates.

2) Using new lower rental rates as the basis of analysis, the PCCD will reach the "break even" point in 5 years (60.48 months).

3) Using current rental rates, the "break even" point would be reached in less than 3 years.

4) The modular units will be used at Laney College for the duration of the Tower Modernization and Student Center projects (approximately 3 years) as well as for future bond projects.

RECOMMENDATION:

A purchase of the original seven (7) Eagle Village trailers, plus one (1) restroom trailer, is recommended provided there is a planned swing space need for at least a five (5) year period.