**SUBJECT: RATIFY FINALIZED LEASE AGREEMENTS WITH MOBILE MODULAR MANAGEMENT CORPORATION**

OVERVIEW

The Santa Ana Unified School District (SAUSD) authored, competitively bid, and entered into a contract with Mobile Modular Management Corporation (MMMC) under Bid # 14-05 in 2005, which was renewed as a competitively bid contract for the 2007-08 fiscal year. Bid # 14-05 provides other public school districts, Community College Districts, and public agencies throughout the State of California to enter into a contract with Mobile Modular Management Corporation for identical items at the same unit price(s), subject to the same terms and conditions, pursuant to Sections 20118 and 20652 of the Public Contract Code.

DISCUSSION

This table shows the breakdown of costs by fiscal year over the expected 3-year life of the leases and per the applicable bid prices. The total annual lease amount of $136,652.00 is broken down as follows:

- 14 ea. 24X40 modular buildings @ $ 7,318 ea./year
- 2 ea. 36X40 modular buildings @ $17,100 ea./year

| P.O. Issue # | Approx. Issue Date | District's Fiscal Year | P.O. Line # | Description of Charge | Dollar Amount | P.O. Line subject to: | |
|---|---|---|---|---|---|---|---|
| | | | | | | Retention | LCP |
| 1 | May 23, 2008 | 2007-2008 | 1 | Payment & Performance Bond Costs | $ 51,661.00 | No | No |
| | | | 2 | Leased Unit Delivery & Installation | $ 58,650.00 | **Yes, 10%** | **Yes** |
| | | | 3 | First Month's Lease Costs | $ 11,387.67 | No | No |
| | | | Total | **Purchase Order Total:** | **$121,698.67** | see above | |
| 2 | July 1, 2008 | 2008-2009 | 1 | Annual Lease Amount (full year) | $136,652.00 | No | No |
| 3 | July 1, 2009 | 2009-2010 | 1 | Annual Lease Amount (full year) | $136,652.00 | No | No |
| 4 | July 1, 2010 | 2010-2011 | 1 | Remaining months of 3-year lease (approx. 11 months) | $125,264.33 | No | No |
| | | | 2 | Leased Unit Dismantle & Return | $ 48,000.00 | **Yes, 10%** | **Yes** |
| | | | Total | **Purchase Order Total:** | **$173,264.33** | see above | |
| **RECAP OF ALL PURCHASE ORDERS & TOTAL CONTRACT:** | | | | **Total Value / Costs:** | **$568,267.00** | see above | |

Purchasing created an "Agreement for Lease of 16 Modular Buildings" entered into between Palomar and MMMC on May 13, 2008, in which both parties acknowledged that the leases would be in accordance with the

Santa Ana Unified School District "piggybackable" Bid # 14-05, and that any terms and conditions of MMMC's standard lease agreement/attachments which contradicted the SAUSD Bid # 14-05 bid terms would be considered null and void. This Agreement also clarified which services/costs would be subject to retention and also to Labor Compliance Program requirements.

RECOMMENDATION

It is recommended that the Board ratify the "Agreement for Lease of 16 Modular Buildings" entered into between Palomar Community College District and Mobile Modular Management Corporation on May 13, 2008, for the total cost of $568,267.00 over the 3-year life of the lease agreement(s).