

Budgeting for Your District LCP: Expectation of Costs and Anticipating State Reimbursement	
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School District Operated LCP

- **Ted Rozzi**

Corona-Norco Unified School District



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Expectations Prior to LCP Implementation

- **Bidding Process**

- LCP will scare off bidders
- Create additional administrative cost
- Resulting higher bids



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Expectations Prior to LCP Implementation

- **Construction Process**

- Hostile Work Environment
- Disruption
- Delay Claims & Change Orders
 - Ongoing and extended litigation processes as described by LAUSD in our early workshop sessions



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Expectations Prior to LCP Implementation

- **Fiscal Impact**

- LCP Fees Add 1%
- Prevailing Wage Adds 10-25%
- Fewer Bidders 10-20%



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Actual Experience After 18 Months of LCP Operation

- **Bidding Process**
 - Same Old Bidders Plus New Ones
 - Leveled the Playing Field
 - More Competent Firms Bidding



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Actual Experience After 18 Months of LCP Operation

- **Bidding Process**
 - **CNUSD has completed a \$15 million elementary school and is 70% complete with a \$20 million modernization project under an LCP.**



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Actual Experience After 18 Months of LCP Operation

- **Bidding Process**

- CNUSD currently has also recently started
 - \$30 million intermediate school
 - \$25 million alternative high school
 - \$100 million comprehensive high school



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Actual Experience After 18 Months of LCP Operation

- **Bidding Process**

- More union-affiliated contractors who now feel that they can compete.



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**Actual Experience After 18 Months of LCP
Operation**

- **Bidding Process**

- Bid prices have risen due to amount of available funding & supply shortages. Difficult to gauge additional bid mark-up from contractors for LCP compliance.



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**Actual Experience After 18 Months of LCP
Operation**

- **Construction Process**

- No delays due to LCP
- Union Interference Minimal



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Actual Experience After 18 Months of LCP Operation <ul style="list-style-type: none">• Construction Process<ul style="list-style-type: none">• Initially unions were more active; however, with ongoing school district compliance, unions appear to have gained confidence in CNUSD approach and have become less active in our school district.	



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Actual Experience After 18 Months of LCP Operation <ul style="list-style-type: none">• Construction Process<ul style="list-style-type: none">• DIR Low Profile<ul style="list-style-type: none">• Lack of staffing & political changes have made agency less visible.• No Penalties/Assessments• Co-operative Negotiation of Disputes	



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**Actual Experience After 18 Months of LCP
Operation**

- **Construction Process**

- **No LCP-Related Delay Claims or C.O.'s**

- On the elementary school project, four (4) 10-day letters issued and two (2) formal meetings to discuss LCP issues.



CNUSD has partnered actively with contractors to get employees designated and paid correctly and improve contractor process to ensure future compliance.

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**Actual Experience After 18 Months of LCP
Operation**

- **Fiscal Impact**

- LCP costs less than current SAB fee schedule.
 - No LCP-related delays or C.O.s
 - Hard to gauge impact of prevailing wage on bid pricing.



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Actual Experience After 18 Months of LCP Operation <ul style="list-style-type: none">• Future Expectations<ul style="list-style-type: none">• Continued Enforcement & Education• Refining of OPSC Review During Typical Project Audit.	
	

