



PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS

## **PHASE II OVERVIEW**

# **Prince George's County Public Schools' Commitment**

To move swiftly to deliver safe, state-of-the-art, and sustainable learning environments for our students, teachers, and communities.

## **Program Objectives**

1. Maximize the number of schools that can be replaced within the affordability limit
2. Endeavor to ensure that schools with the most deferred maintenance are addressed during Phase II
3. Provide certainty in the timing of delivery of these new schools
4. Endeavor to achieve an equitable geographic dispersion of the replaced schools



# Transaction Structure Overview

The anticipated terms of the contract include the following:

- 1) **Contracting Authority:** PGCPS (with financial support from the County, as detailed in an MOU).
- 2) **Scope of Services:**
  - a) **Schools, Sites and Standards:** Schools, sites and construction standards prescribed in the RFP.
  - b) **Design-Build:** The design and construction scope will include all activities related to the permitting, design, construction and commissioning of specified schools. Requirements will be made for public outreach during the design phase to ensure community input into design elements.
  - c) **Financing:** The private partner will be required to provide full financing for the project, whether in the form of debt or equity. All financing will be private and without recourse to PGCPS / the County.
  - d) **Life-cycle Maintenance:** The private partner will be responsible for hard maintenance at service levels prescribed in the RFP and Agreement, thereby ensuring that the facilities are maintained at prescribed standards over the life of the contract.
  - e) **Handback Requirements:** The private partner shall be required to transfer the facilities back to PGCPS at the end of the term at prescribed standards, ensuring that the buildings are in good condition at the expiration of the Agreement.
- 3) **Key Excluded Services:**
  - a) Custodial and daily facilities management shall be retained by PGCPS.
  - b) PGCPS shall provide swing space and occupancy planning.

# Transaction Structure Overview

## 4) Compensation:

- a) Some level of milestones or progress payments may be offered upon completion and occupancy of schools based on predetermined milestones.
- b) Primary compensation will begin upon completion and occupancy of the entire Blueprint Schools Package and be in the form of quarterly availability payment, which shall be subject to deductions for performance shortfalls.
- c) The maximum availability payment will be comprised of a capital charge, a maintenance and repair charge, and any extraordinary items, and shall be determined on the basis of the private partner's price proposal.
- d) Funding for the availability payments will be provided on a cost-share basis between PGCPs and the County and a dedicated State contribution.

**5) Anticipated Term:** The design and construction period is anticipated to be no longer than three years, followed by a maintenance period that is anticipated to be 30 years, pending terms to be negotiated during developer procurement.

**6) Asset Ownership:** PGCPs will own and hold title to the schools, with the private partner having no leasehold rights over the property other than those indicated in the Agreement.



# Transaction Structure Overview

- 7) **MBE/Local Business Requirements:** The minimum MBE and CBB requirement will be 30%. The 30% will be applied to both the design-build and services portion of the program. The final MBE and CBB requirement will be determined in consultation with Prince George's County.

In addition, the Developer will provide combined MBE and community equity investment of up to 30% of the required equity for the project (see #8 below for further detail regarding community equity investment).

- 8) **Community Investment Agreement:** Developer will provide both an equity public offering up to 10% of the required equity and a written agreement on ways they will support the goals of PGCPS and the broader community through investments such as apprenticeships, scholarship endowments and minority business capacity building.

# Affordability Analysis Overview

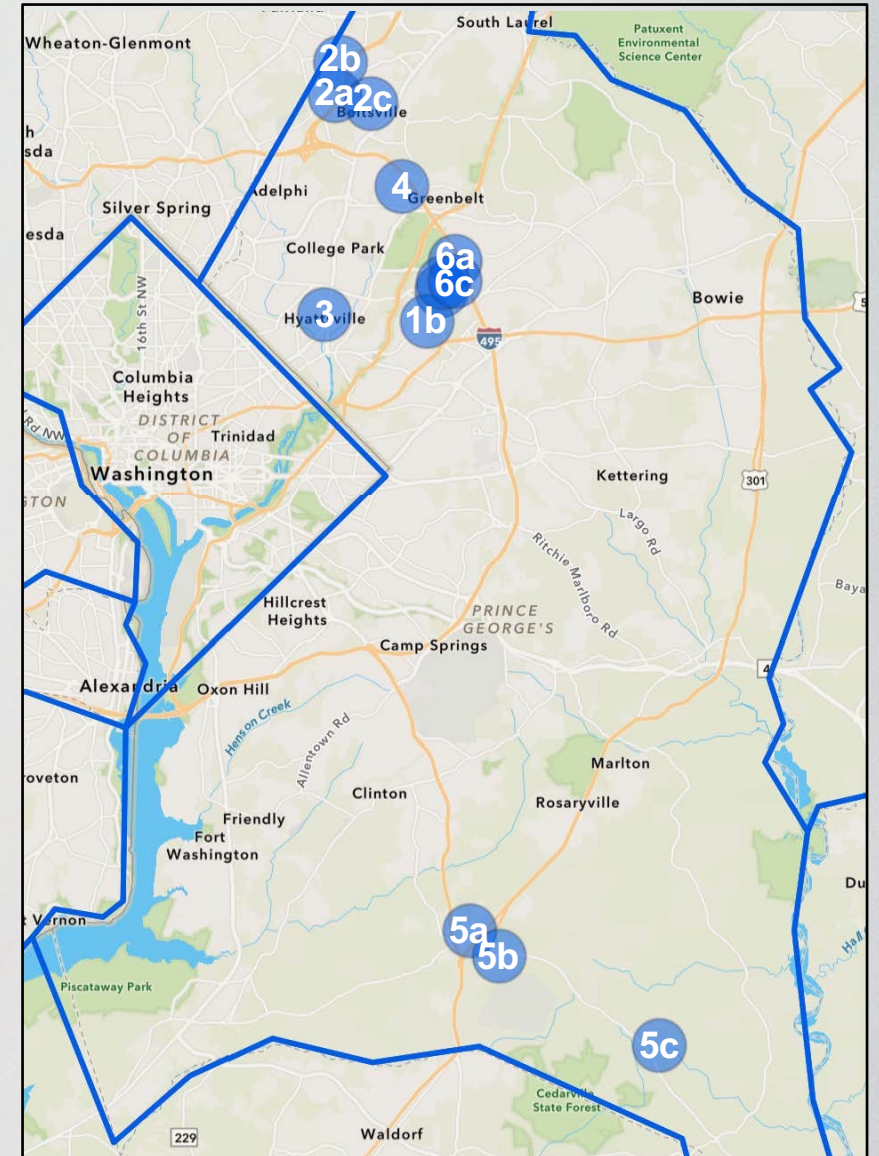
- **Approach:** PGCCPS' financial advisory team developed an affordability analysis based on several key inputs estimated by PGCCPS' technical and financial advisory teams:
  - Program
  - Design and construction timeline
  - Construction costs
  - Financing assumptions
  - Operating assumptions
  - Maintenance assumptions
  - Developer return assumptions
- **Affordability Limit:** The analysis showed that the desired school package could be delivered within a \$50 million affordability limit with the inclusion of a \$35 million to \$50 million milestone payment. The milestone payment would allow PGCCPS to pay capital costs at an earlier date, reducing long-term financing charges and lowering the annual availability payment.



# Phase II School Package

#	Current Schools (13 schools)	New Schools (6 schools)
1a	Margaret Brent Regional School	Margaret Brent Elementary School
1b	Glenridge Elementary School	
2a	James E. Duckworth Regional School	James E. Duckworth Regional School
2b	Calverton Elementary School*	
2c	Beltsville Academy*	
3	Hyattsville Elementary School	Hyattsville Elementary School
4	Springhill Lake Elementary School	Springhill Lake Elementary School
5a	Gwynn Park Middle School	Brandywine K-8 School
5b	Brandywine Elementary School	
5c	Baden Elementary School	
6a	Robert Frost Elementary School	Robert Frost K-8 School
6b	Charles Carroll Middle School	
6c	Carrollton Elementary School	

\* School will not be closed but rather re-boundaried to relieve overcrowding.



# **QUESTIONS**

Please submit questions to:

**[bpschools.phase2@pgcps.org](mailto:bpschools.phase2@pgcps.org)**