UNIVERSITY OF HAWAI‘I

Honolulu, Hawai‘i

REQUEST FOR QUALIFICATIONS

to enter into a

Real Estate Development Agreement

for the

Cancer Research Center of Hawai‘i Project

in

Kaka‘ako, Honolulu, Hawai‘i
University of Hawai`i

Request for Qualifications

Real Estate Development Agreement

Cancer Research Center of Hawai`i Project

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I. Executive Summary

A. Request

The University of Hawaiʻi (UH) is seeking expressions of interest and qualification information from qualified developers (Developer) of medical research and medical care buildings, particularly comprehensive cancer centers with research and outpatient cancer care components, to partner and participate with the University of Hawaiʻi in the development of a new facility (the Project) containing approximately 360,000 square feet (sf) of gross building area for its Cancer Research Center of Hawaiʻi (CRCH) institution.

The Project is proposed to be developed and built on a vacant 5.5-acre site (the Site) owned by the State of Hawaiʻi in Kakaʻako, Honolulu, Hawaiʻi. Depending on financial and other considerations, the Project could be owned by UH, by the Developer, jointly by both UH and the Developer, or by another party. All options will be explored and considered.

B. Objective

The objective of this Request for Qualifications (RFQ) is for UH to identify and select a Developer to enter into a comprehensive real estate development agreement (planning, design, finance, construction and management) for the Project through a two-step process. This first step is to solicit and obtain expressions of interest and qualifications from Developers and their teams. A short list of the three to five most qualified Developers will be invited to participate in the second step, which will require the submission of proposals to develop, and possibly own, the Project. The proposals will be evaluated and one Developer will be recommended to the Board of Regents of UH for approval. UH intends to negotiate and enter into an agreement with the Developer who best demonstrates the knowledge, experience, acumen, creativity, organization and financial ability required to initiate, complete and operate the Project successfully. Developers are encouraged to form teams in the most effective manner necessary to develop the Project.

C. Submittal Due Date

Written statements of Developer interest in the Project and Developer Statement of Qualifications (SOQ), as described herein, are due on or before **3:00 p.m. (HST), Wednesday, January 5, 2005**, for consideration by the UH in the selection of a Developer to enter into a real estate ownership, development and management agreement for the Project.
II. Background

A. University of Hawai`i

1. History

The University of Hawai`i was founded in 1907. In 1972, the original Mānoa Valley campus was designated as the University of Hawai`i at Mānoa (UHM) to distinguish it from the other units in the growing statewide UH system. Today UHM is the flagship unit of a ten-campus UH system and the only institution in Hawai`i classified by the Carnegie Foundation as a Doctoral/Research Extensive University. UHM is accredited by the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges. Professional programs are individually accredited by appropriate agencies.

2. Mission

The mission of the UH system is to: provide quality college and university education and training; create knowledge through research and scholarship; provide service through extension, technical assistance and training; and contribute to the cultural heritage of the community. UHM is the leading research institution in the state. Its leaders and faculty strive for excellence in teaching, research and public service.

3. Research Funding

For the fifth year in a row, UH has received record extramural support for research and training. The $343 million received in FY2002-2003 reflects a 150% increase over the last ten years. Of this amount, $190 million was for research. The bulk of extramural support to UHM comes from federal agencies. The largest supporters of research at UHM are the Department of Defense, National Institutes of Health, the Departments of Education and Commerce, Energy and Interior and the Department of Agriculture.

4. Research Support

Faculty and staff in the academic and professional schools and the various organized research units are assisted by a range of Research Support Services, including the Office of Research Services (ORS), the University Research Council (URC), the Office of Technology Transfer and Economic Development (OTTED) and the Research Corporation of the University of Hawai`i (RCUH). Additional guidance to research investigators is provided by the Committee on Human Studies (CHS), the Hawai`i State Biomedical Research Infrastructure Network, and the Institutional Animal Care and Use Committee (IACUC).
5. **International Focus**

UHM has been involved in international education and research for more than 80 years. UH’s role in global exchange of academic and technical knowledge and resources builds upon its multinational faculty, institutional competence in selected fields and the comparative advantages provided by the location and environmental diversity of the state. Currently more than 200 UH activities and programs have an international dimension. In addition, UH ranks among the leading American institutions of higher education in terms of the number of foreign scholars on its staff and foreign students enrolled in its various academic programs. There are over 1,600 international students enrolled at UH, with the majority coming from the Asia and Pacific regions.

At present, UHM maintains international exchange and partnership agreements with 87 overseas universities and research centers in 23 countries.

More information about UH can be found at [www.hawaii.edu](http://www.hawaii.edu).

**B. Cancer Research Center of Hawai`i**

1. **Mission**

   The mission of CRCH is to reduce the burden of cancer through research, education, clinical care and community outreach activities with an emphasis on the unique ethnic, cultural and environmental characteristics of Hawai`i and the Pacific.

2. **Description**

   Founded in 1971, CRCH is a research unit of UH that was established by the Regents as a free-standing independent institute (Organized Research Unit) in 1981. CRCH first became an NCI-designated Cancer Center in 1974. In 1979, a construction grant from the NCI, together with local matching contributions, supported the construction of the current five-story building occupied by CRCH.

   CRCH is a multi-disciplinary institution with most of its members having their primary faculty appointments at CRCH. A smaller number of CRCH members have their primary faculty appointments in other Schools, Colleges and Organized Research Units of UHM. Clinical faculty members are health care providers in the community.

3. **Need**

   CRCH continues to bring together researchers who focus on understanding the etiology of cancer and on reducing its adverse impact on the people of
Hawai`i. CRCH has grown from a regional cancer research center to an internationally recognized NCI-designated Cancer Center with an extramural research budget of over $42 million annually. The existing building that CRCH occupies is not able to accommodate its current and future space needs and changing technical requirements and does not have room for expansion. In addition, the building’s structural module and floor plan do not meet CRCH’s need for space flexibility and are not suited for a cancer care facility.

III. Project Description

A. The Site

The Project Site is a 5.5-acre vacant parcel located in Kaka`ako, Honolulu, and owned by the state of Hawai`i through the Hawai`i Community Development Authority (HCDA), the state agency which oversees redevelopment of Kaka`ako, the district situated between downtown Honolulu and Waikiki. The Site is positioned at the southwest corner of Ilalo and Ohe Streets and is west of and adjacent to the John A. Burns School of Medicine (JABSOM) complex in Kaka`ako.

The new JABSOM complex is being constructed in two phases and, when completed, will provide approximately 508,000 sf of educational and research facilities in a setting overlooking Kaka`ako Waterfront Park. The first phase will include an education/administration building for JABSOM and a joint use biomedical research building that will house a child care center, a fitness center and a central mechanical plant. The education/administration building is expected to be completed in April 2005, with the completion of the research building projected for August 2005.

The Site’s close proximity to the new biomedical complex provides UH with the opportunity to create a positive critical mass of scientists, educators, students and faculty that could stimulate the growth of both UH’s research enterprise and Hawai`i’s biomedical and biotechnical industries and contribute to the diversification of the state’s economy. In addition, the Site is within several miles of major hospitals. The location will facilitate the intellectual stimulation and collaborative working relationships found in other centers of excellence in biomedical research. This could prove to be the ideal location for both the advancement of cancer research and the comprehensive care and treatment of cancer patients.

The Site will be made available through a long-term ground lease with HCDA. On December 1, 2004, HCDA agreed to enter into an Agreement for Exclusive Negotiations with UH for leasing of the Site (the Land Agreement). This exclusive negotiations period will end on July 31, 2005.

UH intends to negotiate with the Developer the most appropriate means and agreement by which to convey the Site to the Developer, consistent with the
Land Agreement with HCDA. It should be noted that the Project Site is a landfill with a high water table. In addition, as it is within the tsunami zone, the Site and any buildings built on it will require special foundation considerations.

B. The Facility

UH intends to completely replace the existing CRCH building presently located at 1236 Lauhala Street in downtown Honolulu. CRCH requires a multi-disciplinary facility dedicated to providing excellent basic science, translational science and clinical service. The new building is expected to contain approximately 360,000 sf of gross building area plus on-site parking, consisting of the following spaces with their approximate gross floor area:

1. Research and laboratory – 90,000 sf
2. Administration, office, and conference – 90,000 sf
3. Open staff model out-patient cancer care, prevention and ancillary services – 60,000 sf
4. Leasable physicians’ offices – 80,000 sf
5. Service and support – 40,000 sf
6. Parking – 700 to 800 spaces

The total projected population for the new facility is 900 people.

Easy driving access with abundant on-site parking is highly desired.

C. Goals and Objectives

1. Program Goals

Generate program area for laboratories, offices, conference/seminar space and out-patient cancer care facilities in a new modern building based on a modular plan incorporating the latest techniques in flexible design and adaptable systems. Integration of research and clinical space is of utmost importance in order to encourage interaction of scientists, physicians and educators with the goal to translate research from the laboratory to patient care, and to stimulate new research ideas originating from clinical observation. The plan is to apply a “bench-to-bedside” approach to preventing, studying, treating and conquering cancer.

2. Building Goals
Replace the existing CRCH facilities with expanded research facilities and the addition of a state-of-the-art out-patient cancer care facility. The new building should satisfy the requirements of all of CRCH’s facility programs. The facility should promote interaction among its investigators and physicians at CRCH, with other investigators at other research institutions, and with the regional, private, public and military hospitals in Hawai‘i. The facility should allow for flexible space use and configuration based on modular planning and design guidelines. This should minimize the impact of staff and research changes in the future.

A “generic” laboratory planning approach is preferred which will support programmatic functions. Efforts should be made to create a comfortable, pleasant environment for patients and their families as well as employees. Daylight should be available to most spaces. Interior views should be maximized by design techniques intended to create a feeling of openness, except when openness is in conflict with patient privacy, research protocol or equipment requirements.

3. Occupancy Goals

The building should attract researchers, physicians and other health care providers and research and donor funds. The retention of existing staff and recruitment of new faculty and staff is a high priority. The new facility must serve as a distinctive new icon that will provide CRCH with a recruiting and retention tool extraordinary to the research community. The new facility will also be an icon for outstanding patient care available only at major academic medical centers. The patient care component is expected to attract patients from the entire Asia/Pacific region.

IV. Request for Qualifications (RFQ)

A. Purpose and Intent

UH is soliciting expressions of interest and statements of qualifications from Developers and their teams for the purpose of entering into a comprehensive real estate development agreement to plan, design, finance, construct and manage the proposed Project. UH may request that the Developer, the Developer jointly with UH, or another party own the Project. UH seeks a Developer who has the ability, expertise and resources required to fulfill and deliver the facility program requirements of CRCH. The Developer or multidisciplinary team should have the demonstrated credentials, experience and proven success with similar projects required to conceive, finance, implement and manage a cohesive and effective plan of action for the Project.

UH intends to utilize this RFQ as the primary vehicle to objectively and systematically evaluate the responses in order to reduce the respondents to a limited
number of interested and qualified candidates. A short list of three to five most qualified candidates will be selected as the result of the RFQ submittals and evaluations. Those selected will be asked to participate in the subsequent Request for Proposals (RFP) process.

The respondents to this RFQ will be responsible for payment of all costs and expenses in connection with the preparation of the Statements of Qualifications (SOQ) and any subsequent responses, as well as any and all predevelopment and planning costs.

B. Developer Responsibility

The Developer of the Project must be prepared to do the following:

1. Prepare a development program (including space program, financial pro forma and time schedule) and strategic action plan for the Project.

2. Assist UH with negotiating the ground lease for the Site with HCDA and sublease the Site from UH.

3. Remediate the Site.

4. Plan, design, develop, finance, construct and manage the Project.

5. Provide UH with an option to cause the Developer to build additional CRCH space on the Site on a cost-plus basis, including a pre-established Developer profit.

The Developer’s activities under the development agreement with UH are expected to commence by mid-2005, with construction of the new facility commencing as soon as practicable and being completed by the end of 2008. UH is desirous of having the Project started and completed as soon as practicable.

V. RFQ Submittal Requirements

A. Format and Number

Each respondent shall submit one reproducible original and 20 copies (excepting large-scale drawings and exhibits if included in the submittal package) of their responses in 8-1/2” by 11” format.

The response shall be submitted in loose-leaf, three-ring binders with appropriate titles on the front and side panels.
B. Statement of Qualifications

The UH expects potential developers to exhibit the following characteristics, which should be clearly demonstrated in the information submitted as part of the Statement of Qualifications.

1. Ability to conceive, propose and execute a development strategic action plan that fulfills the facility requirements for the CRCH.

2. Extensive experience in owning, developing, managing and leasing comparable projects in the United States.

3. Extensive experience in designing and completing complex site remediation projects, including securing appropriate government closure documentation.

4. Substantial assets and financial resources to complete the Project and assure performance of any and all required indemnity obligations.

The Statement of Qualifications (SOQ) shall include the following information submitted in the sequence listed below (additional information may be included in an appendix):

1. Transmittal letter containing the Developer’s expression of interest in the Project

2. Table of Contents

3. Summary of the Developer’s team, team leadership and organization

4. The Developer’s qualifications and information, in the following order:
   - Overview of the Developer and the Developer’s principal owners and chief executives
   - Description of the Developer’s experience with similar projects
   - Identification, role and professional summary of the individuals who will have key roles in the execution of the Project
   - Description of the financial capability and capital resources of the Developer
   - References from banks, other lenders and debt and equity financing sources
   - Summaries of recent project financings, detailing project type, financing source, amounts, terms and current status.
   - A list and description of the Developer’s current and former (past five years) real estate projects with project name, type, size, occupancy, loca-
tion, cost, status, the Developer’s role, ownership interest and financial commitments, and other salient facts

- Description of any claims, disputes, lawsuits, defaults, or other adverse business issues or conditions involving the Developer
- Awards and recognitions
- Other references
- Contact information

5. Relevant qualifications and resumes from the Developer’s team members, in the following order:

- Design and technical team
- General contractor and construction team
- Asset manager
- Special consultants
- Others

VI. Evaluation and Selection

A. Evaluation Process

1. Evaluation Committee

An evaluation committee will review, evaluate and rank the SOQs received.

2. Evaluation Criteria

UH is seeking a Developer and development team that has in-depth experience and proven success in working collaboratively with universities and their research units and private health care providers to prepare comprehensive and cohesive strategic development plans for cancer centers and/or similar medical research and medical care facilities, and who has been able to successfully implement such plans.

SOQs will be evaluated according to the following criteria (total number of possible points - 100):

- **30 pts.** - Experience and expertise with the planning, design, development, financing, construction, management and operation of comparable projects involving similar complexity, scope and services.
- **20 pts.** - Creativity, flexibility and agility in conceptualizing the Project (written description, space program, plans, drawings and financial pro formas).
- **20 pts.** - Ability to arrange debt and equity financing for the Project.
- **10 pts.** - Leadership and organizational ability to identify, select, form and lead a team with high levels of knowledge and capability. Team
members should have worked on and completed projects of similar type, complexity, scope and scale.

- **5 pts.** - Financial resources and soundness.
- **5 pts.** - Strong project management capability, including clear and timely communications with the client and all other appropriate parties.
- **5 pts.** - Ability to work with government agencies and officials to obtain entitlements, permits and approvals.
- **5 pts.** - Understanding of the local physical, economic, political, social and cultural environment.

### B. Time Schedule of Activities

UH reserves the right to change the time schedule described herein.

- Receipt of Developer’s notice of intent to respond  
  **Tues, Dec 7, 2004**
- Site visit and informational meeting  
  **8:30 am Fri, Dec 10, 2004**
- Deadline for submittal of RFQ questions  
  **Tues, Dec 14, 2004**
- Response to RFQ questions  
  **Mon, Dec 20, 2004**
- Deadline for RFQ submittal (Statement of Qualifications)  
  **3:00 pm (HST) Wed, Jan 5, 2005**
- Selection of short list of finalists  
  **Fri, Jan 21, 2005**
- Notification to all respondents of short list of finalists  
  **Mon, Jan 24, 2005**

The UH intends to issue the RFP to the short list of finalists on or around January 26, 2005.

### VII. Submittal

#### A. Intent to Submit

Interested potential respondents are requested to register their interest and indicate their probable intent to respond to the RFQ by so notifying in writing on or before Tuesday, December 7, 2004:

Jan Yokota  
Office of Capital Improvements  
University of Hawai`i  
1951 East-West Road  
Honolulu, HI 96822

Potential respondents are requested to designate one representative of the respondent and all of respondent’s team members. The representative’s name and con-
tact information should be provided with the respondent’s notice of probable in-
tent to respond.

If registered, potential respondents will be notified in writing of any change in
the requirements/specifications contained in the RFQ.

B. Submittal Date

RFQ submittals must be received no later than 3:00 p.m. (HST) on Wednesday,
January 5, 2005. The deadline for submittal may be extended if, in the sole dis-
cretion of the evaluation committee, such extension is warranted.

C. Location for Submittal

The RFQ submittal must be bound in loose-leaf, three ring binders and sealed in
a package titled “RFQ Submittal – Cancer Research Center of Hawai`i Project”
and submitted by mail or delivered to:

Jan Yokota
Office of Capital Improvements
University of Hawai`i
1951 East-West Road
Honolulu, HI 96822

Proposals submitted by facsimile alone will not be accepted.

D. Respondent Inquiries

Inquiries concerning this RFQ must be submitted in writing by a representative
of the respondent, prior to the dates specified in section VI.B. Inquiries may be
submitted by facsimile transmission.

Except as specifically permitted in this section, from the date of the RFQ until a
final agreement is executed and the selection is announced, respondents are not
permitted to communicate for any reason with any UH representative or consult-
ant except through:

Jan Yokota
Office of Capital Improvements
University of Hawai`i
1951 East-West Road
Honolulu, HI 96822
Phone: (808) 956-7935
Fax: (808) 956-9968
E-mail: jsyokota@hawaii.edu
In the event of a violation of this provision, the evaluation committee reserves the right to reject the submittal of the offending respondent. Only questions that are in writing will be accepted. In addition, only responses issued in writing will be binding on the evaluation committee.

VIII. General Conditions and Limitations

A. Revisions to RFQ

UH may modify this RFQ, prior to the date fixed for submittal of the SOQs, by issuance of an addendum or addenda to all parties who have received a copy of the RFQ. UH may extend the deadline for SOQ submittal for any reason. As provided in Section VII.D., written inquiries concerning this RFQ may be submitted to UH. Responses to inquiries will be made in writing and provided to all respondents to this RFQ. UH may decline to answer any respondents’ inquiries at its discretion.

B. Cancellation of RFQ

UH may cancel this solicitation without cause and at no cost to UH, in whole or in part, if such action is determined to be in the best interest of UH.

C. Acceptance of Submittals

UH reserves the right to waive minor irregularities in the submittals received pursuant to this RFQ or to negotiate with all respondents, in any manner necessary to serve the best interest of UH. Further, UH reserves the right to make a whole award, multiple awards, a partial award, or no award.

D. Incurred Expenses

Any costs incurred by the respondent in preparing and submitting a response to this RFQ will be the sole responsibility of the respondent and will not be reimbursed by UH.

E. Economy of Preparation

Responses should be prepared simply and economically, providing a straightforward, concise description of the respondent’s ability to fulfill the requirements of this solicitation.

F. Confidentiality of Documents

To the extent permitted by law, written requests for confidentiality shall be submitted with the SOQ. The request must state specifically what elements of the
SOQ are to be considered confidential and/or proprietary. Confidential and proprietary information must be readily identified, marked and separated/packaged from the rest of the submittal. Co-mingling of confidential and proprietary information and other information is unacceptable. Any information that will be included in any resulting agreement cannot be considered confidential.

G. Ethics in Contracting/Collusion

If requested to submit a proposal, the Developer shall certify in its proposal that:

- Its response is made without collusion or fraud.
- It has not offered or received any kickbacks or inducements from any other developer, supplier, manufacturer or subcontractor in connection with the proposal.
- It has not conferred on any UH officer or employee, past or present, any payment, loan, subscription, advance deposit, travel services or items even of nominal value, present or promised.

H. Discrepancies and Clarifications

UH reserves the right to request clarification of any aspect of SOQs received or to request additional information that might be required to evaluate the submittals. Responses that are incomplete or conditioned or are not in conformity with this RFQ may be rejected.

I. Respondent Responsibilities

All respondents will be required to bring to the attention of UH expressly, in writing, any requested substitution or change proposed to this RFQ prior to the date for submittal of the SOQ. UH will not be bound to a substitution or change unless the respondent expressly brings it to UH’s attention, in writing and in a timely manner, and UH expressly approves the substitution or change in writing.

J. Nondiscrimination

UH supports the principles of equal opportunity and will not discriminate because of gender, race, color, national origin, religion, sexual orientation, age or disability in the selection of firms. UH encourages the participation of small, women-owned, and minority-owned firms.