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REQUEST FOR QUALIFICATIONS/PROPOSALS

To Enter Into a Real Estate Development Agreement

for

HAWAI`I COMMUNITY COLLEGE
Hilo Komohana Campus

and

West Hawai`i Kona Campus Center

Requested by:

Hawai`i Community College
Hilo, Hawaiʻi

June 1, 2005
1.0 INTRODUCTION

1.1 Background and Purpose

The HawCC campuses assume a significant role in providing educational opportunities for students from both the island of Hawai`i and off-island areas. Historically, the College has provided much needed access and quality to students but its facilities are in dire need of capital investment. Should increased funding be made available, the UH system would receive a poor return on funds that were used to repair and rehabilitate current facilities. HawCC is in need of new state-of-the-art facilities if it is going to prosper and expand to meet the rapidly growing educational needs of the community it serves. Assuming that the State of Hawai`i and the University of Hawai`i could make a funding commitment for modernization, it is estimated that the build out plan would require 20 years. The amount of funding necessary for a “two-campus” relocation and rebuild over a short-term period would present quite a challenge to the System.

A facility privatization partnership presents a viable means to solve HawCC’s facilities predicament. A privatization partnership that optimally leverages HawCC excess properties and effectively manages a comprehensive design and construction program will deliver the desired facilities in less time and at a significant reduction in cost. HawCC is seeking the best-qualified partner in order to accomplish its modernization goal.

Throughout the years, HawCC has experienced growing enrollment demands and is currently unable to accommodate the educational needs of the population it serves. HawCC has unique program and course offerings that can support an aggressive articulation program and allow students better access to University of Hawai`i at Hilo. Lack of adequate facilities have limited HawCC’s ability to optimize its role in the educational feeder system. The sharing of facilities at the UH Hilo campus site is also tenuous at best since UHH is also trying to expand services.

HawCC serves traditional and non-traditional students seeking a college education. HawCC also offers vocational adult education programs and Hawaiian studies programs to an ever-increasing student population. Primary service areas for the College are heavily populated by native Hawaiians. Overall, HawCC has been the agent of change for those seeking change through educational opportunities.

It is clear that modern, efficient facilities will give HawCC a critically necessary identity and the ability to expand its community college programs and adequately meet the demands of its students, faculty, and local communities.

Traditional, year-to-year funding will serve to keep the HawCC campuses in an unproductive and survival mode. HawCC can attain its long-range development goals through an effective privatization partnership that leverages the HawCC excess land assets and produces increased, near-term funding opportunities.
Accordingly, Hawai`i Community College (HawCC), a member of the University of Hawai`i system, desires to establish two new campuses on the island of Hawai`i. HawCC believes that a privatization partnership is the most effective approach to achieve timely, efficient campus facility development and management. HawCC is seeking a facilities privatization partner capable of developing, maintaining and managing the new campus facilities in Hilo and the UH Center in West Hawai`i within the framework of a long-term partnership agreement.

1.2 Privatization Partnership Goals

HawCC has set out to establish two new campuses on the island of Hawai`i founded on a privatization partnership that will result in timely and efficient development and management of new campuses. Refer to the maps in the attached Exhibit for property locations and other information. It is incumbent on Respondents to review parcel(s) information in detail in preparing responses to this solicitation. Respondents should possess a sufficient understanding of the proposed parcel(s) and their potential capacities and constraints (i.e., ownership, environmental issues, infrastructure, etc.). Additional information for the subject parcel(s) may be found in the two documents listed below. HawCC is seeking a facilities privatization partner capable of developing and managing the new campus facilities within the framework of a long-term partnership agreement consistent with the following goals:

- Relocation of the community college at Hilo from the current Manono campus to the proposed Komohana campus site that will service a 3000 FTE student body. (Complete background information related to this goal is described in the UH Board of Regents-approved Long Range Development Plan (LRDP) for the Komohana Campus dated May 2003)

- Development of a community college center at Kona, the Kona campus that will service a 1000 FTE student body. (Complete background information related to this goal is described in the UH Board of Regents-approved Long Range Development Plan (LRDP) for the HawCC Center at West Hawai`i, dated October 1998)

- Establish a development plan to leverage the excess HawCC land and maximize the funds that can be used to support the campus development plan.

- Establish a long-term asset and property management plan to ensure that the facilities are maintained in a like-new condition.

- Formulate a financial plan to ensure that funds are available to support the development and long-term management plans

- Ensure that each campus has the following attributes
• A campus environment that is high-quality, safe, and attractive, and conducive to the pursuit of higher education and vocational training

• A design that preserves the existing historic character of Hawai‘i, protects cultural resources, and satisfies environmental stewardship responsibilities

• Support facilities that enhance the campus setting and contribute additional revenue to the Project(s)

• Establish and maintain positive relations with all stakeholders and communities that are associated with the campuses.

1.3 Solicitation and Selection Process

Request for Qualifications and Request for Proposal. In preparing this solicitation, HawCC is using procedures designed to ensure the selection of the most responsible and capable private sector business entity with which to partner in this important undertaking. These procedures are structured so that interested private parties can compete without expending excessive resources preparing proposals. The solicitation consists of two steps, the first being a Request for Qualifications (RFQ).

Step 1: Request for Qualifications (RFQ). Interested parties are requested to submit a Statement of Qualifications (SOQ) describing their overall concept for development and their approach to operation and management of the Project(s), corporate organization and capabilities, past performance with regard to projects of a similar nature and statements describing financial capability/capacity.

The Evaluation Committee will review, evaluate and rank all SOQs received by the closing date. Subsequently, the highest ranked Respondents will be placed on a Short List and be invited to respond to the second step in this solicitation, the Request for Proposals (RFP).

The Evaluation Committee will review the proposals received in response to this RFP stage.

Step 2: Request for Proposal (RFP). Respondents on the Short List will have the opportunity to submit a proposal on how best they would implement and manage the two Long Range Development Plans for HawCC. Respondents will have an opportunity to demonstrate their creativity, flexibility, and ability to provide reasonable assumptions that will yield a feasible project. Upon completion of its evaluation, HawCC will select one Proposal that, in its opinion, provides the best value for the potential overall Project(s) and will designate the successful Respondent to participate in a period of exclusive negotiations. Respondents may be asked to submit separate Proposals for the proposed new East and West Hawai‘i campuses.
**Exclusive Negotiations.** HawCC will subsequently enter into a period of exclusive negotiations with the selected, successful Respondent. During this period the designated Respondent will: (i) work towards finalization of required project and environmental documentation by conducting a thorough feasibility analysis; (ii) develop a Comprehensive Development Master Plan (CDMP); and, (iii) reach a development agreement, form of leases and other legal documents that would allow the Respondent to go forth with the physical development of the Project(s) if given final approval by HawCC. The Certain rights that are reserved by HawCC for the period of exclusive negotiations are delineated in Section 5, GENERAL PROVISIONS including the right to cancel the negotiation process at will at no cost or obligation to HawCC.

**Development Agreement.** The result of the exclusive negotiations will be a Real Estate Development Agreement that includes the finalized CDMP and all relevant transactional documents. The Agreement(s) will describe all relevant characteristics of the development phase and long-term property and asset management programs, and should define all business terms and conditions, schedules and financial arrangements between the parties.

**1.4 Other Considerations**

**Privatization Partnership.** HawCC expects that this solicitation, in conjunction with the period of exclusive negotiations, will lead to a privatization partnership with the successful Respondent. The private partner is expected to have a long-term interest in the Project(s) through property and asset management responsibilities. To achieve the HawCC goals for campus development, the partner will be expected to enter into a long-term partnership agreement to develop and manage/maintain the Project(s).

**Support Facilities.** Although the focus of the HawCC facility privatization Project(s) is for development and management of campus facilities, the successful Respondent is also encouraged to consider the development of supporting facilities that support the educational activities of the campuses. Such facilities may include child-care centers, housing, medical offices, tot lots, community centers, and other appropriate supporting commercial activities.

**Three-Phase Process for Successful Respondent.** The successful Respondent will conduct the Project(s) in three phases as described below in Section 2.0 Project Description.

**Funding to Support Project Phases.** Respondent will be requested to describe the funding needed to complete each of the three phases and describe how each project phase will be funded (See Sections 3.3.1 and 3.3.3.) The Respondent may request UH to provide all or a portion of the funding for the project phases. Any request for UH participation in funding will be the subject of further discussion and negotiation, however, the Respondent should be aware that UH is under no obligation to fund any portion of the project phases as proposed by the Respondent and does not guarantee
that there will be any participation funding. Respondents should consider this and propose a Project(s) that will have little or no financial participation by UH.

Sources of Funds and Fees. The privatization partner’s return on the Project(s) is expected to come from operating income, fees and anticipated sale of tax credits associated and arising from the development, operations, and management of the newly constructed campus facilities. Such fees will be clearly defined in Respondent’s budgets and must be approved by UH. The Respondent must be aware that in any interim or long-term management and maintenance operations, UH shall be bound by existing and future labor and management agreements that should be considered in the Respondent’s business and management plans.

The subject project’s main sources of revenue will be the cash flows generated from the successful leveraging of HawCC excess properties in Hilo and Kona and the viability of the Respondent’s development and management package. The Respondent will consider possible additional funds provided by federal and state governments, and public and private grants.

Planning Information. Prospective Respondents are encouraged to review the information presented in the planning documents listed below:

   - Long Range Development Plan for the Komohana Campus, dated May 2003
   - Long Range Development Plan for the HawCC Center at West Hawai‘i, dated October 1998

Copies of the above plans are available for review at the Hawaii Community College Chancellor’s office in Hilo.

Solicitation Information. This solicitation can be downloaded from the University of Hawai‘i website (http://www.Hawai‘i.edu/oci).

Land maps are attached as an Exhibit to this Solicitation for the existing Manono Street Campus, proposed Komohana Street Site and West Hawai‘i Kona Campus Center Site. There are ceded land issues on the properties and Respondent is directed to take the ceded land issue into consideration.

2.0 PROJECT DESCRIPTION (SUCCESSFUL RESPONDENT)

2.1 Three Phase Development Process.

HawCC and the U.H. President’s Office and U.H. Board of Regents will have an opportunity to review and approve each of the three phases before the successful Respondent can proceed to the next phase. The three Phases include the Feasibility Analysis, the Campus Development and Master Plan and the Implementation.
2.1.1 Phase One – Feasibility Analysis

The period of exclusive negotiations with the successful Respondent will begin with the feasibility analysis phase. During Phase One, the Respondent will conduct a feasibility analysis that will determine the financial and legal strategy for the privatization partnership. The analysis will examine the suitability of applicable Hilo and Kona market-rate properties to support the HawCC development goals. The analysis will also determine the entitlement issues that must be resolved in order to create a development agreement that will lead to successful development and leveraging of the Kona lands. The Respondent must identify and optimize all possible sources of cash flow so that the HawCC campuses are developed over acceptable time frames to satisfy HawCC expansion goals. At a minimum the feasibility analysis must contain the following elements:

- Determination of the ownership of potential revenues from ceded lands.
- Kona residential and commercial market absorption rates
- Kona land evaluations
- Kona infrastructure requirements
- Residential leasing and sale pricing estimates
- Financial pro forma projecting the cash flows that HawCC will receive
- Kona property entitlement stipulations and lease terms and conditions
- Form of Development Agreement including terms and conditions
- Relationship with adjacent Kona properties including owned by the Department of Hawaiian Home Lands and the Kamehameha Schools.

2.1.2 Phase Two – Campus Development and Management Plan (CDMP)

After demonstrating the feasibility of the privatization approach and upon review and approval by HawCC and the UH President’s Office, the successful Respondent will continue in the period of exclusive negotiations and commence the planning phase. During the planning phase, the successful Respondent will create a Campus Development and Management Plan (CDMP). The CDMP will be the business and master plan for the long-term development and management of all HawCC campus facilities located at Hilo and Kona. The CDMP will also contain the planning and implementation concepts required to leverage the excess properties located at Hilo and Kona. A major benefit of the CDMP process is that it allows HawCC and other members of the University of Hawai’i staff to work collaboratively and ensure that important issues are anticipated and addressed before implementing the plan. HawCC
will evaluate the CDMP and forward its recommendation for approval or disapproval to the President of the University of Hawai`i and the U.H. Board of Regents.

During Phase Two, the Respondent will work with HawCC representatives to create a CDMP that is acceptable to the University of Hawai`i and that offers the best value for the students, faculty, and staff located at each campus. The CDMP process is expected to be completed within six months of the completion of the feasibility analysis. The CDMP is envisioned to contain sufficient information and specifications for the Project(s) including competent conceptual design plans, and include all the final drafts of required transactional agreements necessary for implementation.

The CDMP will be provided in sufficient detail so as to allow HawCC and the University of Hawai`i to make a determination as to its effectiveness.

Upon completion of the CDMP, the Respondent will seek approval of the plan from HawCC and its higher authorities including the UH President’s Office and Board of Regents. HawCC will be granted full and unlimited rights to use any elements of the CDMP for other planning purposes. After HawCC has approved the CDMP, the Respondent will immediately commence Phase Three – Implementation.

If the selected Respondent is unable to produce an acceptable CDMP within the agreed timeframe, HawCC may terminate work on the Project(s) in its sole discretion and with no further financial or other obligations to the Respondent. Termination under this paragraph will be considered a termination for cause. At its sole discretion, HawCC may continue to proceed with the Project(s) by taking it over itself or working with another party or by seeking new RFQ responses. Upon termination, HawCC has the right to provide the CDMP to other Respondents/developers in order to seek satisfactory completion of this privatization Project(s).

At a minimum, the CDMP will contain the following major components:

**CDMP Financial Plan**

The financial plan will describe the Respondent’s plan for financing projected long- and short-term expenses and debt associated with the Project(s). At a minimum, this plan will include:

- An integrated financial pro forma analysis covering expected income, debt and expense over the life of the Project(s), including that which is necessary to ensure continuous and quality-based long-term asset and property management of all campus facilities. The pro forma analysis will incorporate both development and operational elements.

- A detailed accounting and statement of sources and uses of funds and cash flows for both initial development and management phases.
**CDMP Development Plan**

a. The development plan will address all aspects of the development process at each campus with a specific focus on long-term master planning and environmental stewardship. Ongoing renovation, renewal and construction of campus and ancillary facilities are expected to take place over the life of the Project(s).

b. At a minimum, the development plan will update the existing Long Range Development Plans (see Section 1.4) and will specify the number, type, and size of all facilities that are necessary to support the HawCC proposed campus development and expansion. The plan will indicate the life cycle (50-year) schedule under which the renovation, renewal and new construction will occur. Additionally, the Respondent will be expected to provide proposed land-use maps, graphic model floor plans, and exterior architectural sketch renderings of the proposed facilities. The plan will specify appropriate performance standards and incentives to ensure sufficient attention is given to design, construction, finish standards, completion schedules, and budgets.

c. HawCC expects the Respondent to employ its expertise to design a campus plan that goes beyond the minimums and takes full advantage of the assets and revenues available to the Project(s).

d. Life-cycle renovation, renewal or replacement of the facilities will take place during the course of the Project(s) on a schedule to be developed.

e. The Respondent will ensure that all environmental documentation is completed as part of the CDMP process.

f. The CDMP will include a subcontracting plan describing the Respondent’s standards for selecting subcontractors to work on the Project(s).

g. The CDMP will specify schedules for the performance of all development activities related to the Project(s).

**CDMP Asset and Property Management Plan**

The asset and property management plan will describe the Respondent’s concept and approach to operating, maintaining, and managing all campus facilities, including the creation of additional asset/property value through private and/or public asset management initiatives and identification of potential, strategic opportunities that are to be specified in the plan. At a minimum, the plan will specify appropriate performance standards and incentives designed to ensure that campus facilities are continuously and effectively operated, managed and maintained at a high level of quality and repair. The asset and property management plan should also describe the Respondent’s strategy for making capital improvements to all facilities throughout the life of the Project(s).
CDMP Transactional Agreements

The transactional agreements are the legal documents that will describe the relationship between HawCC and Respondent and will specify rights and obligations of each party during the implementation and long-term management/maintenance of the Project(s). As a minimum, the transactional documents will include a development agreement, ground lease, and development, construction, management, and incentive fee agreements.

CDMP Local Business Utilization Plan

The CDMP will provide details about the successful Respondent’s goals for subcontracting with local businesses. The Respondent will also be expected to outline plans and schedules for conducting local business outreach events.

2.1.3 Phase Three – Implementation

Upon approval of the CDMP by the President of the University of Hawai‘i and the Board of Regents, HawCC and the private partner will complete the period of exclusive negotiations, execute the Development Agreement and other related transactional documents and begin the implementation phase. The implementation phase is envisioned to be structured in the form of a long-term partnership or development/management agreement. HawCC will consider proposals that allow for fast tracking or expediting the implementation and delivery of important demand related campus facilities during the time that Phase Two planning is underway.

HawCC shall have the successful Respondent implement the approved CDMP. Upon approval of the CDMP by the President of the University of Hawai‘i and Board of Regents the Respondent will be given final approval to begin project implementation. HawCC anticipates that the implementation phase will commence no later than June 1, 2006. The commencement of the Project(s) under Phase Three Implementation shall be subject to approval and execution of all required transactional documents by the Board of Regents, and up to this milestone, HawCC, UH and the Board of Regents shall have no financial or other obligation to the successful Respondent. The implementation phase is divided into two periods: initial development period and out-year development period.

2.2 Project Guidelines for Facilities Privatization during Phase Three - Implementation

Government Funding

The Respondent and HawCC shall collaborate during the CDMP preparation Phase to seek federal, state and private funding to support Phase Three Implementation of the Project(s).
Public and Private Bond Financing

The Respondent is encouraged to develop a strategy to obtain applicable bond, tax-exempt or public educational facility financing as a potential source of funds to support the project Phase Three financial plan. Contribution of HawCC’s excess properties in Hilo and Kona as financing equity will be required to secure sufficient, suitable financing for the timely development of the HawCC campuses.

Conveyance or Lease of Existing Property and Facilities

HawCC is willing to convey existing facilities and lease campus properties and excess land on a long term basis to the successful Respondent for the purposes of privatizing campus facilities subject to the UH President’s and Board of Regents’ approval. The terms of conveyance and ground leases will be reviewed and agreed upon during the feasibility analysis phase.

Local Standards

All facility development will adhere to county, state and federal codes and requirements. Respondents are encouraged to develop facilities that exceed code requirements when the additional quality measures at their first (construction) cost can be shown to be cost-effective in reducing facility life-cycle cost in the out years.

Non-HawCC Related Renters

If housing is a component of the approved CDMP, the Respondent is encouraged to provide housing to HawCC students, faculty, and staff on a priority basis. If the HawCC housing requirement diminishes, the Respondent will have the authority to allow non-HawCC related renters to occupy housing in order to keep the housing economically viable.

Real Estate Taxes

The Respondent will be responsible for any real estate or other ad valorem taxes assessed on the Project(s). The requirement to pay local real estate or other ad valorem taxes will vary based upon the type and purpose of the developed facilities. Each Respondent must make its own assessment of the likelihood that the Project(s) will be required to pay such taxes. The Respondent has the obligation to pay taxes if required by appropriate law.

Ancillary Supporting Facilities

The Respondent is highly encouraged to consider complementary campus facilities add value to the overall campus environment. Such facilities include child-care centers, medical offices, tot lots, student and community centers, and other commercial activities. HawCC has final approval authority to include all such facilities in the CDMP.
Utilities

The Respondent will be responsible for managing all start-up and ongoing costs of utilities provided to campus facilities. HawCC desires that the Respondent include design features that will minimize life-cycle utility costs and reduce or mitigate the risk of out-year utility rate spikes. The Respondent will be responsible for coordinating with the local municipalities and private utilities to identify all applicable requirements, rights and responsibilities with respect to incorporating infrastructure services and cost of capital improvements to the distribution systems.

Leadership in Energy and Environmental Design (LEED)

The Respondent will incorporate LEED criteria and other energy conservation measures in order to produce the lowest possible facility life-cycle cost over the life of the Project(s).

3.0 SUBMISSION REQUIREMENTS

3.1 Overview

The Respondent’s proposal will consist first of a Step 1: Statement of Qualifications, and subject to selection on the short list of “best value” Respondents and in response to this official solicitation, followed by the RFP Step 2: Preliminary Concept for Feasibility Analysis, Planning and Implementation.

3.2 Step 1: Statement of Qualifications

The Respondent must submit a Statement of Qualifications (SOQ) in sufficient detail to permit the Evaluation Committee to determine the Respondent’s qualifications and distinguish the Respondent from other candidates.

The Step 1: Statement of Qualifications will be submitted in an original hard copy version in a 3 ring binder (plus nine copies) and will also be provided electronically on compact disk. The hardcopy versions will be presented in Microsoft Word, 8 ½” x 11” format. Spreadsheets must be produced in Microsoft Excel, 8 ½” X 11” format. Tables, charts, and 3rd party documentation may be in any format and entered on the CD using any readily available format.

Proposals must be received no later than 5:00 p.m. on July 15, 2005 to the Office of the Chancellor, Hawai‘i Community College, 200 W. Kawili Street, Hilo, Hawai‘i, 96720.

Submittals failing to arrive by the established deadline will be disqualified and not be evaluated.

The SOQ shall contain the four components that are described below:
3.2.1 SOQ General Concept for Development, Operation and Management

The Respondent should provide a general concept for development, operation and management that fully describes its approach to satisfying the goals of the privatization partnership.

3.2.2 SOQ Organizational Arrangements and Capacity

The Respondent should provide basic background information on the entity or principal team members forming the entity:

- The Respondent’s history and background, including principal team members.

- The Respondent’s resources available to plan, develop, redevelop, renovate, operate, manage and maintain commercial and residential property including a competent strategic plan providing for their construction, financing, and long-term operation and protection of existing historic and aesthetic values.

- Contact information for the key persons who will be responsible for representing the Respondent in all matters and for coordinating and integrating overall program requirements

3.2.3 SOQ Relevant Project Experience

The Respondent should provide a list of three most relevant, major real estate development projects completed or currently being developed and managed by its principal members. For each project listed, include a brief description of the project, including its name, size (dollar value/number of units), type (commercial, educational, residential), nature of construction (whether new construction, moderate rehabilitation, substantial rehabilitation or redevelopment), location, and other pertinent information. The responsibility of the Respondent is to determine which three example projects it considers most relevant to the HawCC facility privatization program.

3.2.4 SOQ Financial Capability

HawCC wants to ensure that the Respondent possesses a strong financial structure. This can be demonstrated through financial statements. There is no minimum net worth requirement; however, net worth and net working capital are considered in the evaluation. The Respondent should provide documentation and statements relevant to the Respondent or its appropriate principal member(s) as identified below:

- Last three years of audited financial statements from the company performing the work as well as the parent or holding company of the entity.
The financial statements should be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

If a private company has not prepared audited financial statements in accordance with GAAP, the financial statements should be audited on the basis that they have been prepared (e.g. current value accounting) and an assertion as to their accuracy should be made by their auditor.

- Payment and performance bonding capacity:
  - Detail how the bonding capacity is derived, and the Respondent's bonding limitations.
  - In the event that an alternative to bonding is being proposed, provide information on the alternative and explain how it better protects HawCC's interests.

The financial statements and other financial information submitted will be reviewed individually. The proposal should also include contact information with the entity’s independent accounting firm and permission to speak with this firm during the financial review.

All financial information submitted for this RFQ will be protected from public disclosure if the provider identifies and justifies the information as proprietary and requests such protection at the time of submission. Information that is considered proprietary should be clearly identified.

**Note:** After receipt and ranking of the SOQs in response to the RFQ, those placed on the Short List of “Best Qualified” Respondents will be invited to respond to the RFP by submitting their Proposals as described below.

### 3.3 Step 2: RFP Detailed Preliminary Concept Proposal

The Respondent, in its proposal, must submit a detailed and competent conceptual plan for feasibility analysis, planning, and implementation of the development of the campus sites.

The Step 2: The Detailed Preliminary Concept Proposal will be submitted in an original hard copy in a 3 ring binder version (plus nine copies) and will also be provided electronically on compact disk. The hardcopy versions will be presented in Microsoft Word, 8 ½” x 11” format. Spreadsheets must be produced in Microsoft Excel, 8 ½” X 11” format. Tables, charts, and 3rd party documentation may be in any format and entered on the CD using any readily available format.
Proposals must be received no later than 5:00 p.m. on September 2, 2005 to the Office of the Chancellor, Hawai‘i Community College, 200 W. Kawili Street, Hilo, Hawai‘i, 96720.

Submittals failing to arrive by the established deadline will be disqualified and not be evaluated.

3.3.1 RFP Project Management Plan for Phase One (Feasibility Analysis) and Later Phase Two (CDMP) Subsequent to Respondent Selection

The successful Respondent shall submit a comprehensive and competent project management plan to address the requirements of Phase One and Phase Two. The plan should include the following items:

- Subcomponents of the deliverables that are described in Section 2.0 Project Description.
- Approach for completing deliverables.
- Milestone schedule.
- Budget to complete the Phase One and Phase Two deliverables within the planning year.
- The funding strategy to include suggested HawCC requirements for Phase One and Phase Two. Note: As per Section 1.4, any request for HawCC provided funding will be the subject of further discussion and negotiation. HawCC is under no obligation to fund any portion of the Project(s) or requirements arising from the successful completion of this solicitation.
- Organizational structure.

The Respondent’s organizational structure should be delineated on organization charts that depict the relationship between and responsibilities of the key personnel. The Respondent should also provide sufficient background information on key personnel. For each key person identified, submit a one-page resume that describes the individual’s duties and responsibilities, education, knowledge, skills, expertise, and other qualifications relevant to the successful accomplishment of the Project(s).

Note: The project management plan for Phase Three will be incorporated into the subcomponents of the CDMP that is developed in Phase Two.

3.3.2 RFP Feasibility Analysis

The Respondent must submit a detailed description of the feasibility analysis that will be performed in Phase One of the Project(s). The description must outline the critical steps and specify an acceptable timetable for its completion. The analysis must also provide sufficient information to demonstrate that the Respondent’s preliminary financial plan is executable. Finally, the Respondent must specify the resources, primarily the financial and organizational ones that it expects to receive from HawCC in order to
complete the feasibility studies and demonstrate the viability of the privatization partnership approach.

3.3.3 RFP Preliminary Financial Plan

The Respondent must develop a preliminary financial plan that includes the following elements:

- Describe the approach to manage and balance initial and out-year development scope, development expenditures, and operations funding

- Describe the strategy to finance the Project(s) on a long-term basis
  - Why the strategy offers best value to the Project(s)
  - Sources of capital and their anticipated costs
  - Approach to securing project financing through a competitive process

- Describe the approach to reinvest funds generated by the Project(s)

- Develop a fifty-year pro-forma analysis (in Excel format)
  - Assumptions and limitations
  - Initial and out-year development budgets
  - Operating cash flows
  - Sources and uses

- Describe the financial returns to principal members
  - Standard fees
  - Incentive fees
  - Return on development cost and equity contributions
  - Other returns

3.3.4 RFP Preliminary Development Plan

The Respondent must provide a preliminary development plan that details the overall development strategy during the initial development period and the out-years after initial project development has been completed and the campuses are delivered in a turn-key condition to HawCC for full operations.

- Assess, describe and delineate the facility needs of each campus and the necessary modifications to the applicable campus Long Range Development Plans.

- Describe the overall vision, strategy, and approach for the initial development period and include the following components:
  - Modern and progressive design principles as they relate to aesthetics and the environment
• Conceptual land-use plan including maps and documents that
  • Incorporate existing on-campus community assets into the new campus structure
  • Enhance campus safety (traffic and pedestrian flows, parking, and security)
  • Enhance the aesthetic character and quality of the residential communities.
  • Incorporate ancillary supporting facilities and how they enhance campus activities
• Descriptions of campus facility and housing products
• Project risk management strategies and identification of contingencies that eliminate or mitigate project risks
• Initial estimates of development budgets, both direct hard and indirect soft costs
• Development and Construction schedule, incorporating sufficient critical path management information

  • Describe the long-range management/maintenance plan for out-years once the initial phase of development has been completed.

  • Describe the approach for building a long-term working relationship with HawCC and other campus stakeholders.

3.3.5 RFP Preliminary Asset and Property Management Plan

The Respondent must provide a preliminary asset and property management plan to preserve all facility assets in like-new condition and to provide best-in-class property management services over the course of the Project(s). The plan should include the following components.

  • Financial management
  • Risk management
  • Personnel management
  • Energy management
  • Leasing operations
  • Maintenance operations
  • Physical assessment and evaluation
  • Capital improvements and replacements

3.3.6 RFP Preliminary Transactional Agreements

The Respondent must provide an overview of the transactional agreements that are envisioned to govern the conduct and structure of the Project(s). The overview will include a listing and description of the documents and an explanation of the role that each document plays in the development of the all-encompassing privatization partnership.
3.3.7 RFP Preliminary Local Business Utilization Plan

The Respondent shall provide a preliminary plan for utilizing local business in both construction and operations. The plan will include the following components:

- Amount (in dollars and in percentage) of the total development cost that will be subcontracted to non-affiliated business concerns
- Amount (in dollars and in percentage) of the subcontracted cost that will be allocated to local business
- Plan for conducting local business outreach events
- Strategy for monitoring and fulfilling the commitment to local business

3.3.8 RFP Preliminary Transition Plan: Transitioning from Phase Two to Phase Three

The Respondent must describe the plan to transition from Phase Two to Phase Three. If fast tracking of selected campus facilities or market-rate development is envisioned, the Respondent must describe the timelines as well as benefits associated with performing parallel implementation and facility planning processes.

3.4 Process Requirements for Participants in Both the RFQ and RFP Phases

3.4.1. Informational Meeting/Site Visit (RFQ Phase)

An informational meeting is planned for Step One of the Selection Process (RFQ Phase). Attendance at this meeting is optional.

3.4.2. Mandatory Pre-Proposal Conference (RFP Phase)

Respondents who are selected for the short list and asked to submit a proposal for the RFP solicitation will be required to attend a pre-proposal conference prior to submission of proposals as scheduled and delineated in 3.4.4.

3.4.3. Respondent Inquiries

Inquiries concerning this Request must be received in writing, prior to the date specified in Section 3.4.4. Inquiries may be submitted by facsimile transmission.

Except as specifically permitted in this section, from the issuance date of this Request until a final agreement is executed and the selection is announced, Respondents are not permitted to communicate for any reason with any University representative or consultant regarding this Request except through:

Rockne Freitas, Chancellor
Office of the Chancellor
Hawai`i Community College
3.4.4. Schedule

- Issuance of HawCC RFQ/RFP: June 24, 2005
- Informational Site Visit (Optional): June 30, 2005
- Deadline for submission of questions: July 8, 2005
- Response to questions: July 13, 2005
- Deadline for Submission of SOQ: July 15, 2005
- Selection of Short List Respondents: July 22, 2005
- Mandatory Pre-Proposal Conference: July 29, 2005
- Deadline for submission of questions: August 5, 2005
- Response to Questions: August 12, 2005
- Deadline for Submission of RFP Proposals: September 2, 2005
- Respondent/Developer Presentations: September 8, 9, 2005
- Approval of Respondent/Developer by U.H. Board of Regents: September 23, 2005
- Initial Occupancy: August, 2008

4.0 EVALUATION PROCESS FOR RFQ AND RFP PHASES

4.1 Overview of RFQ and RFP Phases

The evaluation and selection process will consist of two phases. The first SOQ phase will consist of: (1) the preparation and submittal of the SOQs by the Respondents; (2) the evaluation of all SOQs received by HawCC; and (3) the selection of qualifying Respondents for a short list of not more than five Respondents who will be invited to respond to the RFP.

The second step is the RFP Phase that is to be conducted after the short list is identified, and includes: (1) the issuance of the RFP to the selected Respondents; (2) the submission and review of technical and financial proposals in accordance with the RFP instructions and (3) the selection of the development team to be recommended by the Evaluation Committee to the HawCC Chancellor for his approval and further approval by the UH President and Board of Regents.

Since at this RFP step the detailed costs, final program and operational requirements for the Project(s) have not been developed, the proposals will not result in a final design or financial structure. Rather, the primary goal of this approach is to solicit preliminary concepts and budgets that demonstrate the Respondent’s creativity, flexibility, understanding, relevant experience and ability to provide reasonable assumptions that
will yield a feasible project. In Phase 1 and Phase 2, the successful Respondent will assist HawCC with the development of the final project planning and design specifications and operating and development budgets for the Project(s).

Selection of the successful Respondent’s development team will not be based solely on financial criteria. Instead, selection will consider the Respondent’s ability to provide a quality campus development with a surrounding environment that is most conducive to the overall campus experience for the student. The Respondent must use its professional judgment and expertise in developing a proposal for the project that meets the market, programmatic and financial opportunities and constraints likely to be realized or encountered in the development and long-range operations of the Project(s). The technical and financial proposals should be developed at a sufficient level of detail commensurate with the reasonable availability of market, programmatic, operational and financial information.

4.2 Evaluation Committee

HawCC will establish an Evaluation Committee to review responses to this RFQ in order to determine a short list of Respondent candidates for the Project(s). The Evaluation Committee will include HawCC executives and staff and other personnel and, advice shall be sought from consultants with specific expertise in large-scale development, historic preservation projects, environmental issues, and privatization issues regarding financing, operations, and management services. The Evaluation Committee will review proposals submitted by the short-listed prospective Respondents by the submittal deadline in order to select a successful Respondent. Additional communication with prospective Respondents, as well as independent background analyses, may be conducted by and at the discretion of HawCC. References identified by prospective Respondents in their submissions and other third parties may also be contacted and verified.

4.3 RFQ Statement of Qualifications Evaluation Factors

The Evaluation Committee will use four factors to evaluate the information regarding the Statement of Qualifications provided by Respondents in response to this RFQ: (1) General Concept, (2) Organizational Arrangements and Capacity, (3) Relevant Experience, and (4) Financial Capability. The Evaluation Committee will assign points up to the maximum values indicated for the four Evaluation Factors. Ranking of the “Best Qualified” Respondents will be derived from each respective Respondent’s total score assigned.

4.3.1 Request for Qualifications Selection Decision.

At the conclusion of its evaluation of RFQ submittals, the Evaluation Committee will present its consensus evaluation report of all Respondent’s by ranking the Respondents according to the total of points as assigned to the four Evaluation Factors. The
Chancellor upon his approval will forward his recommendation to President of the University of Hawai`i, and ultimately the Board of Regents for their approvals.

4.3.2 Statement of Qualifications Evaluation Factors

Factor 1 – General Concept  
25 Points

The following questions and elements will aid the Evaluation Committee in evaluating the general concept factor.

Does the Respondent provide a concept that supports the realization of the privatization goals?

Factor 2 - Organizational Arrangements and Capacity  
25 Points

The following questions and elements will aid the Evaluation Committee in evaluating the organizational arrangements and capacity factor.

To what extent can the Respondent field a qualified, experienced project team with the expertise and workload capacity necessary to manage all of the disciplines required to plan, develop, redevelop, manage, and maintain a large-scale, long-term, quality development project?

1) Does the Respondent possess the organizational capability to field a team that possesses the skills necessary to make the CDMP creation process successful. Some of these disciplines include business planning, master planning, financing, public approvals, community and governmental relations, construction, environmental management, seismic mitigation, marketing, sales, rentals, historic preservation (architecture, landscape, and archeology) and long-term property management and maintenance.

2) Does the Respondent present an organizational structure that allows for successful oversight and creation of a CDMP?

3) Does the Respondent successfully demonstrate the workload capacity to incorporate the proposed Project(s) into their current and planned business operations? This factor considers the prospective Respondent’s ability to manage and integrate various functional disciplines relevant to the successful planning of the Project(s). In the case of joint ventures, this factor evaluates the organizational capabilities of each member of the joint venture in their assigned areas of responsibility.

Factor 3 – Relevant Experience  
25 Points

a. The following questions and elements will aid the Evaluation Committee in evaluating the experience factor.
Does the Respondent possess the experience necessary to plan, design, finance, partner, and implement projects such as those identified in this solicitation?

1) To what extent has the Respondent demonstrated through experience the ability to plan, develop, redevelop, manage, and maintain large-scale development projects, including providing for their construction, financing, environmental management, and long-term operation, as well as recognizing and mitigating any environmental constraints?

2) To what extent has the Respondent demonstrated through experience the ability to serve as a contractor and partner in working with state governments, local governments and non-profit institutions?

3) To what extent has the Respondent demonstrated through experience the ability to address environmental and historic property treatment issues and conform to restrictions and guidelines for the environmental remediation and preservation of these property types?

4) To what extent has the Respondent demonstrated through experience, and in relation to its approach to managing the project, the ability to work successfully in cooperation with other business entities or organizations on complex projects requiring long-term real estate operation, maintenance, and property management?

b. Factor element (4) above evaluates the extent to which a single-firm Respondent has worked with other organizations (e.g., subcontractors, financial institutions) on projects requiring long-term real estate operation, maintenance, and property management functions. In the case of a joint venture, this last factor element also evaluates the extent to which the joint venture’s principal members have experience working together or with other organizations on such projects in joint ventures or similar types of business relationships.

Factor 4 - Financial Capacity

The following questions and elements will aid the Evaluation Committee in its evaluation of the financial capabilities factor.

Can the Respondent structure, arrange, and manage the financing required for the successful development and long-term operation of a large, complex development project?

1) Does the Respondent or the Respondent’s team possess the financial capability, bonding capacity, and institutional relationships necessary to obtain financing for a project of this size and scope and to weather temporary or near-term cash flow shortfalls?
2) Does the Respondent demonstrate expertise in structuring diverse and viable strategies for financing projects on a long-term basis?

3) Does the Respondent identify sources of equity to be used in the Project(s) and specify the expected duration of this equity investment?

4.3.3 Request for Proposals Preliminary Concept Evaluation Factors

The Evaluation Committee will use eight factors to evaluate the information contained in the Detailed Preliminary Concept Proposal provided by Respondents in response to the RFP. These factors are listed as follows: (1) Feasibility Analysis (2) Financial plan (3) Development Plan (4) Asset and Property Management Plan (5) Phase One and Phase Two Project Management Plan (6) Transactional Agreements (7) Local Business Utilization Plan and (8) Transition Plan.

Factor 1 – Project Management Plan for Phase One (Feasibility Analysis) and Phase Two (CDMP) 15 Points

a. The following questions and elements will aid the Evaluation Committee in evaluating the Phase One and Phase Two Project Management Plan factor.

To what extent does the Respondent’s project management plan provide a realistic approach to implementing Phase 1 and Phase 2 of the project during the Exclusive Negotiation Period?

1) Does the proposed project organization have sufficient breadth and depth to accomplish the tasks envisioned? Are the lines of authority and communication clear and will the organization have the capability to respond to unanticipated demands and developments?

2) Is the proposed schedule in sufficient detail and sufficiently comprehensive to demonstrate how the project team will complete the statement of work?

3) Is the project budget adequate and does it provide the resources the project team will need?

Factor 2 - Feasibility Analysis 20 Points

The following questions and elements will aid the Evaluation Committee in evaluating the feasibility analysis factor.

Has the Respondent evaluated all the economic, financial, and legal issues associated with the privatization partnership and demonstrated that the preliminary concept is feasible?
Has the Respondent identified the HawCC resources that are required to ensure partnership success?

Factor 3 - Financial Plan

20 Points

a. The following questions and elements will aid the Evaluation Committee in evaluating the financial factor.

How and to what extent will the Respondent’s expected capital structure and financial return (taking into account the proposed ownership structure, reinvestment plan, and use of HawCC authorities) support the proposed preliminary project concept and promote the successful improvement in the quality of the educational infrastructure and community and the quality of life for students, faculty and families living on the campus?

1) Does the Respondent's proposed approach to generating a financial return provide incentives to reward good service and high-quality maintenance over the life of the Project(s)?

2) Does the Respondent demonstrate an understanding of HawCC authorities? Does the Respondent adequately and accurately explain the use of HawCC authorities? Is the Respondent’s plan for implementing the preliminary project concept an efficient use of the HawCC contribution to the Project(s)? Does the Respondent’s plan for enhancing the baseline preliminary project concept through the use of HawCC financial tools represent an efficient use of the institution’s contribution to the Project(s)?

3) Does the Respondent outline a plan for securing the most efficient debt (i.e., lowest cost debt at the most flexible terms), through a competitive process? Does the Respondent identify the risks and benefits for the overall capital structure, including a plan to mitigate any potential risk? Does the Respondent demonstrate that the debt structure is achievable in the financial markets?

4) Does the Respondent’s pro forma financial model accurately reflect the project concept and financial plan outlined in the proposal? Does the Respondent demonstrate an ability to integrate the financing, development and operations plans?

5) Does the Respondent demonstrate an understanding of the opportunities for and limitations on the revenue and expense associated with the Project(s)? Does the financial plan support the long-term maintenance of the Project(s)?

6) Does the Respondent identify appropriate amounts of equity and detail sources?

b. Cost or price will not be the primary determinant of Respondent selection.
Factor 4 - Development Plan 20 Points

This factor considers the prospective Respondent’s overall project concept for the long-term development of the two community college sites and the Respondent’s creativity in meeting HawCC’s objectives. The following questions and elements will aid the Evaluation Committee in evaluating the Preliminary Project Concept factor.

Has the Respondent provided a creative, robust vision for development that meets HawCC’s needs and signals a realistic, successful outcome?

1) Does the prospective Respondent understand HawCC’s goals and needs for the Project(s) as identified in Section 1.1 of this solicitation?

2) Is the Respondent’s development plan practical and likely to succeed from a long-term business and financial standpoint?

3) Does the Respondent’s approach adequately consider local information, the local community, HawCC stakeholders, environmental factors including the vision and goals for the Project(s)?

4) Do all ancillary supporting facilities proposed as part of the overall project concept relate to and support educational and institutional requirements? Similarly, to what extent are proposed ancillary supporting facilities incorporated into an overall development vision that seeks to complement (and not compete with) business operations in the local community?

Factor 5 - Asset and Property Management Plan 10 Points

This factor considers the prospective Respondent’s overall project concept for the long-term operation, maintenance, and property management of the two college sites and the Respondent’s creativity in meeting HawCC’s objectives. The following questions and elements will aid the Evaluation Committee in evaluating the Asset and Property Management Plan.

Has the Respondent provided a creative, robust vision for asset and property management that meets HawCC’s needs and signals a realistic, successful outcome?

1) Does the prospective Respondent understand HawCC’s goals and needs for the Project(s) as identified in Section 1.1 of this solicitation?

2) Is the Respondent’s plan for reinvestment and its plan for providing quality long-term operation, maintenance, and property management, practical and likely to succeed from a long-term business and financial standpoint? Does the Respondent’s asset management plan provide for the maintenance and enhance of property value for the Project(s)?
3) Does the Respondent’s approach adequately consider local information, including the vision and goals for the Project(s)?

**Factor 6 - Transactional Agreements**

5 Points

The following question will aid the Evaluation Committee in evaluating the Transactional Agreements factor.

Is the overview of the proposed Transactional Agreements comprehensive and responsive to the needs of the Project(s) for Phase Three - Implementation?

**Factor 7 - Local Business Utilization Plan**

5 Points

The following question and element will aid the Evaluation Committee in evaluating the Local Business Utilization factor.

How will the Respondent use local businesses for this project?

It is HawCC’s goal to ensure that local businesses have the maximum practicable subcontracting opportunity to participate during Phase 3 - Implementation. This factor considers the Respondent’s plan (i.e., illustrative list of work areas, programs, policies, etc.) for utilization of local businesses during Phase 3 of this project, as well as percentage of work and dollars that will be subcontracted to small businesses.

**Factor 8 - Transition Plan**

5 Points

The following question will aid the Evaluation Committee in evaluating the Transition Plan factor.

Does the Transition Plan provide the necessary management organization, staff and approach to enable the Respondent to successfully begin the Phase Three – Implementation?

### 4.4 RFQ Proposals Selection Decision.

At the conclusion of its evaluation of RFQ Proposals, the Evaluation Committee will present its consensus evaluation report of all Respondent’s by ranking the Respondents according to the total of points as assigned to the eight Evaluation Factors. The Chancellor upon his approval will forward his recommendation for the two (2) highest ranked Respondents to President of the University of Hawai‘i, and the Board of Regents for their approvals.
5.0 GENERAL PROVISIONS

5.1 Revisions to the Request for Qualifications
HawCC may modify this RFQ, prior to the date fixed for submission of the SOQs, by issuance of an addendum or addenda to all parties who have received a copy of the RFQ. HawCC may extend the deadline for submittal of SOQs for any reason. Written inquiries concerning this RFQ may be submitted to HawCC. Responses to inquiries will be made in writing and provided to all Respondents to this RFQ. HawCC may decline to answer any Respondent’s inquiries at its sole discretion.

5.2 Cancellation of the RFQ
HawCC may cancel this solicitation at any time until the execution of a Development Agreement without cause and at no cost to the University, in whole or in part, if such action is determined to be in the best interest of the University.

5.3 Acceptance of Submittals
HawCC reserves the right to accept or reject any or all submittals without cause, in whole or in part, received as a result of this RFQ; waive minor irregularities; or negotiate with all Respondents in any manner necessary to serve the best interest of the University. Further, HawCC reserves the right to make a whole award, multiple awards, a partial award, or no award.

5.4 Background Documents
Respondents may find the following documents listed below to be of use in preparation of the SOQ. Respondents may examine the following documents during the preparation of their SOQs by making an appointment with the contact person for viewing at the Office of Chancellor, Hawai`i Community College, 200 W. Kawili Street, Hilo, Hawai`i, during normal business hours.

The following documents are on file and available for review:

Long Range Development Plan for the Komohana Campus, dated May 2003
Long Range Development Plan for the HawCC Center at West Hawai`i, dated October 1998

5.5 Incurred Expenses
Any costs incurred by the Respondent in preparing and submitting a response to this RFQ/RFP will be the sole responsibility of the Respondent and the University or HawCC is not obligated in any way to reimburse Respondents.
5.6 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.

5.7 Confidentiality of Documents

To the extent permitted by law, written requests for confidentiality shall be submitted with the SOQ and RFP Proposal. The request must state specifically what elements of the SOQ and RFP Proposal 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.

5.8 Ethics in Contracting/Collusion

The Respondent shall make the following certifications in its proposal:

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

5.9 Discrepancies and Clarifications

HawCC reserves the right to request clarification of any aspect of received SOQs and RFP Proposals 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/RFP may be rejected.

5.10 Respondent Responsibilities

All Respondents will be required to bring to the attention of HawCC expressly, in writing, any requested substitution or change proposed to this RFQ/RFP prior to the date for submittal of the SOQ or RFP Proposal. HawCC will not be bound to a substitution or change unless the Respondent expressly brings it to HawCC’s attention, in writing, and in a timely manner, and HawCC expressly approves the substitution or change in writing.
5.11 Nondiscrimination

The University of Hawai‘i and HawCC support 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. The University of Hawai‘i and HawCC encourage the participation of small, women-owned, and minority-owned firms.

5.12 Insurance Requirements

The successful Respondent shall, at its own expense, procure and maintain during the entire performance period of any contract or agreement arising from this solicitation, including any extensions thereof, insurance of the kind and in the minimum amounts specified below. All insurance, except for professional liability, shall have a retroactive date of placement prior to or coinciding with the effective date of any agreements between HawCC and the successful Respondent. Professional liability coverage should be retroactive to the beginning of pre-bid design activities. All policies shall name the University of Hawai‘i as an additional insured.

Depending upon the substance of the successful proposal, the insurance requirements may be tailored to meet the proposal structure and to meet the requirements of HawCC.

5.12.1 Overall Requirements

5.12.1.1 Commercial General Liability Insurance

Commercial general liability insurance on an occurrence form to include coverage for:

- Premises Operation
- Independent Contractors
- Products and Completed Operations

Products and Completed Operations coverage protecting the Contractor and Subcontractor must be carried for two (2) years after substantial completion of the Project(s). Evidence of this insurance shall be provided to HawCC on an annual basis.

- Broad Form Property Damage including completed operations
- Blanket Contractual Liability
- Personal Injury
- Employees named as Additional Insured
- Explosion, Collapse and Underground Property Damage
• Severability of Interest

The limit of liability for such coverage shall be:

- Bodily Injury and Property Damage Combined Single Limit:
  - $5,000,000.00 per occurrence
  - $5,000,000.00 aggregate
- Products and Completed Operations
  - $1,000,000.00 per occurrence
  - $5,000,000.00 aggregate
- Personal Injury
  - $1,000,000.00 per occurrence
  - $5,000,000.00 aggregate

5.12.1.2 Professional Liability Insurance

The Respondent shall carry professional liability (Errors and Omissions) insurance, covering the Design Services provided under the Agreement with coverage of $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate. The term “Design Services” means all professional services required to fulfill the design obligations of the Project(s), including, but not limited to programming, schematic design, design development, construction documents and construction contract administration services. Specifically, the contractor shall carry Contractor's Professional Liability (CPL) insurance with coverage of $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate. The CPL policy shall include a Design/Build Endorsement in a form acceptable to the University and shall provide coverage for:

- Contractor’s vicarious, contingent and direct liability for design
- Facility management
- Program management
- Providing computer software
- Contractual liability or liability assumed in “insured contracts”

If the successful Respondent is a joint venture, then the CPL policy shall include the joint venture as a named insured.

- Any architect and/or engineer furnishing services for the Project(s) shall carry professional liability insurance with coverage of $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate.
- All professional liability policies shall be maintained throughout the course of the work and for a minimum of five (5) years after the Certificate of Substantial Completion is filed.
• All professional liability insurance policies shall cover claims for bodily injury and property damage as well as claims involving solely economic loss. This insurance shall also provide for redesign and reconstruction costs and expenses resulting from negligent Design Services.

5.12.1.3 Builders’ Risk Insurance

Builder’s risk insurance will include all standard coverage and specifically providing coverage for exposed buildings and structures. The Builder’s Risk insurance shall be on an “all risk” basis and shall provide coverage on a full replacement value basis for the Project(s). The policy shall insure all work, labor, materials furnished by the Contractor against loss occasioned by fire, lightning, windstorm (including hurricanes), theft, vandalism, malicious mischief, earthquake, flood, surface waters and collapse. The property to be covered shall include: (1) all materials and supplies owned by the named or additional insured and used in the construction of the buildings while in or on the described buildings, or in the open on the development’s premises or job site; (2) Foundations and fixtures; (3) Excavation, grading and labor charges associated with the construction project; and (4) Temporary structures used in, incidental to, the construction, fabrication, installation or completion of the Project(s).

5.12.1.4 Comprehensive Automobile Insurance

Comprehensive automobile insurance will cover all vehicles, owned and non-owned, hired and leased. This insurance shall include coverage for automobile contractual liability and all coverages required by Hawai‘i law with the following limits:

• Bodily Injury
  o $1,000,000.00 per person
  o $1,000,000.00 per occurrence

• Property Damage: $1,000,000.00 per occurrence

5.12.1.5 Workers’ Compensation Insurance

Workers’ compensation, temporary Disability and other similar insurance required by the State of Hawai‘i or Federal laws. The minimum limits of liability to be maintained are as follows:

• Coverage A State of Hawai‘i Workers’ Compensation Law: Statutory Limits

• Coverage B Employers Liability:
  o Bodily Injury from each accident: $1,000,000.00
  o Bodily Injury from disease: $1,000,000.00
  o Bodily Injury from disease: $1,000,000.00 aggregate
5.12.2 Proof of Insurance

All insurance coverage shall be written by companies licensed or authorized to do business in the State of Hawai‘i and having an A.M. Best rating of A:VII or better. All policies, except Workers’ Compensation, shall provide a 30-day notice for cancellation. Certificates of Insurance evidencing coverage shall be provided to the University prior to the awarding of any contract. Copies of insurance policies shall be provided upon request of the University. For insurance that must be maintained after completion of the Project(s) or termination of an agreement, proof of insurance shall be submitted to the University on an annual basis.

5.13 Agreements

The form of agreements between HawCC and the selected Respondent will be based on the proposal of the selected Respondent and negotiated and agreed to by the parties.

For Phases One and Two of the Project(s), HawCC and the selected Respondent will enter into agreements for the selected Respondent to complete the scope of work identified and represented by the Respondent in its proposal.

For Phase Three of the Project(s), HawCC will provide on-campus land and the selected Respondent will develop the HawCC Project(s) specified in the CDMP and approved by HawCC. In addition, HawCC will provide the selected Respondent development rights for non-campus lands, if available.

The enabling agreement(s) for all three phases between HawCC and the selected Respondent shall include, but not be limited to, the provisions articulated in this section.

5.13.1 Negotiation

HawCC and the selected Respondent(s) must enter into agreement(s) and/or letter(s) of intent satisfactory to HawCC within sixty (60) days of notification of selection of the successful Respondent by HawCC. If HawCC and the selected Respondent fail to reach agreement within the sixty (60) day negotiation period, HawCC shall have the exclusive right to extend the time frame, cancel further negotiations, or begin negotiations with other Respondents.

5.13.2 General

• Compliance: All agreements will provide for compliance with University academic and student service programs and objectives and for the involvement of HawCC in the project planning and management.
• Performance Benchmarks: All contracts and agreements will contain time and performance benchmarks, including construction deadlines, as appropriate, with clear termination provisions.
• Indemnification: The selected Respondent and its agents, partners, employees and consultants (Indemnitors) shall defend, indemnify and hold harmless, HawCC, the University, the State of Hawai‘i and their officers, employees and agents from and against all liability, loss, damage, liens, causes of action, suits, judgments, cost, and expense, including all attorneys’ fees, and all claims, suits, and demands therefore, arising out of or resulting from the performance of services or any part thereof, the acts or omissions of the Indemnitors, or sub-contractors under any agreement with HawCC. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of any agreement.

• Insurance: The selected Respondent will provide proof of insurance at levels acceptable to the University prior to the signing of any agreements. Other insurance may be required from time to time in such amounts as mutually agreed upon by the University and the selected Respondent for coverage against other insurable risks relating to performance.

5.13.3 Ground Lease and Financing

If any of the Phase Three agreements takes the form of a Ground Lease for the non-campus lands, the following conditions shall apply:

• Financing Approvals: HawCC will retain approval rights for any financing, refinancing, or additional pledges or encumbrances on the lands or activities to be conducted on the lands.
• Subordination: Neither HawCC’s fee interest in the lands nor HawCC’s interest in the Ground Lease shall be subordinated to any financing or other lien or encumbrance that the Respondent may obtain in connection with the development and ownership of the Project(s).
• Term: Financing arrangements shall not exceed the term of the Ground Lease. HawCC will agree to a lease term on the ground lease appropriate for the proposed use currently assumed at 50 years. It should be noted that Respondents should identify in the SOQ response if a longer period will be required to optimize the financing strategy.
• Title: The leasehold improvements shall not be sold or the title transferred without the approval of HawCC.
• Ground Rent: Ground rent will be based on a fair market value and return on the land, recognizing the existing condition of the land, the cost for off-site infrastructure that the Respondent will incur, and the rental rates to be charged for the units.
• Assignment: The Ground Lease will contain a clause prohibiting assignment or sublease of the Respondent’s interest without the written total discretionary consent of HawCC. The foregoing notwithstanding, the Respondent will be permitted to give a security
interest in the lease to a lender providing construction or long-term financing.

5.13.4 Design and Construction

- Assurances: All contracts and agreements will include provisions for liquidated damages, performance bonds, or other remedies to assure timely completion of any construction activities related to the development of the HawCC campus. Prior to commencement of construction, the Respondent must demonstrate that it has the resources in hand or available to complete the construction activities.
- Design Standards: HawCC improvements shall be designed to comply with University design standards.
- Off-site and On-Site Costs: All off-site and on-site preparation costs will be at the sole cost and expense of the Respondent. Aside from working with the selected Respondent(s) to acquire necessary entitlements, non-campus sites are offered (or leased) “as is” in their present condition and subject to applicable governmental laws and regulations.
- Construction Schedule: The Respondent must commence work on the Project(s) and provide a schedule for completion of the HawCC Hilo campus by August 30, 2008. The Respondent’s schedule must include both the timing and construction of the campus as well as the timing and construction of all uses within the non-campus lands.

6.0 ADVISORS

Any advisors and their subcontractors retained by HawCC to facilitate this process are precluded from working with prospective Respondents on their submissions. The advisor and consultant to HawCC is Larry K. Fukunaga & Associates, LLC

7.0 SOLICITATION, OFFER, AND AWARD

HawCC will treat all submissions received in response to this RFQ/RFP as offers. If an offer is accepted by HawCC, the Respondent agrees to perform all work required in the Work Statement for the Project(s) and to comply with all other provisions of the solicitation, including all amendments incorporated by reference. The Respondent further warrants that, to the best of its knowledge and belief, all information provided in their submission is accurate and may be relied on by HawCC for the purposes of selecting a contractor for contract award. Prior to acceptance, the Respondent may withdraw its submission. However, unless withdrawn by written notice, the Respondent agrees to leave its offer open and capable of being accepted by HawCC for 6 months (180 calendar days) from the date of submission. All documents submitted in the
proposal shall remain the property of the Respondent until the time of acceptance. If a Respondent withdraws or is not selected, its proposal shall be returned upon written request. The Respondent understands that the details of the winning submissions will be the baseline for negotiation of agreements with HawCC.
EXHIBITS: MAPS OF PROPOSED HAWAII COMMUNITY COLLEGE CAMPUSES FOR EAST AND WEST HAWAII
SURROUNDING LAND USE

University of Hawai'i Center at West Hawai'i
Hawaii Community College
Long Range Development Plan

Will Chee - Planning, Inc.