REQUEST FOR QUALIFICATIONS / PROPOSALS

To Enter Into A Real Estate Development Agreement

For

ON-CAMPUS STUDENT HOUSING
Nowelo Street

Requested by:

UNIVERSITY OF HAWAI‘I AT HILO
HILO, HAWAI‘I

March 15, 2005
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1 BACKGROUND

1.1 Objective

The University of Hawai‘i at Hilo (UH Hilo) is seeking proposals from qualified development teams (the Developer or Respondent) for the implementation (design, construction, financing, and possible management) of a student housing capital improvement program.

The purpose of this Request for Qualifications / Proposals (Request) is to solicit proposals for the development of on-campus student housing for a minimum of 600 students with associated facilities as the first phase of developing University housing at the Nowelo Street location. A map of the site can be found as Attachment A. It is envisioned that in the future this site will be developed to house over 1,000 students.

The initial phase of the project is designed to accommodate a minimum of 600 students on 16 acres of University-owned land. Additionally, approximately nine acres is available for future development. UH Hilo intends to enter into an agreement with the most qualified team that demonstrates the knowledge, experience, organization and financial ability to implement large, complex, progressive and innovative projects in a timely manner that serves the best interest of UH Hilo. At its sole discretion, the University will negotiate with the developer for future phases of the project. The area may be subdivided through the planning process by UH Hilo.

The objective of this Request is to select a Developer through a two-step process. The first step is to solicit information in a Statement of Qualifications (SOQ) from interested Developer teams. A short-list of the three to five most qualified teams will be invited to participate in the second step, which will require the submission of proposals for design, construction, financing, and possible management.

Developers are encouraged to organize teams in the most effective manner necessary to fulfill the scope of work. The team shall include firms necessary to provide services for all phases of the housing plan. All legal structures permitted in the State of Hawai‘i will be considered including a sole proprietorship, a partnership, a joint venture, a limited liability corporation, or a corporation.

1.2 UH Hilo

1.2.1 Setting

UH Hilo, a vibrant multicultural campus, located in the city of Hilo, provides opportunities for higher education on the Island of Hawai‘i, the largest island in the Hawaiian archipelago. It is a University where 80 degree temperatures, lush vegetation, marine life, Pacific breezes, active volcanoes and richly diverse faculty and staff workforce of 503 come together to provide educational opportunities to a unique blend of students.
from local, mainland, and international locations. These students live and learn together in a harmonious and safe environment. Outdoor Magazine recently ranked UH Hilo as one of the best campuses in the nation for participation in outdoor sports and recreation. Hilo is a peaceful city with clean air and a low density population of 45,000. Shopping malls, theaters, restaurants, a major harbor and an international airport are located within 10 minutes of the campus.

Our mid-Pacific location - at the strategic intersection of East and West - provides unique possibilities as a cultural laboratory. According to the 2000 United States Census, the county of Hawai‘i has the highest level of ethnic diversity in the nation. Similarly, the US News and World Report recently ranked UH Hilo sixth nationwide for diversity among public four-year liberal arts colleges.

Founded as the Hawai‘i Vocational School in 1941 and organized under its present name in 1970, UH Hilo has grown and changed throughout the years to meet the educational needs and aspirations of the community. While the University’s prime focus is on undergraduate education, it has recently begun to offer graduate programs. A total of 3,319 were enrolled in Fall 2004. UH Hilo’s signal strengths are its small classes, low student/faculty ratio, diverse student body, island “learning laboratory”, faculty interested in research who encourage student participation in their investigations, service to the community, and perhaps most important, the “Aloha spirit” that epitomizes UH Hilo’s student-centered approach.

1.2.2 Academics

UH Hilo offers excellent undergraduate liberal arts and professional programs focusing on the remarkable geographic features of Hawai‘i as an island-learning laboratory to fulfill its teaching, research, and service activities.

UH Hilo, a comprehensive university, offers excellent undergraduate liberal arts and professional programs through four colleges: the College of Agriculture, Forestry and Natural Resource Management; the College of Arts and Sciences; Ka Haka ‘Ula O Ke‘elikōlani/College of Hawaiian Language, and the College of Business and Economics.

While the university’s primary focus is on undergraduate education (33 undergraduate degrees), it also offers select graduate degrees (5 master’s degrees),

The university designs many of its academic programs for hands-on learning in the island’s natural learning laboratory.
UH Hilo’s signal strengths are the diversity of its student body, the richness of its Big Island learning laboratory location and the Aloha Spirit that permeates our delivery of education. Its committed and dedicated faculty engage students in research and service to our community.

1.2.3 Demographics

In Fall 2004, 59.6 percent of the students were female and 40.2 percent were male. Sixty-eight percent indicated that they were younger than 25 years of age while 31.9 percent were over the age of 25. Of the population over the age of 25, 14.9 percent are between the ages of 35-59 and .3 percent are 60 years or over.

About 70 percent of the students at UH Hilo report that they are employed in student jobs and 68 percent indicate that they receive some form of financial aid.

Student demographics for Fall 2003 also demonstrate the ethnic diversity of the student population. 11.7 percent identified themselves as Japanese, 1.7 percent as Chinese, 5.6 percent as Filipino, 15.7 percent as Hawaiian/part Hawaiian, 1.7 percent as Korean, 5.7 percent as Pacific Islander, .7 percent as other Asian, 2.5 percent as mixed Asian/Pacific Islander, .6 percent as American Indian/Alaskan native, 2.5 percent as Hispanic, 38.5 percent as Caucasian, 1.3 percent as African-American, and 11.8 as mixed ethnic background.

1.3 Housing Assessment

1.3.1 Housing Mission

On-campus housing at UH Hilo provides students with a safe and comfortable living environment, and an opportunity to associate with people of diverse backgrounds, cultures, interests, ideas, and experiences while pursuing their educational goals. It is the philosophy of UH Hilo that a traditional age student’s university education is enhanced and enriched with a residential experience. UH Hilo is committed to providing this unique experience that is supportive of students’ physical, spiritual, emotional, social, and intellectual development.

1.3.2 Current On-Campus Housing Program

UH Hilo offers housing accommodations for 620 students, 18% of the enrolled students, in four residence halls. The inventory includes traditional dormitories with community bathrooms, two bedroom suite style units and one and two bedroom apartments. The majority of rooms
are shared accommodations with two residents per room. The halls were built between 1962 and 1990.

Typical room rates for the 2005-2006 academic year are as follows:
(All rates are per person per academic year)
Traditional Dormitory (two students per room) $2,194
Suite Style Unit (two bedroom unit/ 2 students per bedroom) $2774
Apartment (two bedroom unit/ 2 students per bedroom) $3076

The University has also entered into a public/private partnership with Geo International to build housing on the campus in the China-U.S. Center. The China-U.S. Center project will house 760 students and will open 200 bed spaces for Spring 2006 with the remaining spaces becoming available in Fall 2006.

UH Hilo has increased student enrollment and has currently over 3300 students enrolled in response to the higher education needs and demands of the island of Hawai‘i, the State of Hawai‘i and also to those coming from out of state.

To meet the current excess demand for housing, UH Hilo signed a Memorandum of Understanding with four local apartment and hotel owners. Students sign rental agreements with owners and the University provides a shuttle service to the campus. In the current 2004-05 academic year the University has about 300 students living off campus through this arrangement for the current academic year.

The Housing Office at the beginning of the Fall 2004 semester had 350 wait-listed students. The demand was much greater than the wait list would suggest. Many new freshmen and transfer students who were admitted to UH Hilo chose not to attend due to lack of housing.

1.3.3 Off-Campus Market Analysis

This analysis will be provided as an addendum to the Request when it is completed.

1.3.4 Enrollment Projections and Housing Demand

The UH Hilo Strategic Plan sets a goal for becoming the premier residential campus in the State of Hawai‘i with a student population of 5,000. The UH Board of Regents Policy section 7.5 states that UH Hilo should have on-campus housing for 50% of its students. It is projected that UH Hilo will need 1,118 beds in addition to existing beds and those coming on-line in 2006 to attain the 50% of the 5,000 student goal.
Enrolment at UH Hilo has increased by 27% since 1997, with an average annual rate of 3.8%. The growth rate slowed for Fall 2004, increasing at only 0.6% over the previous year. This growth rate would probably be higher if the campus was able to accommodate additional on-campus housing for students. The lack of on-campus housing has been a serious obstacle to enrollment increases.

Students from the island of Hawai‘i, the State of Hawai‘i, the mainland United States and international countries are selecting and choosing to come to UH Hilo. Even with inadequate housing, UH Hilo continues to attract students due to its academic excellence. The breadth and depth of its academic offerings, the quality of its professors, and the engagement and partnerships with our local community have earned UH Hilo academic distinction with an unprecedented 10 year Accreditation by the Western Association of Schools and Colleges.

First-time freshmen and classified undergraduate transfer enrollment from the U.S. mainland have increased substantially since Fall 1997. The total campus has grown by 27% since 1997. Together, these enrollment categories constitute the primary source of enrollment growth for the campus. In Fall 2004, the percent of resident students was 60.7%.

The campus plans to require traditional-aged freshmen to reside on campus as soon as new housing is constructed. This plan will allow the University to focus on academic and personal support programs for freshmen.

A Masters program in Hawaiian Language and Literature was established at UH Hilo in Fall 1997, while a Masters in Education was introduced in Fall 2000. An MA degree program in China-U.S. relations was approved by the UH Board of Regents in January of 2002, an MA degree in Counseling Psychology in May 2002 and an MS in Tropical Conservation Biology & Environmental Science in October 2003. The addition of these programs should boost the classified graduate headcounts moderately over the forecast period.

Further analysis will be provided as an addendum to the Request when it is completed.
2  PROJECT DESCRIPTION

2.1 Scope of Services

The University is seeking a Developer to enter into a real estate development agreement for planning, design, construction, financing, and possible facilities management of the Project. Potential transaction structures include a privatized model and a design-build concept with University financing and ownership.

As described in Section 1.1, the Developer will be selected through a two-step process. The University will enter into an agreement with the selected Developer that will describe the requirements of the scope of work set forth and establish an acceptable time frame for completion of this work.

2.1.1 Development Phase

Although it is anticipated that the University will proceed with Part B of the Development Phase, it may cancel the relationship rather than proceed with design, construction, and financing. If this occurs, no fees or expenses incurred by Developers in Part A shall be reimbursed by the University.

The agreement to fulfill the scope of work in Part A and Part B will be based on an approach similar to that described in the latest edition of *AIA Document A191, Standard Form of Agreement Between Owner and Design/Builder*, as modified by this Request and other modifications mutually agreed to by the University and Developer.

2.1.1.1 Pre-Design (Part A)

As part of the Part A Scope of Work, the Developer shall:

- After consultation with the University, provide a preliminary evaluation of the program and project budget.

- Provide to the University an analysis of alternative approaches to design and construction of the project, which shall include operating and development budgets that support the Project.

- Submit to the University a proposal, including preliminary design documents, a statement of the proposed contract price, a final schedule for the construction of the Project, a financial pro forma for the Project, and any other information necessary to complete Part B of the contract. Preliminary design documents shall include conceptual drawings, outline specifications, and other documents to fully describe the size,
quality and character of the facility, its architectural, structural, mechanical, and electrical systems, and the materials of the project.

2.1.1.2 Design/Build (Part B)

As part of the Part B Scope of Work, the Developer shall:

- Provide all services necessary to design, construct, and finance the project in accordance with the approved Part A proposal as described in Subsection 2.1.1.1, and as modified by this Request and other modifications agreed to by the University.

- Based on the Plan, develop and submit construction documents for review and approval by the University.

- Commit to build the project for an agreed upon guaranteed maximum price and guaranteed delivery date.

- Be responsible for obtaining all necessary regulatory approvals.

- Construct the Project in accordance with the construction documents previously approved by the University.

2.1.2 Operations Phase Services

The Developer may provide services needed for operations administration, maintenance and capital renewal and may also provide proposals for the collection of rents.

The University will provide residential program staff and programming functions for the Project, which will be paid for by the Developer. A delineation of the operating services to be provided by the University and the Developer will be provided prior to the initiation of Step Two of the selection process.

2.2 Program Specifications

2.2.1 Objective

The University has an inventory of existing student housing beds. However, UH Hilo recognizes the need for additional housing capacity, as well as the preferences of upper-division and graduate students. Existing University housing does provide accommodations that are attractive. In
order to meet the needs of the University and its students, the development of housing must meet the following objectives:

- Increase the supply of affordable on-campus housing for students
- Construct a quality-built housing development at a competitive cost
- Develop a housing configuration that addresses the needs and preferences of its students, as outlined in this document.
- Deliver the new housing by June 1, 2008 for occupancy beginning in August 2008 for the 2008-09 academic year.
- Assist the University in obtaining project financing that minimizes the impact of the project on the credit of the University or the State of Hawai‘i.
- Benefit from private sector creativity and experience.

2.2.2 General Requirements

The focus of the Project is to provide new housing for a minimum of 600 students. Infrastructure and site development that accommodate the Project are included in the scope of the work. The development program for the Project responds to preferences and requirements arising from the market analysis.

2.2.2.1 Building Program

The preliminary building program may include the following components, subject to the completion of the market study and the recommendations that are generated.

- Two-bedroom suite-style housing for approximately 300 upper-division students (two students per bedroom)
- One-bedroom apartments for approximately 100 students (one or two persons per bedroom)
- Two-bedroom apartments for approximately 200 students (one or two people per bedroom)
- Semi-private bathrooms shared by no more than two students
- Common living areas within the apartment units
- Building common areas that provide opportunities for student socialization in a semi-independent living environment
- Telephone, data and cable TV ports for each resident
- Amenities including laundries, bicycle storage racks, mailboxes for letters and packages, storage space for students, vending space, trash/recycling room, recreation areas, etc.

2.2.2.2 Architectural Design

The exterior design shall complement the character of existing campus buildings. The design of interior and exterior spaces shall encourage and facilitate social interaction among residents. The design shall comply with all applicable building codes, environmental laws, and the Americans with Disabilities Act.

2.2.2.3 Site Design

The University would like to maximize the number of beds on the site consistent with sound planning principles, zoning regulations, and the creation of a quality living environment for the students. Site design shall consider the following requirements:

- Although the initial phase of the Plan is intended to create a minimum of 600 new beds, the site shall be planned conceptually for full build-out of 1,000 beds plus parking.
- Parking shall be provided at a 1:2 ratio. Parking areas should be safe and secure with lighting that exceeds code, and other security measures to include fencing, electronic access, etc. Appropriate landscaping is required to create an attractive environment.
- Project accessibility must comply with all Federal, State of Hawai‘i and local laws for persons with disabilities.

2.2.2.4 Landscaping

Landscaping should be provided to emphasize a quality residential environment. Arrangement of trees and landscape material should be designed to reduce noise and to enhance student interaction and the building of community. Space should be planned and designed for informal sports such as Frisbee, volleyball and basketball. The area should also be designed with space and seating for relaxation, reading, studying and contemplation. Security concerns should be
included in the landscape design to present the reality and the perception of a safe residential environment. Parking lots should be landscaped both to address security and aesthetic concerns.

2.2.2.5 Security

Safety is a paramount concern for the Project. The Project must be constructed taking into highest consideration all student safety issues. Specifically, the Project shall include the following enhancements:

- Front desk staffed 24 hours a day, 7 days a week
- Card access at exterior entries and crucial doorways throughout the building
- Fire exits alarmed, electro-magnetically secured and monitored remotely
- CCTV cameras at lobby area, each elevator and all other critical areas
- Well designed and placed outdoor lighting

2.2.2.6 Environmental Considerations

UH Hilo views the Project as an opportunity to show its commitment to environmentally responsible design and construction, while balancing such values with economic constraints. The University is a recognized leader in resource conservation and recycling. Accordingly, the Developer shall demonstrate support of University programs in these areas.

2.2.3 Dwelling Units

The complex may consist of one-bedroom apartments, two-bedroom apartments and two-bedroom suite-style rooms, subject to the completion of the market study. Each unit shall have internet connection, cable TV and telephone. The dwelling units shall be fully furnished.

2.2.3.1 Apartments: One- and Two-Bedroom Units

2.2.3.1.1 Living Room and Kitchen

- A living room adequate to serve the number of residents for the unit. Furniture to include
setttee, arm chair, coffee table, dining table and dining chairs.

- Overhead lighting with ample outlets for table lamps and electronic equipment such as computers and televisions
- Minimum apartment size range with oven, 14 cu. ft. refrigerator with oven, storage/cabinet space, counter space
- Sound transmission between units shall be attenuated to minimum practical limits

2.2.3.1.2 Bathrooms

- One full bathroom for every two occupants with appropriate light, ventilation, and storage
- Compartmentalized configuration to allow simultaneous usage of fixtures in the two-bedroom units
- Privacy locks for bathroom doors
- Ample electrical outlets adjacent to the counter space

2.2.3.1.3 Bedrooms

- Single and double occupancy bedrooms as set forth in the final program, which will be made available for Step 2 of the selection process
- Twin beds that can be locked to create a queen size bed. Three-drawer chest and desk.
- One built-in closet or wardrobe per occupant with shelving for storage
- Door hardware with privacy locks
- Sound transmission between units shall be attenuated to minimum practical levels
2.2.3.2 Two-Bedroom Suite Style Units

2.2.3.2.1 Living Room

- A living room adequate to serve the number of residents for the unit. Furniture to include settee, arm chair, coffee table.
- Overhead lighting with ample outlets for table lamps and electronic equipment such as computer and televisions.

2.2.3.2.2 Bathrooms

- One full bathroom for every two occupants with appropriate light, ventilation, and storage.
- Compartmentalized configuration to allow simultaneous usage of fixtures.
- Privacy locks for bathroom doors.
- Ample electrical outlets adjacent to the counter space.

2.2.3.2.3 Bedrooms

- Single and double occupancy bedrooms as set forth in the final program, which will be made available for Step 2 of the selection process.
- Twin extra-long bed with mattress. Three-drawer chest and desk.
- One built-in closet or wardrobe per occupant with shelving for storage.
- Door hardware with privacy locks.
- Sound transmission between units shall be attenuated to minimum practical levels.
2.2.3.3 Common Area Requirements

Common areas for mail delivery, laundry facilities, recreation, and lounges for social interaction, residence life/programming, property management and residential life management functions shall be provided and be fully furnished. An apartment for a live-in hall advisor shall be provided for the suite style area. The Developer shall use the market study and its experience and knowledge of on-campus student housing to propose a suitable common area program that meets the functional needs of the target population.

2.2.3.4 Theme Based Area

A portion of the suite-style units shall be designed in separate wings for two theme-based programs. These areas will include:

- Sufficient single and double occupancy bedrooms to house 50 to 75 students per wing
- Living rooms, bathrooms, and bedrooms as outlined for the other two-bedroom suite style units
- A common area including a seminar/conference room, a 50-75 person classroom, and at least one faculty office
- A small kitchen/service area for light food preparation and serving potluck meals
- A large lounge for conversation and interaction

2.3 Design Guidelines

The University seeks to maximize the quality of design for the Project consistent with the architectural program, rent structure, operating costs, and financing terms. The Developer must demonstrate superior capability for maximizing the value of the Project for residents and demonstrate an ability to develop a facility that is safe for students. Design guidelines can be found in the 1996 UH Hilo, Long Range Development Plan. In its proposal, the Developer shall call out any material or performance specifications that deviate from these design guidelines.

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1 Excerpted and provided at a later date
3 SELECTION PROCESS

3.1 Overview

The University is seeking technical and financial proposals for the project specified in Section 2.2. Since detailed and final program and operational requirements have not been developed, the proposals will not be expected to constitute a final design or financial structure. Rather, the primary goal of this process is to solicit preliminary concepts and budgets that demonstrate the Respondents’ creativity, flexibility, and ability to provide reasonable assumptions that will yield a feasible project. The successful Respondent will assist the University in developing final project specifications and operating and development budgets for the Project.

Selection of the successful Respondent will not be based solely on financial criteria. Instead, selection will consider the Respondents’ ability to maximize the value of student rents as stipulated by the market study to develop a successful project. The Respondent must use its professional judgment and expertise in developing student housing to conceptualize a project that meets the market, programmatic, and financial requirements of the project. The technical and financial proposals should be developed at a level of detail commensurate with the availability of market, programmatic, operational, and financial information.

3.2 Evaluation Committee

An Evaluation Committee will review, evaluate and rank all SOQs received by the closing deadline.

The same committee will review the proposals received as part of Step Two of the selection process.

3.3 Schedule

The Selection Committee expects to adhere to the following schedule for the selection process:

**Step One**

- Issuance of Request March 15, 2005
- Informational site visit 10:00 am HST, March 28, 2005
- Deadline for submission of questions 4:00 pm HST, March 29, 2005
- Response to questions April 5, 2005
- Deadline for submission of SOQ 4:00 pm HST, April 15, 2005
- Selection of short list of finalists April 21, 2005
Step Two

- Mandatory pre-proposal conference 10:00 am HST, April 28, 2005
- Deadline for submission of questions 4:00 p.m. HST, May 5, 2005
- Response to questions May 12, 2005
- Deadline for submission of Proposals 4:00 pm HST; June 13, 2005
- Developer presentations June 23-24, 2005
- Approval of the Developer by Board of Regents July 18, 2005
- Occupancy of Project August 1, 2008

This schedule is subject to modification at the sole and absolute discretion of the Evaluation Committee. For specific instructions relative to the selection process and Schedule, refer to the following sections.

3.4 Process Requirements

3.4.1 Informational Session/Site Visit

An informational session is planned for Step One of the selection process. Qualified firms will be required to attend a pre-proposal conference in Step Two prior to submission of proposals as scheduled in Section 3.3.

3.4.2 Pre-Proposal Conference

A pre-proposal conference will be conducted as set forth in the Schedule in Section 3.3 for the purpose of addressing questions from the Developers about the Request and the Project and to tour the Project site.

3.4.3 Respondent Inquiries

Inquiries concerning this Request must be received in writing prior to the dates specified in Section 3.3. Inquiries may be submitted by facsimile transmission.

Except as specifically permitted in this section, from the 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 except through:
In the event of a violation of this provision, the Evaluation Committee reserves the right to reject the submission 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.

3.4.4 Written Addenda

Response to inquiries will be made in writing and provided to all Respondents. The Evaluation Committee may modify this Request, prior to the date fixed for submission of the SOQs or proposals, by issuance of an addendum or addenda which shall be posted on the University of Hawai‘i, Office of Capital Improvements website, specifically at http://www.hawaii.edu/oci/projects.html.

3.4.5 Format of Responses

Responses must be submitted in the format outlined in Section 4 of this Request, with each of the described divisions completed in full. Each submission will be reviewed to determine if it is complete prior to actual evaluation and the Evaluation Committee reserves the right to eliminate from further consideration any submission deemed to be substantially or materially non-responsive to the requests for information contained herein.

A submission may be considered non-responsive if it includes extraneous information not specifically requested in this Request. The clarity and conciseness of responses will be valued over sheer volume.

Each division and exhibit described in Section 4 must be indexed, tabbed, and presented on a separate page. If a Respondent fails to provide all categories of information required in this Request, the Respondent may be disqualified from further award consideration. However, the Evaluation Committee reserves the right in its sole discretion to waive minor irregularities.
3.4.6 Submission of Responses

One (1) original and ten (10) copies of all submissions must be received no later than the due date and time set forth in Section 3.3 of this Request unless amended pursuant to Section 3.3. The deadline for submission may be extended if, in the sole judgment of the Evaluation Committee, such extension is warranted.

One (1) original and nine (9) copies of the Responses shall be delivered to:

Dr. Bill Chen  
Office of the Vice Chancellor for Administrative Affairs  
University of Hawai‘i  
200 W. Kawili Street  
Hilo, HI 96720-4091

One (1) copy of the Response shall be delivered to:

Greg L. Strickler  
Anderson Strickler, LLC  
18310 Montgomery Village Avenue  
Gaithersburg, MD 20879

The entire submission must be in a sealed package. The name and address of the Respondent shall appear on the outside of the package and the package shall refer to the UH Hilo Student Housing Project and due date. All addenda to the Request must be signed and returned with the response.

Each Respondent is solely responsible for the timely delivery of its response by the deadline for submission. The University will not be responsible for lack of timely delivery of a response regardless of reason. Failure to meet the deadline for submission will result in rejection of the submission.

3.4.7 Respondent Presentations

A short list of three to five finalists will be invited to submit proposals in Step Two of the process.

An oral presentation will be required of Respondents submitting qualified proposals. The purposes of the oral presentations are as follows:

- To allow the University to meet the Respondent’s key personnel assigned to the Project
- To allow the Respondent to discuss selected aspects of its proposal
To provide the Evaluation Committee with a final opportunity to obtain clarifications on elements of the proposals

At the time the oral presentations are scheduled, the University will confirm in writing with each Respondent the specific agenda and requirements of the session. The presentations will be limited to 60 minutes with an additional 60 minutes for questions and responses.

3.4.8 Final Ranking and Selection

At the conclusion of Step Two of the process, the University will select one Respondent finalist with whom to proceed toward the development of the agreement described in Section 2.1. The selection of the Respondent finalist (Selected Developer) does not necessarily mean that the University accepts all aspects of the Respondent’s proposal.

The University will enter into an agreement with the Selected Developer that will describe the requirements of the scope of work described in Section 2.1 and set forth an acceptable time frame for the completion of this work. Should the University fail to reach agreement with the selected developer as to all points of the agreement, the University may reject the proposal of the Selected Developer, consider other proposals or undertake other actions as deemed to be in the best interest of the University.

3.5 Evaluation of Qualifications (Step One)

3.5.1 General

A comprehensive evaluation will be made of the various provisions of each SOQ. Selection of the Respondent shortlist will be determined based on the Selection Committee’s determination of the teams exhibiting the strongest qualifications and capacity to perform the services required on this Project. The Evaluation Committee may reject all responses.

Each SOQ that conforms to the requirements of this Request will be scored and ranked in accordance with the information requested in Section 4. A SOQ can receive a maximum of 100 points, which are distributed as set forth in Section 4.1. Specifically, the Evaluation Committee, using the criteria set forth in the following paragraphs of this section, will evaluate the information provided by the Respondent. The Respondent is encouraged to assemble a team and a response that can best address these issues. Only the Respondents with the three to five highest scores will be invited to advance to Step 2.
3.5.2 Minimum Requirements

The Respondent shall meet the following minimum requirements. Failure to fully meet these minimum requirements will result in the rejection of the submission and the removal of the Respondent from further consideration.

3.5.2.1 Developer

The developer shall have successfully financed and completed at least three residential projects of similar size and scope within the past five years.

3.5.2.2 Architect

The architect team shall be licensed to do business in the State of Hawai‘i and have designed at least three residential projects of comparable size and scope within the past five years. A member of the team must have experience in Hawai‘i.

3.5.2.3 Contractor

The contractor team shall be licensed to do business in the State of Hawai‘i and have constructed at least three residential projects of comparable size and scope within the past five years.

3.5.2.4 Operator

The housing operator team shall have current experience managing at least three student housing projects of comparable size and scope.

3.5.2.5 Insurance

The team members must show proof of insurance in both type and limits as set forth in Section 5.2.

3.5.3 Respondent Qualifications

The qualifications of the respondent will be evaluated based on the following criteria.

- Business expertise and management experience in similar developments involving similar scope and services
- Organization of the Respondent’s team and interrelationship between entities if more than one firm is involved; prior experience of firms as team members
- Financial soundness
- Experience of Respondent in the development of similar projects involving housing
- Ability to arrange for financing, and proposed terms and process for financing

3.5.4 Design Team Qualifications

The qualifications of the architect and other members of the design team will be evaluated based on the following criteria

- Availability of professional staff and their qualifications and experience for assigned role on the project
- Experience of the architect on housing projects of similar size and scope, including new construction.
- Financial soundness
- Ability of the architect to provide required insurance coverage

3.5.5 Contractor Qualifications

The qualifications of the contractor will be evaluated based on the following criteria.

- Availability of professional staff and their qualifications and experience for assigned role on the project
- Experience of the contractor on constructing housing projects of similar size and scope
- Financial soundness
- Ability of operator to provide required insurance coverage and bonding capacity
3.5.6 Operator Qualifications

The qualifications of the operator will be evaluated based on the following criteria.

- Experience of the operator managing housing projects and housing systems of similar size and scope
- Financial soundness
- Ability of operator to provide required insurance coverage and bonding capacity.

3.5.7 Approach to Project

The Respondent’s approach to the project will be evaluated based on the following criteria.

- Demonstration of a coordinated approach to design phase services and construction phase services for the Project as well as subsequent phases of the Plan
- Involvement of the University in the review and approval of concept design and development of the construction documents
- Sensitivity to the issue of maximizing the value of the project by balancing the needs of the students (i.e., affordability, amenities, privacy) with the financial feasibility of the project (i.e., quality of construction, program)
- Presentation of a feasible partnership structure
- Demonstration of its ability to adhere to the project schedule for both the design and construction phases

3.6 Evaluation of Proposals (Step Two)

A comprehensive evaluation will be made of the various provisions of each proposal. Evaluation will be made based on the Evaluation Committee’s determination of the team submitting the strongest proposal and its capacity to perform the services required for the Project. The Evaluation Committee may reject all responses.

Each proposal that conforms to the requirements of this Request will be scored and ranked in accordance with the information requested in Section 4.2. A
proposal can receive a maximum of 100 points, which are distributed as set forth in Section 4.2.
4. SUBMISSION REQUIREMENTS

4.1 Statement of Qualifications (Step One)

4.1.1 Organization of Response

The response shall be submitted in three-ring loose leaf notebooks and organized as follows:

- Cover letter
- Table of Contents
- Overview of Team Qualifications
- Developer Qualifications
- Design Team Qualifications
- Contractor Qualifications
- Operator Qualifications
- Approach to Project
- Attachments

4.1.2 Cover Letter

A transmittal letter prepared on the Respondent’s business stationery must accompany each response. An individual authorized to bind the firm to all statements, including all services contained in the response, must sign the letter:

4.1.3 Table of Contents

The SOQ shall have a Table of Contents that conforms to the organization set forth in Section 4.1.1.

4.1.4 Overview of Team Qualifications 5 Points

Submit a brief overview of the Respondent’s approach to the Project. The summary should not exceed three (3) pages and should address the following topics:
- A demonstration of an understanding of the Project objectives
- An overview of the Respondent’s organization and the entity or entities what will be responsible for the work
- A summary of the Respondent’s basic experiences and attributes that set it apart from other candidates including prior projects on which team members have worked together
- Design/development/construction experience on projects in Hawai‘i

In addition to the Overview of the SOQ, the Respondent shall provide a letter or memorandum of understanding signed by all team members identified in the SOQ that:

- Describes the proposed structure of Respondent’s team;
- Identifies the person (including contact information) authorized to represent the team in all communications and negotiations.
- Certifies that all parties are willing and able to provide the services set forth in the SOQ.

4.1.5 Developer Qualifications 25 Points

4.1.5.1 Personnel

Provide resumes and references for personnel who will be representing the Respondent on the project, who have provided technical skills on projects similar to that required in this Request. The qualifications of the Respondent should also address the capability and the experience necessary to secure tax-exempt financing, if determined to be needed for the project:

4.1.5.2 Projects

Provide a list of at least three residential projects of similar size and scope and character completed by the developer within the past five years. For each project, provide the following information:

- Project name
- Description of project including size and number of units/beds
- Picture of project, if available
• Total development budget and final cost
• Scheduled opening date and actual opening date
• References with telephone numbers

Provide at least one example of a multi-phase development program for which the developer provided at-risk project management or construction management services for the construction or renovation of student housing. For the program, provide the following:

• Institution

• Summary of the services provided and the risk assumed by the Respondent

• Description of the phases, including the type of project (i.e., new construction or renovation) and number of units or beds

• Total development budget for each phase and final cost

• Current status of the engagement

• References with telephone numbers

4.1.5.3 Financial Data

Provide the following financial information for the Developer:

• Most recent financial statement available (identify whether audited or unaudited) including balance sheet and income statement, including notes

• List of bank and accounting references

• Statement from insurance/surety brokers indicating that the requisite bonds and insurance can be secured for the Project

4.1.5.4 Claims, Lawsuits or Defaults

Provide a list of any outstanding claims, lawsuits, or defaults on the part of the developer or any of its subsidiaries.
4.1.5.5 Tax-Exempt Financing

Provide information on experience in providing tax-exempt financing for universities and the availability of such financing for the proposed Project.

4.1.6 Design Team Qualifications 20 Points

4.1.6.1 Personnel

Provide resumes and references for personnel who will be representing the architect and its sub-consultants on the Project who have provided technical skills on projects similar to that required in this Request.

4.1.6.2 Projects

Provide a list of at least three residential projects of similar size and scope completed by the architect within the past five years. For each project, provide the following:

- Project name
- Description of project including size and number of units/beds
- Picture of project, if available
- Total development budget and final cost
- Scheduled opening date and actual opening date
- References with telephone numbers

4.1.6.3 Financial Data

Provide the following financial information for the architect:

- Most recent financial statement available (identify whether audited or unaudited) including balance sheet and income statement, including notes
- List of bank and accounting references
- Proof of insurance in accordance with Section 5.2

4.1.6.4 Claims, Lawsuits or Defaults
Provide a list of any outstanding claims, lawsuits, or defaults on the part of the architect or any of its subsidiaries.

4.1.7 **Contractor Qualifications**  

15 Points

#### 4.1.7.1 Personnel

Provide resumes and references for personnel representing the contractor on the Project who have provided technical skills on projects similar to that required in this Request:

#### 4.1.7.2 Projects

Provide a list of at least three residential projects of similar size and scope completed by the contractor within the past five years. For each project, provide the following information:

- Project name
- Description of project including size and number of units/beds
- Picture of project, if available
- Total development budget and final cost
- Scheduled opening date and actual opening date
- References with telephone numbers

#### 4.1.7.3 Financial Data

Provide the following financial information for the contractor:

- Most recent financial statement available (identify whether audited or unaudited) including balance sheet and income statement, including notes
- List of bank and accounting references
- Proof of bonding capacity (payment and performance) for 100% of the project
- Proof of insurance in accordance with Section 5.2
4.1.7.4 Claims, Lawsuits or Defaults

Provide a list of any outstanding claims, lawsuits, or defaults on the part of the contractor or any of its subsidiaries.

4.1.8 Operator Qualifications 15 Points

4.1.8.1 Personnel

Provide resumes and references for personnel representing the Operator on the Project who have provided technical skills on projects similar to that required in this Request.

4.1.8.2 Projects

Provide a list of at least three projects or similar size and scope managed by the operator within the past five years for college and university clients. For each project, provide the following information:

- Project name
- Description of project including size and number of units/beds
- Picture of project, if available
- Term of contract
- References with telephone numbers

4.1.8.3 Financial Data

Provide the following financial information for the operator:

- Most recent financial statement available (identify whether audited or unaudited) including balance sheet and income statement, including notes
- List of bank and accounting references
- Proof of insurance in accordance with Section 5.2.

4.1.8.4 Claims, Lawsuits or Defaults

Provide a list of any outstanding claims, lawsuits, or defaults on the part of the operator or any of its subsidiaries.
4.1.9 Approach to Project

An overview discussion of the Respondent’s approach to the development and management of the Project is requested in order to ascertain the team’s general expertise and capability to deliver the Project. If the Respondent is selected for Step 2 of the process, a more thorough discussion of the Respondent’s approach to project development and management will be required.

4.1.9.1 Development Phase Services

Describe the Respondent’s approach to performing the services contemplated for the development phase of the Project. The description should include a discussion of the methodology to be used by the Respondent for seeking University input and periodic approvals of its work. The following issues are of particular interest to the University:

- Site analysis
- Design development
- University review and approval opportunities during design
- Budget and pro forma development and control
- Trade-off or approaches to value engineering
- Schedule control during design and construction
- Construction management

4.1.9.2 Operations Phase

Provide an overview of the Respondent’s approach to managing student housing projects of this size and scope. Include information on the following topics:

- Managing multi-phase development programs that include both renovation of existing residence halls and the construction of new housing facilities
- Integrating operations with the existing University student housing operation
- Determining annual operating income and expense budgets
- Developing and delivering relevant residential life programs

4.1.9.3 Transaction Structure

Describe a potential partnership structure with the University for implementation of the project, including the following information:

- Type and source of financing and financing terms
- Structure of ownership entity, relationship to the University, and the allocation of risk and return to the parties
- Significant terms of a ground lease
- Significant terms of an operating agreement

4.1.9.4 Schedule

Demonstrate the Respondent’s capacity to meet the Project delivery date set forth in section 3.3. Provide a schedule for achievement of all major Project milestones, including the following dates for the first phase of new construction:

- Start and finish of architectural and engineering design
- Procurement of all permits, licenses, and approvals
- Start and finish of site development
- Start and finish of building construction
- Commissioning of the facility

4.2 Development Proposals (Step Two)

4.2.1 Organization of Response

The response shall be submitted in three-ring loose leaf notebooks and organized as follows:

- Cover letter
- Table of Contents
4.2.2 Cover Letter

A transmittal letter prepared on the Respondent’s business stationery must accompany each response. An individual authorized to bind the firm to all statements, including all services contained in the response, must sign the letter.

4.2.3 Table of Contents

The proposal shall have a Table of Contents that conforms to the organization set forth in Section 4.2.1.

4.2.4 Program Administration 10 Points

4.2.4.1 Team Organization

Provide a concise overview of the final firms that make up the Respondent’s team as presented in the SOQ submitted in Step One, including an organizational chart that identifies the firms and staff assigned to the project.

4.2.4.2 Staff Qualifications

Provide final information on the personnel that will be specifically assigned to the project from each of the firms identified in Section 4.2.4.1. Specifically, provide brief biographies for all personnel identified in the organization chart and a description of the responsibilities they will assume for this project.

4.2.4.3 Schedule

Demonstrate capacity to meet the Project completion deadline set forth in Section 3.3. Provide a schedule for achievement of all major milestones, which shall include:
a. Start and finish of tasks associated with Pre-Design services and the development of the final project proposal
b. Start and finish of architectural and engineering design
c. Procurement of all permits, licenses, and approvals
d. Start and finish of site preparation
e. Start and finish of building construction
f. Commissioning of the facility

4.2.4.4 Contract Provisions

Confirm acceptance of the essential terms of the agreements described in Section 5.3. Discuss any additional provisions that the Respondent may request in the development agreement between the University and the Respondent.

4.2.5 Technical Proposal 45 Points

The University is seeking an innovative, creative design proposal for the development of the Project that incorporates all elements of the specifications contained in this Request.

4.2.5.1 Project Design

The Respondent shall provide a complete and detailed description of the Project in this section of the Proposal. The Proposal shall adhere to the Project specifications set forth in Section 2.2 of this Request and include the following elements:

- Discussion of the basic design philosophy for the buildings and site development
- A summary of the proposed development program in tabular form, specifying assignable areas of all spaces and a calculation of the gross area of the Project
- A site plan indicating buildings, parking, roadways, exterior lighting and emergency phone locations, landscaping, property boundaries, and changes in topography
- Building floor plans, schematic in nature, but sufficient in detail to fully describe the proposed project indicating
circulation, apartment unit types, amenities, and preliminary structural, mechanical, electrical, data, and life-safety systems

- Elevations and sections indicating systems, materials, window types, doors, and other architectural elements and features
- Plans for each unique unit type and common areas including furniture and equipment layouts to scale
- Perspective sketches of the exterior of the project, which convey the quality and character of the architecture of the buildings
- Outline specifications for architectural materials, systems, and furnishings indicating ratings and anticipated useful life of major items and systems

4.2.5.2 Construction Administration

In its technical proposal, the Respondent shall:

- Confirm that it will comply with the design guidelines set forth in the UH Hilo, Long Range Development Plan. Additionally, the Respondent shall list any policies, procedures, or other standard terms it typically requires in its construction agreements that it deems will become issues in the negotiation of the agreement.
- Provide a copy of the Table of Contents from its Field Operations Manual, which demonstrates that it has fully developed and implemented management and control procedures, a safety program, and a cost accounting program for managing construction activities.
- Confirm that it will comply with the University’s requirement that its records, books, and documents be available for inspection at any time.

4.2.5.3 Management and Operations Plan

In its technical proposal, the Respondent shall submit a management and operations plan for the Project, which shall include an outline for the following:
Security Plan to ensure the safety of residents and guests including, but not limited to, site design features, lighting, signage, perimeter security, emergency response procedures

Staffing and Human Resources Plan including, but not limited to, an organization chart and job descriptions for staff, and policies and procedures for hiring and termination, training and development, performance reviews

Business Operations Plan including, but not limited to, procedures for billing and collections, room assignments, marketing, maintenance, turnover, summer conference operations, and assessment of student satisfaction

Plan for entering into a contractual relationship with UH Hilo Housing program to provide staffing and programs for student residents

4.2.6 Financial Proposal  45 Points

The University is seeking a transaction structure and financing approach that optimizes the cost of capital and minimizes the impact of the financing on its balance sheet or its credit rating to the maximum extent possible. The University also desires to minimize its exposure to project development and operating risks.

4.2.6.1 Development Budget

Submit a proposed development budget (including hard costs, site development and infrastructure, permits and fees, furnishings, design and other soft costs, and contingencies) and a cash flow projection for the term of the development phase. The development budget is the total cost of the project to the University for which the Respondent will provide a guaranteed maximum price as part of the Pre Design services.

4.2.6.2 Operating Budget

Provide an operating budget for the first ten years of the project clearly indicating the assumptions regarding rent structure for the student occupants and operating costs; discuss all significant operating assumptions, especially requirements for reserves for renewal and replacement. For the purpose of this analysis, the rents charged to student residents shall be competitive with campus and community rental rates.
4.2.6.3 Financing and Transaction Structure

Provide a description of the alternatives available to the University including identification of funding sources, parties involved in any capacity with the financing or the development of the project (e.g., equity or debt participants) and a description of the role of each party. The University is primarily interested in privatized and internally financed models, but may consider a public/private partnership financing based on a leaseback to the University if it resulted in materially lower financing cost and higher value to the student. A comparison of the financial impacts of the alternative solutions should be provided.

In addition, discuss the proposed timetable for obtaining financing and the latest possible date for making a final determination of the approach to finance the Project. If construction financing is required to begin the Project prior to obtaining permanent financing, describe the source and terms of such financing.

4.2.6.4 Fee Proposal

Provide a fee schedule for all services and reimbursable expenses required to fulfill this proposal. Fees should be provided as a lump sum dollar amount with an explanation of the basis of the fee (e.g., percent of budget line item, lump sum estimate, fixed or variable). Itemization of the fee shall include:

- Respondent’s fee; itemize Part A and Part B services
- Architect’s fee inclusive of all sub-consultants and reimbursable expenses
- Contractor’s fee inclusive of all home office overhead and profit, but exclusive of on-site general conditions
- Construction management fee, if separate from the Developer’s fee and the Contractor’s fee; specify entity receiving this fee
- An estimate of the financing fees for the Project
- Management fee, which itemizes portion that is a direct expense in the operating budget
4.2.7 Supplemental Information

This section shall be used for the presentation of supporting materials and information to the proposal. These materials should be kept to a reasonable minimum and provided only if they are in direct support of the Respondent’s proposal. There will be no assignment of points for this section.
5 TERMS AND CONDITIONS

5.1 General Provisions

5.1.1 Revisions to Request

The University may modify this Request, 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 this Request. The University may extend the deadline for submittal of SOQs or proposals for any reason. As provided in Section 3.4.3, written inquiries concerning this Request may be submitted to the University. Responses to inquiries will be made in writing and provided to all Respondents to this Request. The University may decline to answer any Respondent’s inquiries at its discretion.

5.1.2 Cancellation of Request

The University may cancel this solicitation 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.

5.1.3 Acceptance of Submittals

The University reserves the right to: accept or reject any or all submittals, in whole or in part, received as a result of this Request; waive minor irregularities; or negotiate with all Respondents in any manner necessary to serve the best interest of the University. Further, the University reserves the right to make a whole award, multiple awards, a partial award, or no award.

5.1.4 Incurred Expenses

Any costs incurred by the Respondent in preparing and submitting a response to this Request will be the sole responsibility of the Respondent and will not be reimbursed by the University.

5.1.5 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.

5.1.6 Confidentiality of Documents

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

5.1.7 Ethics in Contracting/Collusion

If requested to submit a proposal, the Respondent 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 University officer or employee, past or present, any payment, loan, subscription, advance deposit, travel services or items even of nominal value, present or promised.

5.1.8 Discrepancies and Clarifications

The University reserves the right to request clarification of any aspect of received SOQs or 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 Request may be rejected.

5.1.9 Respondent Responsibilities

All Respondents will be required to bring to the attention of the University expressly, in writing, any requested substitution or change proposed to this Request prior to the date for submittal of the SOQ or proposal. The University will not be bound to a substitution or change unless the Respondent expressly brings it to the University’s attention, in writing and in a timely manner, and the University expressly approves the substitution or change in writing.

5.1.10 Nondiscrimination

The University of Hawai‘i 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. University of Hawai‘i encourages the participation of small, women-owned, and minority-owned firms.
5.2 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 the process outlined in Section 1.1, 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 the agreement between the University and the successful Respondent. Professional liability coverage should be retroactive to the beginning of pre-proposal 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 the University.

5.2.1 Overall Requirements

5.2.1.1 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. Evidence of this insurance shall be provided to the University on an annual basis.

• Broad Form Property Damage including completed operations
• Blanket Contractual Liability
• Personal Injury
• Employees named as Additional Insureds
• 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/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

5.2.1.2 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, 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 errors
- 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 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.

5.2.1.3 Builders’ Risk Insurance

Builders’ Risk Insurance including 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. The policy shall insure all work, labor, materials furnished by the Contractor against loss occasioned by fire, lightning, windstorm, 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 or incidental to, the construction, fabrication, installation or completion of the Project.

5.2.1.4 Comprehensive Automobile Insurance

Comprehensive Automobile insurance covering 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
  $1,000,000.00 per person
  $1,000,000.00 per occurrence

- Property Damage
  $1,000,000.00 per occurrence

5.2.1.5 Workers’ Compensation

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:
  Bodily Injury from each accident: $1,000,000.00
  Bodily Injury from disease: $1,000,000.00
  Bodily Injury from disease: $1,000,000.00 aggregate

5.2.2 Operator

If the University determines that the Respondent shall handle operation, management and maintenance of the completed facilities, the operator, at
its sole cost and expense, shall insure its activities in connection with its work and obtain, keep in force and maintain insurance as required in Section 5.2.1, with the exception of Builder’s Risk Insurance and Professional Liability Insurance. Respondent shall be required to maintain commercial general liability insurance with an aggregate limit of at least $10,000,000.00.

The operator may be required to obtain “all risk” property insurance with an aggregate limit of at least $25,000,000.00 and crime insurance with a limit of $1,000,000.00.

The operator shall maintain the insurance policies throughout the course of the operating agreement with the University and for a minimum of two years following termination of the operating agreement.

### 5.2.3 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 which must be maintained after completion of the Project or termination of an agreement, proof of insurance shall be submitted to the University on an annual basis.

### 5.3 Development Agreement

The proposed structure of the development is predicated on the University’s intent to create a self-sustaining residential community that minimizes costs and maximizes value. Under current plans, the University will provide the land and the Developer will construct, at its own cost and expense, the Project specified by the University. While the final agreement structure may take the form of a ground lease, other relationships will be considered. Any agreement shall include, but not be limited to, the following provisions.

#### 5.3.1 Negotiation

After University selection and approval of a developer, the University and the Developer must enter into an agreement satisfactory to the University within Sixty (60) days. If the University and the selected developer fail to reach agreement within the Sixty (60) day negotiation period, the University shall have the exclusive right to extend the time frame, cancel further negotiations, or begin negotiations with other developers.
5.3.2 General

- **Compliance:** All agreements will provide for compliance with University academic and student service programs and objectives and for the involvement of the University in the project planning and management (e.g., composition and voting majorities on supervisory or management committees that handle budgeting, programming, evictions).

- **Performance Benchmarks:** All contracts and agreements will contain time and performance benchmarks, including construction deadlines, as appropriate, with clear termination provisions.

- **Indemnification:** The successful Respondent and its agents, partners, employees and consultants (Indemnitors) shall defend, indemnify and hold harmless 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 the University. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of any agreement.

- **Insurance:** The Respondent will provide proof of insurance at levels acceptable to the University prior to the signing of a Ground Lease. Other insurance may be required from time to time in such amounts as may be determined by the University for coverage against other insurable risks relating to performance.

5.3.3 Ground Lease and Financing

- **Financing Approvals:** The University will retain approval rights for any financing, refinancing, or additional pledges or encumbrances on the facilities or activities conducted in those facilities.

- **Subordination:** Neither the University’s fee interest in the Project site nor the University’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.

- **Term:** Financing arrangements should not exceed the term of the ground lease. The University will agree to a lease term on the ground lease appropriate for the proposed use currently assumed at 30 years.
- **Title:** The leasehold improvements shall not be sold or the title transferred without the approval of the University. Title to the leasehold improvements shall pass to the University no later than termination of the ground lease, or in the event of default. Respondent will provide “buyout offers” in 10, 15, and 20-year options.

- **Ground Rent:** Ground rent will be at a nominal rent.

- **Assignment:** The Ground Lease will contain a clause prohibiting assignment or sublease of the Respondent’s interest without the written consent of the University which may be withheld at its discretion. The foregoing not withstanding, the Respondent will be permitted to give a security interest in the lease to a lender providing construction or long-term financing.

- **Alternative Financing Structures:** The University will consider alternative financing structures. While it is primarily interested in privatized financing, the University may consider various forms of public-private partnerships or financing based on a leaseback to the University.

### 5.3.4 Design and Construction

- **Assurances:** All contracts and agreements will include provisions for liquidated damages, performance bonds, or other remedies to assure timely completion of the Project. Prior to commencement of construction, the Respondent must demonstrate that it has the resources in hand or available to complete the project.

- **Design Standards:** Improvements shall be designed to comply with University and State of Hawai‘i 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. The site is leased “as is” in its present condition and subject to applicable governmental laws and regulations. All residential and ancillary buildings, circulation, and landscaping for this Project are to be located within the Project site.

- **Construction Schedule:** A minimum of 600 new beds shall be fully completed and ready for occupancy no later than June 1, 2008.
5.3.5 Management and Operations

- **Occupancy:** Occupancy of the residential units will be limited to enrolled University of Hawai‘i students with preference to full-time degree-seeking students. Exceptions may be granted at the discretion of the University. If exceptions (such as renting to other University-affiliated persons) are granted, the terms of such exceptions will be separately negotiated. Leases to non-student tenants shall be no longer than 12 months with expiration date at the subsequent July 31 from lease execution.

- **Operating Costs:** The Respondent will pay for, and hold the University harmless from all costs of construction, maintenance, and management of improvements, whether by the Respondent or its agent, contractor, or party having any other legal relationship with the Respondent. This also will apply to all utility and other operating expenses, and all applicable taxes, fees, and assessments.

- **On-Site Management:** The Respondent will employ an on-site manager for purposes of the day-to-day business of the project and designate an employee as an emergency contact for after normal business hours.

- **Reserve Account:** Within 30 days of occupancy of any units in the project by University students, the Respondent will establish a joint Reserve Account for major maintenance in the name of the University and Respondent. Funds, including interest earned from the Reserve Account, will be used for major maintenance or replacement and/or for demolition at the end of the lease term but not for ongoing routine maintenance. The written consent of the University will be required prior to withdrawal of funds from the Reserve Account. The Respondent will send a yearly statement of the status of the Reserve Account for review by the University. The adequacy of the funds in the Reserve Account will be periodically reviewed by the Respondent and University. Should the parties agree that it is necessary to change the monthly funding level, rental rates may be adjusted accordingly.

- **University Liability:** The University will not be responsible for the physical security of any personal property nor any improvements on the project site, and the Respondent will indemnify the University for any loss in any manner arising from the Respondent’s use, ownership, or operation of the project improvements and occupancy of the project site.

- **Tenant Leases:** Commencing Lease Year One, the Respondent will require residents to sign a lease or rental agreement, the terms of
which are subject to University approval. At the discretion of the Respondent, units may be rented to the tenants individually or collectively (if more than one).

- **Police Services:** The Respondent will provide, through the University, uniformed security services to the property. Fees for these services will be negotiated prior to commencement of construction. The completed project will be subject to continuing surveillance by the County Fire Marshal for compliance with all applicable codes. Maintenance of fire alarm circuits, fire extinguishers, and detectors will be the responsibility of the Respondent.

- **Residential Life Staffing:** The Respondent will contract with the University Housing Program to provide residential life staffing and programs at a level and cost comparable to current program on-campus housing at UH Hilo.