
REQUEST FOR QUALIFICATIONS
(Step One of a Two-Step RFQ/RFP Selection Process)

to enter into a

Real Estate Development Agreement

for the

University of Hawai`i
John A. Burns School of Medicine Site – Phase II

Kaka`ako, Honolulu, Hawai`i

Requested by

University of Hawai`i
Honolulu, Hawai`i

March 18, 2005

University of Hawai`i

Request for Qualifications

Real Estate Development Agreement

John A. Burns School of Medicine Site – Phase II

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I. Executive Summary

A. Request

The University of Hawai`i (the University) is developing a new medical and bio-science education and research complex for its John A. Burns School of Medicine (JABSOM) on a 9.9-acre site (the Site) located on the Kaka`ako waterfront in Honolulu, Hawai`i. The new JABSOM complex is being developed in two phases and is expected to contain approximately 508,000 sf of education and research space upon its completion. The \$150 million Phase I includes an education/administration building and a joint use biomedical research building. The education/administration building is expected to be completed in April 2005, with the completion of the research building projected for August 2005. Phase I is being developed and will be owned by the University. The to-be-developed Phase II (the Project) is intended to consist of a bioscience research building and a parking structure.

B. Objective

The objective of this Request for Qualifications (RFQ) and subsequent Request for Proposals (RFP) is for the University to identify and select a developer (Developer) to enter into a comprehensive real estate development agreement (planning, design, finance, construction and management) for the Project through a two-step process. This first step (RFQ) is to solicit and obtain expressions of interest and qualifications from Developers and their teams. A short list of the three to five most qualified Developers will be invited to participate in the second step (RFP), which will require the submittal of proposals to develop the Project. The proposals will be evaluated and one developer will be recommended to the Board of Regents (Regents) of the University for approval.

The University intends to negotiate and enter into an agreement with the Developer who best demonstrates the knowledge, experience, acumen, creativity, organization and financial ability required to initiate, complete and operate the Project successfully. Developers are encouraged to form teams in the most effective manner necessary to develop the Project.

Depending on financial and other considerations, the Project could be owned by the University, by the Developer, jointly by both the University and the Developer, or by another party. All options will be explored and considered.

C. Submittal Due Dates

Interested Developers shall submit a mandatory Intent to Submit a response to this RFQ in writing on or before 5:00 p.m. (HST) on Friday, April 8, 2005. Written statements of the Developer's interest in being considered to receive the RFP for the Project and the Developer's Statement of Qualifica-

tions (SOQ), as described herein, are due on or before 5:00 p.m. (HST), Friday, May 27, 2005, for consideration by the University in the selection of a Developer to enter into an Agreement with the University for the Project.

II. Project Description

A. The Site

The Site is located on the southwest (makai) side of Ilalo Street between the intersections of Cooke and Ilalo Streets and Keawe and Ilalo Streets in Kaka`ako, Honolulu, and is part of a 200-acre master-planned area that comprises the Kaka`ako waterfront area. The Site is owned by and leased to the University from the State of Hawai`i (the State) through the Hawai`i Community Development Authority (HCDA), the State agency which oversees redevelopment of Kaka`ako, the district situated between downtown Honolulu's central business district to the west and Waikiki to the east. The Site is a landfill with a high water table and possible subsurface geotechnical and environmental considerations.

The Ground Lease from HCDA to the University (Lease No. 02-01) was issued on October 24, 2002, for a term of fifty-seven (57) years for the Site (Lot 1 on File Plan 2350, recorded in the Bureau of Conveyances on May 22, 2003).

A Development Permit and Joint Development Agreement, Conditional Use Permit for Off-Site Parking and Zoning Waiver (MUZ 50-02 and CUP 1-02) were issued by HCDA for the Site on May 13, 2002. The Development Permit and Joint Development Agreement were subsequently amended on September 3, 2002.

The Ground Lease provides that the University, as Lessee, shall pay to HCDA, as Lessor, a base rent for the Project (Annual Base Rent) of one dollar (\$1.00) each year. After the completion of the Project, the Annual Base Rent shall be adjusted and increased to a fair market rent with respect to any particular space in the Project that is not used for: (1) education and research purposes; (2) auxiliary and ancillary uses that support educational and research uses, such as a café, a child care center and a fitness center; and (3) vacant space, common areas, on-site parking and open space. The annual fair market rent for space devoted to such other uses shall be calculated as six percent (6%) of an appraised fair market value of the space.

Phase II of JABSOM's new biomedical complex provides the University with the opportunity to increase the positive critical mass of scientists, educators, students and faculty that could both stimulate the growth of the University's research enterprise and Hawai`i's biomedical and biotechnical industries and contribute to the diversification of the State's economy. In addition, the Site is within several miles of major hospitals. The location will facilitate the intellectual stimulation

and collaborative working relationships found in other centers of excellence in biomedical research.

Developers should become knowledgeable about HCDA, Kaka`ako and the Site. In particular, Developers should become familiar with HCDA's Waterfront Business Plan, Makai Area Plan and Rules, Makai Area Design Guidelines, and the documents listed in the Documents section herein. HCDA's website address is: www.hcdaweb.org.

B. Phase II

The Development Permit approved by HCDA for the development of the Site provides for a Phase II, to include a future research center and parking structure. The total area allowed for the future research center is about 190,000 sf. The parking structure, which would be constructed adjacent to the building housing the central plant, would contain about 360 parking stalls.

Phase II could include the following components:

- Additional research space for JABSOM and other units of the University;
- Private leasable space for bioscience companies (to be leased at market rents); and
- An incubation facility for emerging life science companies.

A land use feasibility and fitment study has not been prepared for the Site by the University to determine whether the Site can accommodate the desired spaces.

More information about the Project will be contained in the RFP.

C. Documents

The following documents are available to and may be borrowed by the Developers for the purpose of reproduction by contacting Jan Yokota of the University's Office of Capital Improvements, whose contact information is contained herein:

1. Ground Lease for the University of Hawai'i John A. Burns School of Medicine, Lease No. 02-01, Hawai'i Community Development Authority (available in hard copy)
2. Development Agreement for the University of Hawai'i John A. Burns School of Medicine, dated October 24, 2002 (available in hard copy)
3. First Amended and Restated Development Agreement for the University of Hawai'i John A. Burns School of Medicine, dated July 23, 2003 (available in hard copy)

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4. Amended Development Permit and Joint Development, Conditional Use Permit for Off-Site Parking, Zoning Waiver for the University of Hawai`i John A. Burns School of Medicine (MUZ 50-02, CUP 1-02), dated September 3, 2002 (available in hard copy)
 5. Declaration of Covenants, Conditions and Restrictions for the Waterfront, Hawai`i Community Development Authority, November 25, 2002 (available in hard copy)
 6. Off-Site Parking Agreement between the Hawai`i Community Development Authority and the University of Hawai`i, dated July 8, 2003 (available in hard copy)
 7. Kaka`ako Community Development District Makai Area Plan Final Environmental Impact Statement (June 1998), prepared by Wilson Okamoto & Associates (available in hard copy)
 8. University of Hawai`i Health and Wellness Center (John A. Burns School of Medicine) Final Environmental Assessment (May 2002), prepared by Wilson Okamoto & Associates (available in hard copy and CD)
 9. Phase I Environmental Site Assessment Report, Produce Center and DOA Facility (May 2001), prepared by Kimura International, Inc. (available in hard copy)
 10. Limited Phase II Environmental Site Assessment Report, 651 Ilalo Street (January 2001), prepared by Kimura International, Inc. (available in hard copy)
 11. Additional Phase II Environmental Site Assessment Report, 651 Ilalo Street (March 2002), prepared by Kimura International, Inc. (available in hard copy)
 12. Comprehensive Summary of Phase II Site Assessment Sampling Data (August 26, 2002) (available in hard copy)
 13. Preliminary Geotechnical Findings and Recommendations (March 26, 2002), prepared by Geolabs, Inc. (available in hard copy)
 14. UH JABSOM, Geotechnical Engineering Exploration (November 25, 2002) (available in hard copy)

III. Request for Qualifications

A. Purpose and Intent

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

The University intends to utilize this RFQ as the primary method to objectively and systematically evaluate responses in order to reduce the respondents to a limited number of interested and qualified Developers. A short list of the three to five most qualified Developers will be selected as the result of the RFQ submissions and evaluations. Those Developer finalists will be invited to submit proposals in the subsequent RFP process.

The respondents to this RFQ will be responsible for all risks and for the payment of all costs and expenses in connection with the preparation of Statements of Qualifications (SOQ) and any subsequent responses, as well as any and all pre-development and planning costs incurred by the respondents and their team members. The University assumes no risks or costs associated with the Developer's undertaking of this RFQ process.

B. Developer Requirements and Responsibilities

The University expects to form a close, collaborative, mutually rewarding and long-term relationship with a Developer who has the depth of knowledge and experience and financial strength to fulfill the following general requirements for the Project:

1. Negotiate in good faith and in a timely manner all agreements required for the Project, with amendments to and restatement of the agreements whenever necessary.
2. Advise the University about Project development matters.
3. Select and retain, if required by the University and the Project, some or all consultants and contractors for the Project.
4. Assume all of the development costs, obligations, risks and responsibilities.

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5. Prepare a development program including, but not limited to, space program, facilities plan, land use feasibility and fitment study, market study, time schedule, financial pro forma, investment analysis, asset management plan and strategic action plan for the Project.
 6. Assist the University with negotiating any ground lease matters for the Site with HCDA, and sublease the Phase II portion of the Site from the University, if requested to do so. The Phase II portion is not a subdivided parcel.
 7. Prepare and remediate the Phase II portion of the Site for construction of the Project's improvements.
 8. Plan, design, develop, finance, entitle, construct and manage the Project.
 9. Prepare and implement a communications plan, including regular oral and written Project progress reports to the University and HCDA and other communications to pertinent government officials, public agencies, stakeholders and the public.

The Developer's activities under the Agreement with the University are expected to commence by late 2005, with construction of the new facility commencing as soon as practicable and being completed by the end of 2008. As the University is desirous of having the Project started and completed as soon as practicable, time is of the essence and the Developer should plan and act accordingly.

IV. RFQ Submittal Requirements

A. Format and Number

The Developer shall submit one reproducible original and 10 copies (excepting large-scale drawings and exhibits if included in the submittal) of its SOQ on 8-1/2" by 11" pages with section dividers and tabs, assembled in loose-leaf, three-ring or spiral binders with appropriate titles on the front and side panels. Pages should be consecutively numbered.

B. Statement of Qualifications

The University expects potential Developers to exhibit the following characteristics, which should be clearly demonstrated in the information submitted as part of the SOQ.

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

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2. Extensive experience in owning, developing, managing and leasing comparable projects.
 3. Experience in designing and completing site remediation projects, including securing appropriate government closure documentation.
 4. Substantial assets and financial resources to complete the Project and assure performance of any and all required indemnity obligations.

The SOQ shall include the following information submitted in the sequence and separate sections listed below.

1. Transmittal Letter

Transmittal letter containing the Developer's expression of interest in the Project and ethics certification as described in the General Conditions and Limitations section herein.

2. Table of Contents

3. Executive Summary

Executive summary of the Developer and the Developer's team, a team organization chart and a summary table of the key development team members with the names of the firms, their roles and the name(s), title(s) and contact information of the principal(s) of the firms.

4. Developer's Qualifications

The Developer's qualifications and information, in the following order:

- Overview of the Developer and the Developer's principal owners and chief executives
- Description of the Developer's experience with similar projects
- Identification, role and professional summary of the individuals who will have key roles in the execution of the Project
- Description of the financial capability and capital resources of the Developer
- References from banks, other lenders and debt and equity financing sources indicating the Developer's wherewithal to finance the Project
- Summaries of recent project financings, detailing project type, financing source, amounts, terms and current status
- Description of any claims, disputes, lawsuits, defaults, or other adverse business issues or conditions involving the Developer
- Awards and recognitions
- Other references

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- Contact information

5. Team Members' Qualifications

Relevant background, qualifications and resumes from the Developer's team members, in the following order:

- Architect, design and technical team
- General contractor and construction team (optional)
- Key consultants
- Others

6. Comparable Projects

A detailed description of three to five projects that are the most comparable to the Project, which projects were developed by the Developer and/or designed and/or constructed by the Developer's team, and which were completed within the past five years or will be completed within the next year.

The following information about each project shall be concisely provided in a summary sheet(s) for each project in the following order:

- Name
- Location
- Type
- Size
- Total cost
- Completion date
- Developer's (and/or Developer's team member's) role and ownership interest, if any
- Owner and contact information
- Architect and contact information
- Equity investor, if any, and contact information
- Lender, if any, and contact information
- Relevance to the Project
- Lessons learned that are applicable to the Project
- Photographs/renderings of the Project

As the University intends to use these projects for due diligence evaluation purposes, Developer shall inform the listed contact persons that a representative of the University may be communicating with them.

7. Appendix

Include any other additional relevant information about the Developer and Developer's team.

V. Evaluation and Selection

A. Evaluation Process

1. Objective

The University is seeking a Developer and development team that has in-depth experience and proven success in working collaboratively and effectively with universities and their research units to prepare comprehensive and cohesive strategic development plans for bioscience and life sciences research facilities and which has been able to successfully implement such plans.

2. Factors

The Evaluation Committee will review, evaluate and rank all of the SOQs submitted according to the following factors and their evaluation weight:

- Qualifications, experience and expertise with the planning, design, development, financing, construction, management and operation of comparable projects involving similar complexity, scope and services. **30%**
- Creativity, flexibility and ability to conceive the best solution for the Project. **25%**
- Financial resources and soundness, and proven ability to arrange debt and equity financing for the Project. **25%**
- Leadership and organizational ability to identify, select, form and lead a team with high levels of knowledge and capability. Team members should have worked on and completed projects of similar type, complexity, scope and scale. Strong project management capability, including clear and timely communications with the client and all other appropriate parties. **10%**
- Ability to work with communities to gain their support and with government agencies and officials to obtain entitlements, permits and approvals, understanding of the local physical, economic, political, social and cultural environment, and anticipated compatibility with the University and HCDA. **10%**

B. Time Schedule of Activities

The University reserves the right to change the time schedule described herein.

- Issuance of RFQ March 18, 2005
- Receipt of Developer's Intent to Submit letter April 8, 2005
- Site visit and informational meeting April 20, 2005

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- Deadline for submittal of Developer questions and requests for clarification April 28, 2005
 - University response to Developer questions and requests for clarification May 12, 2005
 - Deadline for submittal of SOQ May 27, 2005
 - Selection of short list of finalists June 15, 2005
 - Notification of short list of finalists June 17, 2005
 - Issuance of RFP to short list of finalists July 8, 2005
 - Deadline for submittal of proposals August 26, 2005
 - Selection of Developer September 15, 2005
 - Approval of Developer by the Regents September 22, 2005
 - Notification of Developer selection September 23, 2005

VI. Submittal

A. Intent to Submit

Potential Developers are required to register their intent to respond to this RFQ by submitting a mandatory Intent to Submit letter, together with an entity resolution or other appropriate entity authorization to sign the Intent to Submit letter, no later than 5:00 p.m., Friday, April 8, 2005. Such letter received by the University will establish the official list of Developer respondents to this RFQ for communication purposes. The letter may be transmitted by mail delivery, hand delivery or fax transmission to:

Jan Yokota
Office of Capital Improvements
University of Hawai`i
1951 East-West Road
Honolulu, HI 96822
Fax: (808) 956-9968

Developers are requested to designate one representative of the Developer (Developer Representative) and all of Developer's team members. The Developer Representative's name and contact information should be provided with the Developer's Intent to Submit letter.

The University is seeking responses only from Developers who are seriously considering this opportunity and will make their best efforts to respond to the RFQ and RFP, and who have the qualifications and capability to meet the requirements of the RFQ and RFP.

Developer Representatives will be notified in writing of any changes made to this RFQ, and to the RFQ/RFP process.

B. Submittal Date

RFQ submittals must be received no later than 5:00 p.m. (HST) on Friday, May 27, 2005. The deadline for submittal may be extended if, in the sole discretion of the University, such extension is warranted.

C. Submittal Place

The RFQ submittal must be bound and sealed in a package reading “RFQ Submittal – John A. Burns School of Medicine Site – Phase II” and submitted by mail or delivered to:

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

Proposals submitted by facsimile alone will not be accepted.

D. Developer Questions and Requests for Clarification

Questions and requests for clarification concerning this RFQ must be submitted in writing by the Developer Representative prior to the dates specified herein. Questions and clarification requests may be submitted by facsimile transmission.

Except as specifically permitted in this section, from the date of the RFQ until a final agreement is executed and the selection is announced, Developers are not permitted to communicate on matters regarding this RFQ with any University representative or consultant except through:

Jan Yokota
Office of Capital Improvements
University of Hawai`i
1951 East-West Road
Honolulu, HI 96822
Phone: (808) 956-7935
Fax: (808) 956-9968
E-mail: jsyokota@hawaii.edu

In the event of a violation of this provision, the Evaluation Committee reserves the right to reject the Proposal of the offending Developer. Only questions and requests for clarification that are submitted in writing will be accepted. In addition, only responses issued in writing by Jan Yokota will be binding on the Evaluation Committee.

VII. General Conditions and Limitations

A. Revisions to RFQ

The University may modify this RFQ, prior to the date fixed for submittal of the Proposals, by issuance of an addendum or addenda to all Developers who have received a copy of the RFQ. The University may extend the deadline for the SOQ submittal for any reason. As provided herein, written questions concerning this RFQ may be submitted to the University. Response to questions will be made in writing and provided to all Developer respondents to this RFQ. The University may decline to answer any Developer's inquiries at its discretion.

B. Cancellation of RFQ

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.

C. Acceptance of Submittals

The University reserves the right to waive minor irregularities in the submittals received pursuant to this RFQ or to negotiate with all Developers, 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.

D. Incurred Expenses

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

E. Economy of Preparation

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

F. Confidentiality of Documents

To the extent permitted by law, written requests for confidentiality shall be submitted with the SOQ. The request must state specifically what elements of the SOQ are to be considered confidential and/or proprietary. Confidential and proprietary information must be readily identified, marked and separated/packaged from the rest of the submittal. Co-mingling of confidential and proprietary in-

formation and other information is unacceptable. Any information that will be included in any resulting agreement cannot be considered confidential.

G. Ethics in Contracting/Collusion

The Developer shall certify in its SOQ 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 SOQ.
- 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.

H. Discrepancies and Clarifications

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

I. Developer Responsibilities

All Developers will be required to bring to the attention of the University expressly, in writing, any requested substitution or change proposed to this RFQ prior to the date for submittal of the SOQ. The University will not be bound to a substitution or change unless the Developer 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.

J. Nondiscrimination

The University 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. The University encourages the participation of small, women-owned, and minority-owned firms.