

UNIVERSITY OF HAWAI'I

Executive Policy - Land and Physical Facilities

January 2006

Page 1 of 5

E10.204 Public Private Partnerships

I. INTRODUCTION

The University has initiated a number of public/private partnerships with selected developers through Requests for Qualifications/Requests for Proposals for the development of University real property and facilities. This policy is intended to guide the formation and implementation of such partnerships.

II. PURPOSE

This Executive Policy establishes a systemwide process for use in the selection of developers through Requests for Qualifications/Requests for Proposals for implementation of Board of Regents approved public private partnerships.

III. RESPONSIBILITIES

- A. The UH System President, Vice Presidents and campus Chancellors are responsible for ensuring compliance with the processes described in this Executive Policy.
- B. The Director of Capital Improvements shall be responsible for providing consultative assistance regarding the implementation of this policy as may be requested.

IV. PROCESS

- A. Evaluation Committee
 - 1. The composition of the Evaluation Committee shall be proposed by the Chancellor of the affected unit and approved by the President.
 - 2. The Evaluation Committee may include members who are not employed by the University. The non-University members may include representatives of

the affected community, development consultants, legal and subject matter experts.

3. All members of the Evaluation Committee must disclose conflicts of interest to the President, who shall determine if the conflicts that are disclosed warrant exclusion from the Committee.
4. Support to the Evaluation Committee shall include the following:
 - a. University staff support shall include the Vice President for Budget and Finance/Chief Financial Officer and the Director of Capital Improvements.
 - b. Development consultants shall be retained and legal and subject matter experts may be retained to assist the Evaluation Committee in its deliberations.

B. Real Estate Development Expertise

1. For each project, the University shall retain a person(s) who possesses the necessary real estate development expertise for the following critical steps of the process:
 - a. Preparation of the RFQ/RFP documents;
 - b. Evaluation of the Statements of Qualifications and Proposals submitted by interested development teams;
 - c. Negotiation of real estate development documents; and
 - d. Management of the project from commencement to completion.
2. The real estate development consultant(s) shall be selected in accordance with University procurement procedures.

3. The consultant(s) should have expertise in the following areas:
 - a. Locating appropriate properties for real estate development.
 - b. Structuring and negotiating land purchase and master ground lease agreements.
 - c. Analyzing the real estate market and preparing market studies.
 - d. Overseeing land entitlement processes.
 - e. Designing products for different real estate markets.
 - f. Analyzing development costs and preparing development and operating pro forma budgets.
 - g. Structuring public/private partnerships and joint ventures.
 - h. Obtaining equity, construction and permanent financing.
 - i. Administering and coordinating the development process.
 - j. Contracting and overseeing the construction process.
 - k. Planning for strategic disposition of projects and real property.

C. Partner Selection Process

These procedures are designed to ensure the selection of the most responsible and capable private sector business entity with which to partner, and are structured so that interested private parties can compete without expending excessive resources in preparing proposals. The solicitation consists of two steps:

Step 1: Request for Qualifications (RFQ).

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

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

Step 2: Request for Proposals (RFP).

Respondents on the Short List will have the opportunity to submit a proposal on how best they would implement and manage the development plan for the Project. Respondents will have an opportunity to demonstrate their creativity, flexibility, and ability to provide reasonable assumptions that will yield a feasible project. The Evaluation Committee will review the proposals received in response to the RFP. Upon completion of its evaluation, the Evaluation Committee will recommend to the President and the Board of Regents that Respondent which, in its opinion, submitted the most highly evaluated proposal taking into consideration the evaluation criteria set forth in the RFP. In the event that more than one Respondent have submitted highly evaluated proposals, the Evaluation Committee will submit all such proposals to the President and the Board of Regents for their consideration consistent with the evaluation criteria in the RFP. The Board of Regents has the authority to make the final selection, and upon making this selection will designate the successful Respondent to participate in a period of exclusive negotiations.

D. Post-Selection Process

1. Appointment of Executive Committee

The President shall appoint an Executive Committee with responsibility for reviewing and approving all major decisions relating to the project, which shall include the Chancellor of the affected unit or his or her representative.

2. Designation of a Single Point of Contact

The President shall appoint the Chancellor or another member of the Executive Committee to serve as the single point of contact (SPOC) with the authority to negotiate with the selected Respondent for the purpose of consummating a Real Estate Development Agreement. The SPOC will utilize the services of a real estate development consultant and an attorney as required.

3. Exclusive Negotiations

Under the guidance of the Executive Committee, the SPOC will enter into a period of exclusive negotiations with the selected, successful Respondent. During this period the selected Respondent will work with the University to finalize a Real Estate Development Agreement that will establish requirements for the scope of work of the project and acceptable time frames for completion of this work.