

# Public Private Ventures Process Guide

This guideline is applicable for proposed privatized transactions that utilize private bond proceeds or other private financing to fund a portion or all cost for development on Board of Regents or private property for institutional use, whether or not the Board of Regents rents the improvements. It does not include private money as a gift.

Each proposed privatized transaction is a unique opportunity. There is usually a high degree of similarity with other privatized transactions – but each opportunity is unique. The information required will sometimes vary according to the unique aspects of the transaction, and information related to a previous transaction may not be sufficient for the currently contemplated transaction. Therefore, it is highly suggested that the USG Office is engaged early when initially contemplating a privatized transaction.

Institutions must submit appropriate information to the USG Office of Facilities no later than the first day of the month preceding the month of the applicable Board meeting. All submittals are to be sent in pdf format.

## I. Project Initiation

### Submittals:

Project Concept Proposal

### Meetings:

BOR/Institution – Briefing Meeting (if required)

BOR Internal - Integrated Review of project by BOR staff

BOR Internal - Capital Review of project by BOR Senior Administration

### Approvals:

Board Information Item (if applicable)

## II. Project Authorization

### Submittals:

A. Letter from President requesting authorization

B. Project Description & Justification

C. Location Map

D. Other Supporting Information

E. Project Budget in BOR format

F. Project Milestone Schedule (Gantt Chart)

G. Phasing Plan (Gantt Chart)

H. Housing Plan & Market Study (if applicable)

I. Preliminary pro-forma

J. Written Commitment of Pre-closing Funds from Institution (If applicable)

K. Due Diligence for any of the following that are applicable:

a. Demolition

b. Acquisitions

c. Gifts of Real Property

L. Student Fee Proposal to Fiscal Affairs (If applicable)

### Meetings:

None

### Approvals:

Board Approval Item – Project Authorization

Board Approval Item – Demolition

Board Approval Item – Acquisitions or Gifts of Real Property

Board Approval Item – Student Fees

### III. Team Selection

#### Special Instructions:

If the Institution will use institution funds in excess of delegated authority for professional services to fund design, BOR must hold contract.

- If BOR holds the contract, the QBS process would be the same as any other project using institution funds. VC for Facilities may allow use of an alternative, expanded QBS process ('ideas competition') for DB selection, contingent upon:
  - Institution providing VC for Facilities written request to use alternative QBS process, including overview of process and explanation of why this alternative process is more appropriate for this project than the standard QBS process
  - BOR staff participation in the process to the extent possible based on current workload; and
  - BOR staff to have two votes in selection; Institution to have three votes.
  - Selected firms will be recommended to the Board for approval.

In lieu of BOR holding the contract, Institution may decide to a) use foundation money for design & preconstruction and use AIA contracts, or b) have the teams go at risk until financial close occurs.

- If Foundation holds contract, BOR staff to participate in the process to the extent possible based on current workload, with no votes in selection.

#### Activities:

- A. Selection Process for DP, CP, PM, DEV
- B. Selection of Underwriter, LLC Counsel, Bond Counsel
- C. Selection of Consultant for Topo, Utility, & Site Conditions Survey
- D. Selection of Consultant for Environmental Site Assessment / GEPA
- E. Selection of Consultant for Geotechnical Soils Investigations
- F. Selection of Consultant for Housing Plan and Market Study
- G. Contract Preparation and Execution for the Firms listed above

#### Submittals:

- A. Team Member List - PM, DP, CP, DEV, LLC Counsel, Bond Counsel, Underwriter, Etc.
- B. Borrowing Entity (Lessee/Landlord)
  1. Entity Name
  2. Type of Entity
  3. Board Members
  4. Officers

#### Meetings:

- Shortlisting Meetings
- Interviews of Shortlisted Firms
- Design Kick-off Meeting w/VC for Facilities

#### Approvals:

- Board Approval Item – Selected Firms for DP, CP, PM (Only if BOR holds the Contract)

### IV. Programming & Concept Design

#### Submittals:

- A. Redline of Proposed Ground Lease Limits & Construction Limits (prior to preparation of Topo, ESA, GEPA, and Geotech)
- B. Housing Plan & Market Study
- C. Topography, Utility, & Site Conditions Survey
- D. Environmental Site Assessment Report
- E. GEPA
- F. Final Checklist of Utilities
- G. Geotechnical Soils Investigation Report
- H. Verification of Seismic Risk
- I. Schedule for Programming Meetings and Design Charettes
- J. Project Budget in BOR format - Updated
- K. Project Milestone Schedule - Updated
- L. Preliminary pro-forma - Updated
- M. Programming & Concept Design Documents
- N. Provide Minutes of Programming & Concept Design Review Meeting

#### Meetings:

- BOR/Campus/DP – Programming & Concept Review w/ VC for Facilities and AVC for Finance

**Approvals:**

BOR staff will provide review comments as needed

## V. Schematic Design

**Submittals:**

- A. Schematic Design Documents
- B. Comparison of Schematic Design with approved Building Program
- C. Project Budget - Updated
- D. Project Schedule - Updated
- E. Construction Cost Estimate
- F. Construction Schedule
- G. Financing Schedule from Underwriter
- H. Draft Pro-formas
  - 1. Institution Pro-forma
  - 2. Foundation Pro-forma
- I. Qualified Management Agreements for Private Vendors to Bond Counsel for Review (If applicable)
- J. Provide Minutes of Schematic Review Meeting

**Meetings:**

Schematic Design Review w/ VC for Facilities and AVC for Finance

**Approvals:**

BOR staff will provide review comments as needed

## VI. Design Development

**Submittals:**

- A. Design Development Documents
- C. Project Budget - Updated
- D. Project Schedule - Updated
- E. Construction Cost Estimate - Updated
- F. Construction Schedule - Updated
- K. Financing Schedule from Underwriter - Updated
- L. Pro-formas
  - 1. Institution Pro-forma
  - 2. Foundation Pro-forma
- G. Preliminary ALTA survey w/metes & bounds of ground lease limits and construction limits
- H. Provide Minutes of Design Development Meeting

**Meetings:**

Code Review Meeting with State Fire Marshal

Design Development Review w/ VC for Facilities and AVC for Finance

**Approvals:**

BOR staff will provide review comments as needed

## VII. GMP

**Submittals:**

- A. GMP Documents
  - 1. Construction Drawings (PDF)
  - 2. Specifications (PDF)
  - 3. GMP Change Order per CP contract 3.3.1
    - a. GMP Change Order Form (signed by CP)
    - b. GMP Statement
      - (1) Schedule A - List of Drawings and Specifications
      - (2) Schedule B – Estimate of cost-of-work trade categories with sub bids
      - (3) Schedule C - List of Clarifications, Assumptions, and Exclusions
      - (4) Schedule D - Schedule for completion of Construction Documents

- (5) Schedule E - Submittal Schedule
  - (6) Schedule F - Component Change Order Schedule
  - (7) Schedule G - Construction Schedule
  - (8) Schedule H – Construction Budget
  - (9) Schedule I - DP’s concurrence with CD Schedule, Submittal Schedule, Component Schedule
  - (10) Substantial Completion date
  - (11) Staffing Plan
- B. Complete Due Diligence for:
    - 1. Ground Lease
      - a. List of GMP drawings & specs with revision dates (MS Word format)
    - 2. Rental Agreement
    - 3. Easements (If applicable)
  - C. Title Insurance Confirmation
  - D. Final ALTA Survey
  - E. Project Budget - Updated
  - F. Project Schedule - Updated
  - G. Lifecycle Repair & Replacement Cost Model – Final
  - H. Maintenance & Operations Cost Model – Final
  - I. Financing Schedule - Updated
  - J. Pro-formas - Updated
  - K. Rating Agency and Bond Insurance Package

**Activities:**

Select Consultant for Special Inspections and Material Testing

**Meetings:**

GMP Review Meeting with Director REV  
 Rating Agency Site Visit

**Approvals:**

Board Approval Item – Ground Lease and Rental Agreement  
 State Fire Marshal - Building Permit  
 Local Authority – Land Disturbance Permit  
 BOR staff will provide review comments as needed

## VIII. Financial Close

**Submittals & Activities:**

- A. Provide information to Rating Agency as requested
- B. Review and provide comments on draft rating report
- C. Provide information to Bond Insurer as requested
- D. Receive Rating Letter
- E. Receive Commitment Letter for Bond Insurance (if applicable)
- F. Pre-Closing
  - 1. Review Preliminary Official Statement (prior to executing Ground Lease)
  - 2. Post Official Statement
  - 3. Set date to price bonds and Closing date
  - 4. Final bond pricing
  - 5. Final pro-forma based on bond pricing, signed by LLC & Institution CBO
  - 6. Invoice to LLC for Board of Regents Fee
  - 7. Invoice for Board of Regents reimbursement (if applicable)
  - 8. Invoices for reimbursement to Institution for pre-closing costs (if applicable)
  - 9. Invoices for payment of consultants for pre-closing costs
  - 10. Ground Lease signed by LLC, Institution President, VC for Facilities
  - 11. Send Ground Lease to Governor for Execution
  - 12. Rental Agreement signed by LLC (Exhibit E Rent Schedule based on bond pricing, signed by LLC & Institution CBO)
  - 13. Provide fully executed Ground Lease and Rental Agreement to Bond Counsel
  - 14. Copy of tax certificate
  - 15. Assignment of PM, DP, CP contracts from BOR to LLC. (if applicable)

- G. Post - Closing
1. Receive fully executed Ground Lease
  2. Receive fully executed Rental Agreement
  3. Record Ground Lease
  4. Receive final Official Statement
  5. Receive Bond closing memorandum
  6. Receive Bond Closing Transcript
  7. Provide Notice to Proceed with Construction

**Meetings:**

- Pre-Closing Conference
- Meeting or conference call with Bond Insurer (if applicable)

**Approvals:**

- Governor – Sign Ground Lease
- VC for Facilities – Sign Rental Agreement

## **IX. Construction**

**Submittals:**

- A. Schedule for OAC Meetings
- B. OAC Meeting Minutes
- C. Monthly Progress Reports
- D. Closeout Report \*
  1. Part One (Submit no later than 30 days after Final Completion is achieved)
    - a. Certificate of Occupancy
      - (1) 80% Fire Marshal Inspection Report **[send as soon as received]**
      - (2) 100% Fire Marshal Inspection Report w/ CO or TCO **[send as soon as received]**
    - b. Substantial Completion
      - (1) Substantial Completion Certificate from Design Professional **[send as soon as received]**
      - (2) Schedule of Monies Retained
      - (3) 30 day Punchlist
    - c. Final Completion
      - (1) Final Completion Certificate from Design Professional
      - (2) Final Affidavits from PM, DP, CP
      - (3) Final Lien Waiver from CP
      - (4) Final Lien Waiver from 1<sup>st</sup> Tier Subcontractors
      - (5) Contact List of all Contractors, Subcontractors, Suppliers
      - (6) Final Schedule of Values
      - (7) Sign-off by Institution for Receipt of Deliverables
      - (8) Georgia Peach Program Application
      - (9) As-built Documents - one thumb-drive copy of the documents (PDF format)
      - (10) Revised ground lease limits with reduced area
    - d. Project Budget
      - (1) Final Project Budget Report Spreadsheet
      - (2) Final Change Order & Amendment Summary Sheet
      - (3) Copy of Change Orders & Amendments to PM, DP, CP (without backup)
      - (4) List of all items purchased by the Institution with costs for each item (if applicable)
  2. Part Two (These items are not typically available at Final Completion and are to be added later)
    - a. Copy of Official Certificate of Occupancy from Georgia Safety Fire Commissioner
    - b. Warranty Items Log
    - c. Georgia Peach Program Certification Award (if applicable)

**Meetings:**

- Bi-weekly OAC Meetings
- Final Warranty Walk-Through Inspection 11mo after Material Completion Date

**Approvals:**

## **X. Occupancy**

**Submittals:**

- A. Annual Updates of the following:
  - 1. Institutional Pro-forma
    - a. Variance from Final Pro-forma
    - b. Variance from Prior pro-forma
  - 2. Foundation Pro-forma
    - a. Variance from Final Pro-forma
    - b. Variance from Prior Pro-forma
- B. Annual Audits
- C. Annual Fee Request
- D. Operation Reports (twice/year)
- E. PPV Audit
- F. Annual Cash Flow Analysis Report
- G. ID High Risk Facilities (Fiscal Performance)
- H. Annual Reports to Rating Agencies
- I. Contracts with outside vendors (Qualified Management Agreements)
- J. Facility Condition Assessment every 2.5 years for Student Housing, Precast Parking Decks, and Metal Bleachers.  
Facility Condition Assessment every 5 years for all other project types.

**Meetings:**

Fiscal Affairs - Annual Meeting with Rating Agencies & Bond Insurer

**Approvals:**

VC for Facilities - Rental Agreement Annual Extension

VC for Facilities - Amendments to Ground Lease or Rental Agreement