FINAL REQUEST FOR PROPOSALS
Regarding Investment In and Development of a Portfolio of Student Housing for the
Board of Regents of the University System of Georgia
Phase I

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1. **Purpose of the RFP**

This Request for Proposals (“RFP”) is being issued to establish a master concession agreement and related agreements (collectively, the “Operative Agreements”) with a concessionaire, which will acquire the right to operate on-campus housing and related facilities and to develop new on-campus housing and related facilities for the Board of Regents of the University System of Georgia (the “BOR”). Initially, the Operative Agreements will cover the existing housing described in Appendix B (the “Existing Housing”) as well as the New Housing described in Appendix C (the “New Housing”) located on the Phase I Institutions, as named in Appendix A (the “Phase I Institutions”). The Operative Agreements will give the BOR the option to add additional housing and related structures on the Phase I Institutions as well as other University System of Georgia institutions. Alternatively, subject to the provisions of the Operative Agreements, the BOR may elect to conduct a request for proposal with all the Qualified Concessionaires or a request for qualified concessionaire with any person or entity for other University System of Georgia institutions.

**Pre-Qualification Notice:**

The following entities (the “Qualified Concessionaires”), which were selected as qualified concessionaires pursuant to the Request for Qualified Concessionaires (the “RFQC”) issued by the BOR on April 14, 2014, are authorized to submit responses to this RFP:

- Balfour Beatty Campus Solutions, LLC
- Corvias Campus Living, LLC
- Education Realty Trust, Inc.

No other person or entity may submit a response to this RFP. Any response received from any person or entity other than the Qualified Concessionaires will not be considered by the BOR.

2. **Overview of RFP Process**

The objective of this RFP is to select a concessionaire (the “Concessionaire”) to finance, develop, design, construct, manage, operate, maintain, repair and replace certain student housing consisting of the Existing Housing and New Housing as identified on Appendices B and C respectively. The BOR has five principle objectives in pursuing this transaction:

1. Ensuring affordable, safe, quality housing options for students choosing to live on campus;
2. Reducing the amount of BOR capital lease obligations associated with the portfolio of existing on-campus housing;
3. Providing a market-based alternative for the construction and operation of additional on-campus housing for USG students without incurring additional BOR capital lease obligations;

4. Leveraging private sector innovation and efficiencies in the design, construction, operation and management of on-campus housing; and

5. Developing a long-term relationship between the Institutions and the Concessionaire to attract students to live on-campus and to enhance the college experience for those students.

This RFP process is being conducted to gather and evaluate responses from the Qualified Concessionaires for potential award. The Qualified Concessionaires are invited to participate by submitting responses, as further defined below. After evaluating all Qualified Concessionaires’ responses received on or prior to the due date for responses pursuant to this RFP and following negotiations (if any) the BOR will issue a Notice of Award in accordance with the provisions of the BOR Public Private Partnership Procurement Procedures (Appendix F) naming the Concessionaire.

3. **SCHEDULE**

The schedule of events set out herein represents the BOR’s best estimate of the schedule that will be followed. Any changes in the schedule will be in the sole discretion of the BOR and will be posted to the BOR’s P3 webpage located at [www.usg.edu/P3](http://www.usg.edu/P3). The BOR will also endeavor to notify promptly each of the Qualified Concessionaires via the email address provided by the Qualified Concessionaire in its response to the RFQC of any changes in the schedule.

<table>
<thead>
<tr>
<th>EVENT</th>
<th>DATE</th>
<th>TIME OF DAY</th>
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<tbody>
<tr>
<td>1. <strong>RELEASE OF FINAL RFP</strong></td>
<td>10/6/14</td>
<td></td>
</tr>
<tr>
<td>2. <strong>QUESTION AND ANSWER TELEPHONE SESSIONS</strong></td>
<td>10/9/14</td>
<td>9:00 – 11:45 A.M. EASTERN TIME</td>
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<tr>
<td>3. <strong>FINAL RFP RESPONSE</strong></td>
<td>10/23/14</td>
<td>AT 2:00 P.M. EASTERN TIME</td>
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<td>4. <strong>HALF DAY ONE-ON-ONE NEGOTIATIONS WITH QUALIFIED CONCESSIONAIRES</strong></td>
<td>10/29/14 – 10/30/14</td>
<td>ATLANTA, GEORGIA</td>
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<td>5. <strong>REFERENDUM VOTE</strong></td>
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<tr>
<td>6. <strong>BOR APPROVAL OF CONCESSIONAIRE; ISSUANCE OF NOTICE OF AWARD</strong></td>
<td>11/12/14</td>
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<td>7. <strong>EFFECTIVE DATE; EXECUTION OF MASTER CONCESSION AGREEMENT; PAYMENT OF PREPAID RENT; CLOSING DATE FOR NEW HOUSING LEASES</strong></td>
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<td>8. <strong>CLOSING DATE FOR ACQUISITION OF EXISTING HOUSING; DEFEASANCE OF EXISTING HOUSING BONDS</strong></td>
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<td>9. <strong>CLOSING DATE FOR CONSTRUCTION FINANCING FOR NEW HOUSING</strong></td>
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4. **Contact Information for Issuing Officer**

All communications are to be directed via email to:

Susan H. Ridley  
Associate Vice Chancellor for Fiscal Affairs  
Board of Regents of the University System of Georgia  
270 Washington Street, Room 6064-A  
Atlanta, GA 30334  
BORP3@usg.edu

5. **Definition of Terms**

Capitalized terms not otherwise defined in this RFP will have the meaning set out in the Master Concession Agreement. As used in this RFP, the following terms will have the following definitions:

“Operative Agreements” means the versions of the Master Concession Agreement, the Leases, and the Project Operating Agreement released by the BOR to each Qualified Concessionaire with the release of this RFP. **Note that each Qualified Concessionaire will receive a set of Operative Agreements tailored to that Qualified Concessionaire’s Preliminary RFP Response.**

6. **Instructions to Qualified Concessionaires**

By submitting a response to the RFP, the Qualified Concessionaire is acknowledging that it:

1. Has read the information and instructions, and  
2. Agrees to comply with the information and instructions contained herein.
6.1 GENERAL INFORMATION AND INSTRUCTIONS

6.1.1 RESTRICTIONS ON COMMUNICATIONS

From the issue date of this RFP until the issuance of the Notice of Award by the BOR, the Qualified Concessionaires are not allowed to communicate for any reason with any BOR team representatives regarding this RFP except as specifically provided in this RFP. Team representatives include JLL; Wells Fargo Securities LLC\(^1\); Sutherland, Asbill & Brennan LLP; Public Resources Advisory Group; and staff and Board members of the BOR. Communications are permitted only through the Issuing Officer named in Section 4, during the Question and Answer Telephone Sessions on October 9, 2014, and during the One-on-One Negotiations with the Qualified Concessionaires on October 29-30, 2014. The Qualified Concessionaires may not contact the leadership, administration or staff of the Phase I Institutions regarding this RFP except as may otherwise be authorized in writing by the Issuing Officer. Prohibited communication includes all contact or interaction, including but not limited to telephonic communications, emails, faxes, letters, or personal meetings, such as lunch, entertainment, or otherwise. The BOR reserves the right to reject the proposal of any Qualified Concessionaire violating this provision and terminate such Qualified Concessionaire's further involvement in the RFP.

6.1.2 QUESTION AND ANSWER SESSIONS

The BOR will conduct individual question and answer sessions by telephone with each Qualified Concessionaire on October 9, 2014. The BOR will advise each Qualified Concessionaire of the time for its call on or before 5:00 p.m. on October 6, 2014. These question and answer sessions will last up to 45 minutes and will be limited to matters related to this Final RFP.

The BOR may, in its sole discretion, determine from one or more of these sessions that an amendment to this Final RFP is necessary. Only such amendment will be binding upon the BOR; oral statements made by the BOR during these sessions will not be binding upon the BOR.

A Qualified Concessionaire may submit written questions after the release of this RFP, as well as after the October 9, 2014 question and answer sessions, via email to the following address:

BORP3@usg.edu

The BOR will consider such additional questions and will decide whether or not to respond to such questions in its sole and absolute discretion. If the BOR elects

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\(^1\) This does not preclude contact with Wells Fargo Bank, N.A. for the purpose of discussing financing.
to respond, it will provide the question and answer to all Qualified Concessionaires.

6.1.3 BOR’S RIGHT TO REQUEST ADDITIONAL INFORMATION

Prior to contract award, the BOR must be assured that the selected Concessionaire has all of the resources to successfully perform under the Operative Agreements. If, during the evaluation process, the BOR is unable to assure itself of a Qualified Concessionaire’s ability to perform, if awarded, the BOR has the option of requesting from the Qualified Concessionaire any information deemed necessary to determine the Qualified Concessionaire’s responsibility, without necessarily requesting the same or similar information from any other Qualified Concessionaire. If such information is required, the Qualified Concessionaire will be so notified and will be permitted such time as determined by the BOR in its sole discretion to submit the information requested.

6.1.4 FAILURE TO COMPLY WITH SUBMISSION INSTRUCTIONS

Responses received after the identified due date and time or submitted by any other means than those expressly permitted by the RFP will not be considered. Responses must be complete in all respects, as required in each section of this RFP.

6.1.5 REJECTION OF PROPOSALS; WAIVER OF IMATERIAL DEVIATIONS

The BOR reserves the right to reject any or all responses, to waive any irregularity or informality in a Qualified Concessionaire’s response, and to accept or reject any item or combination of items, when to do so would be to the advantage of the BOR. It is also within the right of the BOR to reject responses that do not contain all elements and information requested in this RFP. A Qualified Concessionaire’s response will be rejected if the response contains any defect or irregularity and such defect or irregularity constitutes a material deviation from the RFP requirements, which determination will be made by the BOR on a case-by-case basis.

6.1.6 BOR’S RIGHT TO AMEND/CANCEL

The BOR reserves the right to amend or supplement this RFP at any time prior to the due date of responses. Amendments and supplements will be in writing and posted as addenda on the BOR’s P3 webpage located at www.usg.edu/p3. The BOR will endeavor to provide each Qualified Concessionaire notice of any amendment via email to the address provided by the Qualified Concessionaire pursuant to the RFQC; however, each Qualified Concessionaire is responsible for reviewing addenda and other posted documents and making necessary and
appropriate changes and/or additions to the Qualified Concessionaire’s response to this RFP. All Qualified Concessionaires are encouraged to frequently check the BOR’s P3 webpage at www.usg.edu/p3 for additional information.

The BOR may, in its sole discretion, cancel this RFP at any time.

6.1.7 **PROTEST PROCESS**

Each Qualified Concessionaire should familiarize itself with the procedures set forth in the BOR Public Private Partnership Procurement Procedures (Appendix F).

6.1.8 **COSTS OF PREPARING PROPOSALS**

Each Qualified Concessionaire’s response should be prepared simply and economically, avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete presentation. The cost for developing the response and participating in the procurement process (including the preliminary design process) is the sole responsibility of the Qualified Concessionaire. The BOR will not provide reimbursement for such costs.

6.1.9 **DUE DILIGENCE MATERIALS**

The BOR has caused a SharePoint website to be established to provide the Qualified Concessionaires with access to various due diligence materials related to the Existing Housing and the New Housing. Each Qualified Concessionaire has been provided credentials necessary to access this SharePoint website. The BOR will periodically post additional and/or revised materials to this website. The BOR will endeavor to provide the Qualified Concessionaires notice of any new posting via email to the address provided by the Qualified Concessionaires pursuant to the RFQC; however, each Qualified Concessionaire is responsible for reviewing the SharePoint website frequently for additional and/or revised materials.

Each Qualified Concessionaire may request additional due diligence materials from the BOR. The BOR will, in its sole and absolute discretion, determine whether to provide the requested due diligence materials. If the BOR decides to provide the requested due diligence materials, it will do so by posting these materials on the SharePoint website for review by all Qualified Concessionaires.

6.1.10 **PUBLIC ACCESS TO PROCUREMENT RECORDS**

Each Qualified Concessionaire should familiarize itself with the provisions of the Georgia Open Records Act (O.C.G.A. § 50-18-70 et seq.).
6.2 **SUBMITTAL INSTRUCTIONS**

Listed below are key action items related to this RFP. The Schedule in Section 3 identifies the dates and time for these key action items. This portion of the RFP provides instructions regarding the process for reviewing the RFP, preparing a response to the RFP and submitting a response to the RFP.

6.2.1 **FINAL RFP RESPONSES**

The BOR has released the Operative Agreements and a Cost Proposal template to each Qualified Concessionaire. The BOR has also provided to all Qualified Concessionaires a single set of revised New Housing specifications (Appendix C to this RFP). The Operative Agreements have been prepared by the BOR in response to comments and suggested changes made by each Qualified Concessionaire in its Preliminary RFP Response and the One-on-One Discussions held September 15-17, 2014. **Note that each Qualified Concessionaire will receive a set of Operative Agreements and a Cost Proposal template that are tailored to the Qualified Concessionaire’s Preliminary RFP Response and that the Operative Agreements and Cost Proposal template received by Qualified Concessionaire will likely differ from those provided to the other Qualified Concessionaires.**

The Final RFP Responses are due on October 23, 2014 at 2:00 p.m. Eastern Time and must contain the following items:

1. **The Technical Proposal, which will include:**
   - To the extent the Qualified Concessionaire has made changes to the operations and management plan for each of the existing Housing projects submitted with its Preliminary RFP Response, the Qualified Concessionaire’s final proposed operations and management plan for each of the Existing Housing projects based on the Operative Agreements and any comments provided by the BOR to the Qualified Concessionaire must be submitted and must identify the changes made by the Qualified Concessionaire. If no changes have been made, a statement from the Qualified Concessionaire that its preliminary operations and management plan is re-submitted as its final operations and management plan for each of the Existing Housing projects;
   - The Qualified Concessionaire’s Concept Plans (as defined below) for the New Housing based on the revised New Housing specifications and the Operative Agreements without any modification or alteration to the Baseline Design Standards; and
   - The Qualified Concessionaire’s Project Cost Estimates (as defined below) for the New Housing based on the revised New Housing specifications and the Operative Agreements.
2. The Cost Proposal (which should be based on the Operative Agreements and be made in accordance with the provisions of Section 8 of this RFP). In preparing the Cost Proposal, the Qualified Concessionaire must adhere to the stated housing fees shown in the Cost Proposal template. **Note that a tailored Cost Proposal template will be provided to each Qualified Concessionaire. Each Qualified Concessionaire should use this tailored Cost Proposal template for its Final RFP Response.**

Each Qualified Concessionaire must submit its response based on its set of the Operative Agreements as provided by the BOR.

Each Qualified Concessionaire may elect to submit an alternative Cost Proposal based upon changes to the Baseline Design Standards. Should a Qualified Concessionaire elect to submit this alternative Cost Proposal, it must also submit revised Concept Plans and Project Cost Estimates based on the modified Baseline Design Standards, as well as an itemization of the proposed changes to the Baseline Design Standards. The Qualified Concessionaire must adhere to the stated housing fees shown in the Cost Proposal template for this alternative Cost Proposal.

The BOR will enter into One-on-One Negotiations with the Qualified Concessionaires on October 29-30, 2014 in Atlanta, Georgia concerning their Final RFP Responses.

Upon evaluation of the Final RFP Responses received on October 23, 2014 and conclusion of the One-on-One Negotiations on October 29-30, 2014, the BOR may elect to amend this RFP to seek additional submissions from each Qualified Concessionaire, including but not limited to, an amended Final Cost Proposal. The BOR may also elect to enter into further negotiations with one or more of the Qualified Concessionaires as outlined in Section 9.5 of this RFP.

### 6.2.2 Preparation of Response

When preparing a response, the Qualified Concessionaire must consider the following instructions:

1. Use any provided worksheets to prepare its response. Responses should be entered directly into the worksheet. Unless otherwise directed, do not insert “see attached file” (or similar statements) in the worksheet to reference separate documents.
2. Answer each question in sufficient detail for evaluation while using judgment with regards to the length of response.
3. Proofread each response and ensure that it is accurate and readily understandable.
4. Label any and all files using the corresponding section numbers of the RFP or any other logical name so that the BOR can easily organize and navigate the Qualified Concessionaire’s response.

6.2.3 Submittal of Responses

RFP responses should be submitted in accordance with the following requirements.

Please submit one (1) hard copies with one marked “original” and one (1) electronic copy in a SEALED envelope marked “Final Response to Request for Proposals Regarding Investment and Development of a Portfolio of Student Housing for the Board of Regents of the University System of Georgia”. The Qualified Concessionaire’s name and contact information on must be shown on the outside of the sealed package. All packages must be delivered on or before the due date as set out in Section 3 to:

Board of Regents of the University System of Georgia
Attn: Susan H. Ridley, Associate Vice Chancellor for Fiscal Affairs
270 Washington Street SW, Room 6064A
Atlanta, GA 30334

The Qualified Concessionaires must submit a Response Certification (Appendix E) with original signature for its response.

All electronic copies should be submitted via USB flash drive, CD, or DVD using commonly accepted software programs. The BOR has the capability of viewing documents submitted in the following formats: Microsoft Word, Microsoft Excel, portable document format file (pdf), and plain text files (.txt). In the event the BOR is unable to open an electronic file because the BOR does not have ready access to the software utilized by the respondent, the respondent’s submission may be considered incomplete and disqualified from further consideration.

The contents of each package will include the Technical Proposal, the Cost Proposal (using the forms provided by the BOR) and the Response Certification (Appendix E).

7. Technical Proposal

The Qualified Concessionaire’s Technical Proposal shall include the items outlined in Sections 7.1, 7.2 and 7.3 below.
7.1 **Operative Agreements**

The Qualified Concessionaire must provide any comments and suggested changes to each of the Operative Agreements. The BOR will provide electronic versions of these documents in Microsoft Word (.doc) format. Each Qualified Concessionaire shall provide comments and suggested changes using track changes software. The Qualified Concessionaire must submit a clean and redlined version showing all comments any suggested changes to the Operative Agreements with its Technical Proposal. The Qualified Concessionaire must also provide separate versions of comments and suggested changes to the Operative Agreements it would seek if the referendum on H.B. 788 fails to be approved by the Georgia voters on November 4, 2014. These alternative versions should be clearly marked as such.

7.2 **Operations and Management Plan**

The Qualified Concessionaire must provide an operations and management plan outlining operations and management systematically and at each institution. Consideration must be given to the preliminary or final version, as applicable, of the Project Operating Agreement and include, at a minimum, the following:

- A management plan that will provide for (1) clear lines of communication between the Qualified Concessionaire and the BOR and each institution, (2) the ability to quickly resolve problems both system-wide and at individual campuses, and (3) the provision of comprehensive and timely management reports.
- A detailed maintenance plan for housing on each institution that demonstrates how addressing the life cycle costs of the buildings will produce long-term cost savings, what the expected savings will be, and how the capital repair and replacement fund will be funded to produce those results.
- A maintenance service response plan that demonstrates how the Qualified Concessionaire plans to measure and maintain a high level of response and what those expected response times will be.
- A housekeeping and room turnover plan for each institution that demonstrates how the Qualified Concessionaire will address both expected and unexpected student turnover, including what actions will be taken at turnover, and what tasks are completed during daily housekeeping.
- A plan for handling access control on a system-wide basis that provides for flexibility of access while preserving security for the students.
- A plan for monitoring student satisfaction with the housing and how student concerns will be addressed.
- The policies the Qualified Concessionaire has in place to deal with non-performance or criminal acts of employees, contractors, subcontractors and agents.
• An energy savings plan that demonstrates how the Qualified Concessionaire plans to save on energy costs and other utility cost as well as an estimated energy and other utility savings over the first ten years.

• The Qualified Concessionaire’s plan for supplemental marketing, if any, to enhance the institution’s marketing protocol.

• An environmental sustainability plan that demonstrates how the Qualified Concessionaire plans to decrease the amount of refuse, educate students on sustainability, save on water and use sustainable building materials in construction on a system-wide basis.

• Specific programs that the Qualified Concessionaire plans to use system-wide, either in conjunction with the institutions or separately, to retain and recruit students as well as estimated costs, if any.

• A plan to achieve cost efficiencies through purchasing programs and estimates of the cost savings on a system-wide basis.

Each Qualified Concessionaire has previously submitted an operations and management plan for each institution. The Qualified Concessionaire may make changes to its preliminary operations and management plan for each institution with its Final RFP Response, in which case it must submit the complete plan with all changes identified with its Final RFP Response. If the Qualified Concessionaire does not change its preliminary plan, it shall include a statement with its Final RFP Response stating that it has re-submitted its preliminary operations and management plan as its final operations and management plan.

7.3 PRELIMINARY DEVELOPMENT PLANS FOR NEW HOUSING

For each new housing project, the Qualified Concessionaire must provide a preliminary development plan that includes concept plans and an associated estimate of the project cost. The concept plans shall include floor plans, exterior elevations, detailed housing unit configurations, site location, parking, and service drives (the “Concept Plans”). The estimate of project cost shall be based on the Concept Plans that adhere to the schedule, program, quality standards, and room rental rates found in the Operative Agreements (the “Project Cost Estimate”). The Concept Plans should demonstrate the following:

• A preliminary building and site design that incorporates the preliminary space program for each Institution per Appendix C to this RFP.

• Adherence to the minimum quality standards set forth in the BOR Baseline Design Standards (Appendix D to this RFP).

• An efficient and cost effective solution that adheres to the stated housing fee rates shown in the Cost Proposal template.

• Creativity and innovation in design that is attractive and contextual with the existing campus.

• Design that is energy efficient and sustainable.

• Design that is durable, comfortable and secure.
• A development project schedule that includes a plan for all design, permitting, procurement, construction, furniture and move-in activities, and reviews and approvals by the BOR and institution.
• A development project schedule that achieves the required completion and operational dates in the Operative Agreements.
• A plan for site logistics that focuses on a safe and convenient construction project for each campus.
• An appropriate plan for the deployment of the Qualified Concessionaire's design and construction resource teams.
• A plan for procurement of construction trades and suppliers that utilize qualified firms while also endeavoring to use local, small and minority businesses.

The BOR will be granted a license to use any part or portion of the preliminary designs submitted by the Qualified Concessionaires in its final approved designs for the New Housing or other housing for the BOR regardless of whether the Qualified Concessionaire that submitted that part or portion is selected as the Concessionaire. Each Qualified Concessionaire shall be responsible for all costs of preparing the preliminary plans; the BOR will not reimburse the Qualified Concessionaire for any such cost. The preliminary plans shall be prepared by design professionals acceptable to the BOR.

The Qualified Concessionaire must provide a Project Cost Estimate for each part of the New Housing utilizing the spreadsheet included with the Cost Proposal template. This budget should demonstrate the Qualified Concessionaire's understanding of the appropriate estimates of all costs necessary to achieve the BOR’s objectives. The Project Cost Estimate must include line items per the all the requirements found in the Construction Requirements (Exhibit C to the New Housing Lease Agreement) as shown on in the Project Cost Estimate tab of the Cost Proposal template. The Project Cost Estimate will be included in the scoring of the preliminary development plan portion of the Technical Proposal, not the Cost Proposal.

If the Qualified Concessionaire elects to offer an alternative Cost Proposal as outlined in Section 6.2.1, the Qualified Concessionaire must specify any deviations from the BOR Baseline Design Standards (Appendix D to this RFP) contemplated by its alternative Cost Proposal and provide Concept Plans and Project Cost Estimates reflecting these deviations.

8. Cost Proposal

The Qualified Concessionaire’s Cost Proposal must address the factors outlined in Section 8 utilizing the template provided by the BOR to the Qualified Concessionaire. The Qualified Concessionaire may provide supplemental information with its Cost Proposal to provide explanatory detail; however, evaluation of the Cost Proposal will be
made based on the template provided by the BOR to the Qualified Concessionaire. The Qualified Concessionaire must provide a separate version of its Cost Proposal indicating any changes or modifications the Qualified Concessionaire would seek if the referendum on H.B. 788 (the “Referendum”) fails to be approved by the Georgia voters on November 4, 2014.

In addition to providing the information requested in the Cost Proposal template, the Qualified Concessionaire must provide all information detailing the financing plan, including, but not limited to, the following:

- Funding source;
- Timing of financing(s);
- Sources and uses of funds;
- Debt service schedules;
- Issuer and borrower fees;
- Debt service reserve funds, if any;
- Capitalized interest funds if any;
- Estimated interest rates;
- Assumed rating(s), if any; and
- Rent schedules (include justification for any alternatives that are different from the FY 2017 rent schedule contained in the Cost Proposal template).

8.1 COST PROPOSAL EVALUATION

The Cost Proposal will be evaluated based upon the Qualified Concessionaire’s response to contractual obligations, including but not limited to (i) required initial payments as outlined in the Cost Proposal template and the Master Concession Agreement, (ii) proposed Rents (Base and Contingent), (iii) proposed funding of the Capital Repair and Replacement Account, (iv) proposed plan and method of financing future major renovations and/or replacements of housing, and (v) the strength and certainty of the Qualified Concessionaire’s recommended plan of finance.

8.2 INITIAL PAYMENTS

As outlined in the Master Concession Agreement, prior to commencement of operations, the Concessionaire will be required to make certain payments and provide letters of credit to secure performance by the Concessionaire, including a payment of Prepaid Rent. At the Project Turnover Date or upon an earlier financial closing by the Concessionaire, the amount necessary to defease the Existing Housing bonds, to obtain release of all liens and encumbrances affecting the Projects, and to terminate the existing ground leases affecting the Projects (the “Existing Housing Funding Amount”). The chart below outlines the estimated cost of defeasance on a monthly basis from November 1, 2014 through July 1, 2015 utilizing current interest rates. The Concessionaire may at its own
discretion provide for payment of the Existing Housing Funding Amount prior to the Project Turnover Date. If this were to occur, payments due to the Pre-Concession Lessees from the Institutions pursuant to rental agreement related to the Existing Student Housing projects could be available as an additional source of funds for credit against the Existing Housing Funding Amount. The Concessionaire will be responsible for the payment of the actual Existing Housing Funding Amount.

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<td>$2,853,949</td>
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(1) Assumes interest rates as of October 1, 2014.

8.3 RENTS

The BOR wishes to maximize the amount it receives from Base Rent and Contingent Rent.

8.3.1 BASE RENT

Base Rent represents a percentage of the Gross Revenues associated with the projects in Phase I. Base Rent is to compensate the BOR for the leasehold interest granted by it to the Concessionaire. The Qualified Concessionaire’s calculation of Base Rent should take into account that BOR will be responsible for and will provide, at its own expense, the following services as outlined in the Project Operating Agreement, which will be delivered by the campuses: (i) residence life, (ii) security, (iii) rent collection, (iv) standard campus email and website advertising and marketing to prospective and existing students and (v) grounds keeping. All other expenses associated with the ownership and operation of the Phase I Projects will be the responsibility of the Concessionaire. In accordance with the provisions of the Master Concession Agreement, Concessionaire’s covenants and obligations, including payment of Rents, under the Operative Agreements, shall be absolutely and unconditionally guaranteed by
the Guarantor pursuant to a guaranty agreement. As such, Base Rent payments are payable senior to operating expenses, debt service, and any funded reserves.

8.3.2 CONTINGENT RENT

Each Qualified Concessionaire is required to include in its Cost Proposal a methodology for determining the amount of, and time of, Contingent Rent payable to the BOR. The Qualified Concessionaire may propose the payment to the BOR of all or a portion of the net or residual income of the Projects in addition to or in lieu of Contingent Rent if the Qualified Concessionaire's financing recommendation allows for such a flow of funds back to the BOR.

8.4 CAPITAL REPAIR AND REPLACEMENT ACCOUNT; RENOVATIONS AND REPLACEMENTS

In its Cost Proposal, each Qualified Concessionaire should identify the funding methodology and amounts that will deposited each year into the Capital Repair and Replacement Account to maintain the physical condition of the Projects at the levels outlined in the Project Operating Agreement. The Qualified Concessionaire should identify any initial amounts to be deposited that will be necessary to improve the Existing Student Housing projects.

Each Qualified Concessionaire must include a discussion of how it will meet the requirements of Section 5.9 of the Master Concession Agreement regarding renovations and replacements of the Existing Housing and New Housing projects. This discussion should include a schedule for major renovations and replacements for each Existing Housing and New Housing project and how the Qualified Concessionaire proposes to fund such renovations and replacements.

8.5 OPERATING AND FACILITY MANAGEMENT FEE

The Concessionaire may propose in its Cost Proposal to be paid an operating and facility management fee based upon the Gross Revenues associated with the Phase I Projects. Each Qualified Concessionaire must include any operating and facility management fee it proposes be paid, breaking this fee into a base fee and performance based fee, taking into consideration that the BOR will be providing certain operational services as outlined above and in the Project Operating Agreement.
8.6 **Plan of Finance**

Each Qualified Concessionaire should identify in its Cost Proposal any financing alternatives it is considering and describe how each alternative would impact the delivery of the initial payments as outlined in Section 8.2 of this RFP, as well as the payment of the Base Rent and the Contingent Rent.

The Qualified Concessionaire must include with its Cost Proposal evidence of available funds either through cash on hand, existing credit lines, commitments for financing for equity or financing or any combination of these items sufficient to fully fund the initial payments and provide the letters of credit as outlined in Section 8.2 of this RFP and satisfy the New Housing Project Financing Requirements with a term extending through August 31, 2015.

Each Qualified Concessionaire must complete all parts of the Cost Proposal in its entirety. Each Qualified Concessionaire should include in its Cost Proposal sufficient detail to allow the BOR to gain an accurate understanding of its operating and funding model.

9. **Proposal Evaluation, Negotiations and Award**

In selecting the Concessionaire, the BOR will consider the following in reviewing the Final RFP Responses and the Amended RFP Responses (if required):

9.1. **Criteria to Evaluate Final RFP Responses**

After completing this review, the technical proposal and cost proposal will be allocated the following points:

<table>
<thead>
<tr>
<th>1) Technical Proposal - Operations and Management Plan: Qualified Concessionaire’s detail plan to manage and maintain student housing over the term of the Operative Agreements while ensuring the BOR's safety and quality standards are achieved. Qualified Concessionaire’s comments and acceptance of the terms of the Operative Agreements will be considered to determine the most advantageous terms to the BOR.</th>
<th>Total Points Assigned: 350</th>
</tr>
</thead>
<tbody>
<tr>
<td>2) Technical Proposal - Development Plan: Qualified Concessionaire’s preliminary design and proposed project costs, which demonstrates ability to finance and develop sustainable, durable new housing in a cost-effective manner for delivery on July 1, 2016. The design should</td>
<td>Total Points Assigned: 150</td>
</tr>
</tbody>
</table>
show how the Qualified Concessionaire will balance both up-front construction costs and long-term maintenance costs.

3) **Cost Proposal:** The Cost Proposal will be reviewed to determine the best value provided to the BOR. The BOR seeks to maximize certainty in payments received. As outlined in Section 8.1 above, the review by the BOR will consider the proposed Base Rent and Contingent Rent, the level of proposed funding for the Capital Repair and Replacement Account, the Out Year Development Plan for reconstruction, major renovations and replacements of the Existing Housing and New Housing projects, and the certainty and strength of the recommended plan of financing.

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<th>Total Points Assigned: 500</th>
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</table>

The objective of the evaluation process is to identify the proposal that represents the best value to the BOR based on a combination of technical and cost factors. Based on the results of the initial evaluation, the BOR may or may not elect to negotiate technical and/or cost factors as further described in the RFP. In the event negotiations of the technical and/or cost factors occur, the revised proposals will be reevaluated in accordance with the provisions of Section 9.1 of this RFP. Once the evaluation process has been completed (and any negotiations the BOR desires to conduct have occurred), the BOR will announce the results of the RFP as described further in 9.7 “Public Award Announcement” of this RFP.

9.2 **Administrative/Preliminary Review**

First, the responses will be reviewed by the Issuing Officer to determine the response’s compliance with the following requirements:

1. Proposal was received by deadline
2. Proposal is complete and contains all required and supporting materials

9.3 **Evaluating Proposal Factors**

If the Qualified Concessionaire’s proposal passes the Administrative/Preliminary Review, the Qualified Concessionaire’s Technical Proposal and Cost Proposal will be submitted to the Evaluation Team for evaluation.

9.4 **Evaluating Cost Proposal and Total Combined Score**

The Cost Proposals will be reviewed and scored in accordance with Section 8.
9.4.1 COST SCORING
The BOR will review the Cost Proposals seeking to obtain the best value for the BOR in determining the most competitive Cost Proposal. The Cost Proposal will be scored on an overall basis relative to other proposals. The Qualified Concessionaire deemed to have the most competitive cost proposal overall, as determined by the BOR, will receive the maximum score for the cost criteria.

9.4.2 TOTAL SCORE
The Qualified Concessionaire’s cost score will be combined with the Concessionaire’s technical score to determine the Concessionaire’s overall score (or “total combined score”).

9.5 NEGOTIATIONS OF PROPOSALS AND/OR COST FACTORS
The BOR possesses discretionary authority to conduct one or more rounds of negotiations of technical proposal and/or cost factors as permitted by Georgia law and BOR’ established procurement policy. At the conclusion of the One-on-One Negotiations on October 29-30, 2014, the BOR may elect to narrow the negotiations to one Qualified Concessionaire.

The objective of negotiations is to obtain the Qualified Concessionaire’s best terms. PLEASE NOTE: NEGOTIATIONS ARE DISCRETIONARY; THEREFORE, THE BOR URGES THE QUALIFIED CONCESSIONAIRE (1) TO SUBMIT ITS BEST RESPONSE AND (2) NOT TO ASSUME THE QUALIFIED CONCESSIONAIRE WILL BE GRANTED AN OPPORTUNITY TO NEGOTIATE.

9.6 SELECTION AND AWARD
The responsive and responsible Qualified Concessionaire receiving the highest total combined score and with whom the BOR is able to reach agreement as to terms will be selected for award.

The BOR desires to make an award to the highest scoring Qualified Concessionaires based on each Qualified Concessionaire’s total combined score.

9.7 PUBLIC AWARD ANNOUNCEMENT
The preliminary results of the evaluation will be announced through the public posting of a Notice of Intent to Award (“NOIA”) on the BOR’s webpage located at www.usg.edu/P3. The NOIA is not notice of an actual contract award; instead, the NOIA is notice of the BOR’s expected contract award(s) pending resolution of the
protest made pursuant to the BOR Public Private Partnership Procurement Procedures (Appendix F). The NOIA (if any) will identify the apparent successful Concessionaire(s) and the unsuccessful Qualified Concessionaires.

The Notice of Award (“NOA”) is the BOR’s public notice of actual contract award(s). The NOA will be publicly posted to the BOR’s webpage located at www.usg.edu/P3.