



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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* The preliminary version of the Project Operating Agreement is anticipated to be released by the BOR on or before July 31, 2014.



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 RFP with all the Qualified Concessionaires or a RFQC with any person or entity for future phases on the Phase I Institutions and/or on other University System of Georgia institutions.

PRE-QUALIFICATION NOTICE:

The following entities (the “Qualified Concessionaires”), which were selected as qualified concessionaires pursuant to the recent 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 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;



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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 and to attract students to live on campus.

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 prior to the due date for responses pursuant to this RFP and following negotiations (if any) the BOR will issue a Notice of Intent to Award followed by a Notice of Award in accordance with the provisions of the BOR Public Private Partnership Procurement Procedures (Appendix H) 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. 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.

	<i>EVENT</i>	<i>DATE</i>	<i>TIME OF DAY</i>
1.	RELEASE OF RFP	7/15/14	
2.	MANDATORY PRE-PROPOSAL CONFERENCE	7/24/14 ATLANTA, GEORGIA	1:00 – 4:00 P.M. EASTERN TIME
3.	CAMPUS TOURS	WEEK OF 8/4/14*	
4.	DEADLINE FOR QUESTIONS	8/4/14	AT 5:00 P.M. EASTERN TIME
5.	ADDITIONAL CAMPUS ACCESS	WEEKS OF 8/11/14 AND 8/18/14*	
6.	RESPONSES TO QUESTIONS RELEASED	ON OR BEFORE 8/11/14	AT 5:00 P.M. EASTERN TIME
7.	PRELIMINARY RFP RESPONSES (INCLUDING PRELIMINARY PRICING) DUE	9/8/14	2:00 P.M. EASTERN TIME
8.	ONE-ON-ONE DISCUSSIONS WITH QUALIFIED CONCESSIONAIRES AND PRESENTATION OF PRELIMINARY DESIGN PLANS AND RELATED COST PROPOSAL	WEEK OF 9/15/14	
9.	FINAL OPERATIVE AGREEMENTS AND AMENDED RFP RELEASED	10/6/14	
10.	FINAL RFP RESPONSES DUE	10/30/14	2:00 P.M. EASTERN TIME
11.	REFERENDUM VOTE	11/4/14	
12.	BOR APPROVAL OF CONCESSIONAIRE; ISSUANCE OF NOTICE OF INTENT TO AWARD	11/12/14	
13.	EFFECTIVE DATE: BOR ISSUANCE OF NOTICE OF AWARD; EXECUTION OF OPERATIVE AGREEMENTS; FUNDING BY CONCESSIONAIRE OF PREPAID RENT	11/17/14	
14.	CLOSING OF CONSTRUCTION FINANCING FOR NEW HOUSING	ON OR BEFORE 5/1/15	
14.	PROJECT TURNOVER DATE: TURNOVER OF EXISTING HOUSING; FUNDING BY CONCESSIONAIRE OF PROJECT TURNOVER DATE FUNDING AMOUNT	ON OR BEFORE 7/1/15	
15.	OCCUPANCY OF THE NEW HOUSING	ON OR BEFORE 7/15/16	

* The schedule for the campus tours and the procedure for setting additional campus access will be discussed at the mandatory Pre-Proposal Conference on July 31, 2014.



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 (Appendix D-1). As used in this RFP, the following terms will have the following definitions:

“Final Operative Agreements” means the versions of the Master Concession Agreement, the Leases, and the Project Operating Agreement released by the BOR on or before October 6, 2014.

“Leases” will mean the leases between the BOR as lessor and the Concessionaire as lessee related to Existing Housing and the New Housing. A preliminary version of the form of the Existing Housing Lease is attached as Appendix D-2. A preliminary version of the form of the New Housing Lease is attached as Appendix D-3.

“Master Concession Agreement” means the agreement between the BOR and the Concessionaire whereby the BOR grants to the Concessionaire the right to operate the Existing Housing and develop the New Housing. A preliminary version of the Master Concession Agreement is attached as Appendix D-1.

“Operative Agreements” means the Master Concession Agreement, the Leases, and the Project Operating Agreement.

“Preliminary Operative Agreements” means the preliminary versions of the Master Concession Agreement (Appendix D-1), the Existing Housing Lease (Appendix D-2), the New Housing Lease (Appendix D-3) and the Project Operating Agreement (Appendix D-4).

“Project Operating Agreement” means the agreement between the BOR and the Concessionaire related to the operation of the Existing Housing and the New Housing. The BOR anticipates providing a preliminary version of the Project Operating Agreement to the Qualified Concessionaires on or before July 31, 2014.



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 LLC¹; 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 Pre-Proposal Conference on July 24, 2014, during the One-on-One Discussions the week of September 15, 2014 and during the scheduled campus access dates. The Qualified Concessionaires may not contact the leadership, administration and staff of the Phase I Institutions regarding this RFP except during scheduled campus access dates or 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. Further information regarding access to the Existing Housing sites and the proposed New Housing sites, as well as access to available due diligence materials, will be provided at the Pre-Proposal Conference on July 24, 2014.

It is the intent of the BOR to ensure that each Qualified Concessionaire has equal opportunity to review appropriate due diligence materials and have access to the Existing Housing and the proposed New Housing sites located on the Phase I Institutions.

¹ This does not preclude contact with Wells Fargo Bank, N.A. for the purpose of discussing financing.



6.1.2 SUBMITTING QUESTIONS

All questions concerning this RFP must be submitted in writing via email to the following address:

BORP3@usg.edu

No questions other than written will be accepted. No response other than written will be binding upon the BOR. All Qualified Concessionaires must submit questions by 5:00 p.m. Eastern Time on August 4, 2014. The Qualified Concessionaires are cautioned that the BOR may or may not elect to entertain late questions or questions submitted by any other method than as directed by this section. The BOR may also in its discretion elect to not respond to a question. All questions about this RFP must be submitted in the following format:

Company Name
Question Number
Question
Citation of relevant section of the RFP

The questions and answers will be provided to the Qualified Concessionaires no later than 5:00 p.m. on Monday, August 11, 2014.

Should a Qualified Concessionaire have additional questions after August 11, 2014, it should submit such questions to the BOR at the above email address and in the format outlined above. 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 to respond, it will provide the question and answer to all Qualified Concessionaires.

6.1.3 MANDATORY ATTENDANCE AT PRE-PROPOSAL CONFERENCE

The Pre-Proposal Conference will be held on the campus of Georgia State University in Atlanta, Georgia on Thursday, July 24, 2014 from 1:00 p.m. to 4:00 p.m. Eastern Time. Additional details concerning this conference will be provided by the Issuing Officer in advance of the conference. Attendance at this conference is mandatory; each Qualified Concessionaire must have representative(s) attend the conference in its entirety to be considered eligible for contract award. The Qualified Concessionaires are strongly encouraged to allow ample travel time to ensure arrival in the conference meeting room prior to the beginning of the conference. The BOR reserves the right to consider any representative arriving late to be “not in attendance.”



6.1.4 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 Respondent any information deemed necessary to determine the Qualified Concessionaire's responsibility. 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.

6.1.5 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.

6.1.6 REJECTION OF PROPOSALS; WAIVER OF IMMATERIAL 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.

6.1.7 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.

6.1.8 PROTEST PROCESS

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

6.1.9 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.

6.1.10 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 will provide 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.

6.1.11 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 PRELIMINARY RFP RESPONSE

The Preliminary RFP Response is due on September 8, 2014 at 2:00 p.m. Eastern Time and must contain the following items:

1. The Technical Proposal, which will include:
 - Comments and suggested changes for each of the Preliminary Operative Agreements (which should be made in accordance with the provisions of Section 7.1 of this RFP);
 - Preliminary proposed operations and management plan for each of the Existing Housing projects (which should be prepared in accordance with the provisions of Section 7.2 of this RFP);
 - Preliminary development plans for the New Housing (which should be prepared in accordance with the provisions of Section 7.3 of this RFP); and
 - Preliminary proposed project costs budget for the New Housing (which should be prepared in accordance with the provisions of Section 7.3 of this RFP).
2. The Cost Proposal (which should be prepared in accordance with the provisions of Section 8 of this RFP).

The BOR will discuss each Qualified Concessionaire's Preliminary RFP Response with that Qualified Concessionaire during the One-on-One Discussions scheduled for the week of September 15, 2014 in Atlanta, Georgia.

6.2.2 FINAL RFP RESPONSES

On or before October 6, 2014, the BOR will release the Final Operative Agreements. The Final RFP Responses are due on October 30, 2014 at 2:00 p.m. Eastern Time and must contain the following items:

1. The Technical Proposal, which will include:
 - The Qualified Concessionaire's final proposed operations and management plan for each of the Existing Housing projects based on the Final Operative Agreements and any comments provided by the BOR to the Qualified Concessionaire (which comments will be provided on or before October 6, 2014);
 - The Qualified Concessionaire's final preliminary development plans for the New Housing based on the Final Operative Agreements and any



comments provided by the BOR to the Qualified Concessionaire (which comments will be provided on or before October 6, 2014); and

- The Qualified Concessionaire’s final project costs budget for the New Housing based on the Final Operative Agreements and any comments provided by the BOR to the Qualified Concessionaire (which will be provided on or before October 6, 2014).
2. The Final Cost Proposal (which should be based on the Final Operative Agreements and be made in accordance with the provisions of Section 8 of this RFP).

The BOR will not accept any additional changes or comments to the Final Operative Agreements with the Final RFP Response.

6.2.3 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.

6.2.4 SUBMITTAL OF RESPONSES

RFP responses (Preliminary or Final) should be submitted in accordance with the following requirements.

Please submit six (6) hard copies with one marked “original” and one (1) electronic copy in a SEALED envelope marked “[Preliminary or Final (as applicable)] 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”. Include the Qualified Concessionaire’s, name and contact information 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 G) with original signature for each response (Preliminary or Final (as applicable)).

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 attached as Appendix F) and the Response Certification (Appendix G).

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. For both the Preliminary RFP Response due September 8, 2014 and the Final RFP Response due October 6, 2014, 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.

7.3 PRELIMINARY DEVELOPMENT PLANS FOR NEW HOUSING

The Qualified Concessionaire must provide preliminary designs for each new housing project, including exterior elevations, housing unit configuration, site location, and budgets that take into consideration the housing studies prepared by Anderson Strickler. The preliminary design and development plan must demonstrate the ability to develop new housing for delivery per the schedule requirements of the Operative Agreements. The design and development plan should demonstrate the following:

- A preliminary building and site design that incorporates the preliminary space program for each Institution.
- Understanding of the BOR Baseline Design Standards (Appendix E).
- Creativity and innovation in design that is attractive and contextual with the existing campus.
- Design that is energy efficient and sustainable.
- An efficient and cost effective solution that supports the affordability objectives of the P3 program.
- 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 budget for each part of the New Housing utilizing the spreadsheet included with the Cost Proposal. 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 budget will be included in the scoring of the preliminary development plan portion of the Technical Proposal, not the Cost Proposal

8. COST PROPOSAL

The Qualified Concessionaire's Cost Proposal must address the factors outlined in Section 8 utilizing the forms contained in Appendix F. 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 forms attached as Appendix F. For both the Preliminary RFP Response due September 8, 2014 and the Final RFP Response due October 6, 2014, 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 fails to be approved by the Georgia voters on November 4, 2014.

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 (Prepaid Rent, Project Turnover Date Funding Amount, satisfaction of the New Housing Financing Requirements and Failure to Finance or Fund Letter of Credit, (ii) proposed Rents (Base and Contingent), (iii) proposed funding of the Capital Repair and Replacement Fund, (iv) the strength and certainty of the Qualified Concessionaire's recommended plan of finance.

The Cost Proposal shall address these factors and the areas outlined in this Section 8 utilizing the forms attached hereto as Appendix F.

8.2 INITIAL PAYMENTS

As outlined in the Master Concession Agreement, prior to commencement of operations, the Concessionaire will be required to make a payment of Prepaid Rent when the Operative Agreements are executed and deliver to the BOR a Failure to Finance or Fund Letter of Credit. At the Project Turnover Date or upon an earlier financial closing by the Concessionaire, the Project Turnover Date Funding Amount will be due from the Concessionaire. The Prepaid Rent is set at \$10,000,000; the Failure to Finance or Fund Letter of Credit must initially be in an amount of \$25,000,000. The Project Turnover Date Funding Amount, assuming a defeasance of the Existing Housing Bonds on July 1, 2015, has been set at \$325,000,000. This amount assumes a risk spread to current market US Treasury rates. The Project Turnover Date Funding Amount may be adjusted by the BOR on or about November 10, 2014 to reflect changes in the anticipated defeasance



costs resulting from any changes in interest rates. The Concessionaire may at its own discretion provide for payment of the Project Turnover Date 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 Project Turnover Date Funding Amount. Any difference in the actual cost of defeasance and the amount identified as the Pre-Concession Leases Termination Payments will be deposited in the Initial Project Operating Account to be used as provided in the Master Concession Agreement.

The Failure to Finance or Fund Letter of Credit is payable to the BOR if the Concessionaire fails either to satisfy the New Housing Project Financing Requirements by May 1, 2015 or to pay the Project Turnover Date Funding Amount on the Project Turnover Date.

8.3 RENTS

The BOR wishes to maximize the amount it receives from Rents and to the extent possible, Net Operating Income. Net Operating Income is defined as Gross Revenues less Rents, operating expenses, management fees, funding of the Capital Repair and Replacement Fund and debt service, if any.

8.3.1 BASE RENT

Base Rent represents a percentage of the Gross Revenues associated with the projects in Phase I. The Qualified Concessionaire's cost proposal 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.

8.3.2 CONTINGENT RENT

Contingent Rent will commence when Aggregate Gross Revenues of Phase I Projects exceed a certain threshold. Each Qualified Concessionaire is required to include in its Cost Proposal this threshold. The Qualified Concessionaire may propose the payment of Net Operating Income to the BOR 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. Each Qualified Concessionaire should explain any method it is proposing for allocating Net Operating Income.

8.4 CAPITAL REPAIR AND REPLACEMENT

In its Cost Proposal, each Qualified Concessionaire should identify the funding methodology and amounts that will be 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.

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 should 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

The BOR is seeking a financing alternative that maximizes the goals as outlined within the RFQC, which is to provide affordable and quality student housing. 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 Prepaid Rent, satisfaction of the New Housing Project Financing Requirements, the Project Turnover Date Payment Amount, the Failure to Finance or Fund Letter of Credit, 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 Prepaid Rent, the Project Turnover Date Payment Amount, and the Failure to Finance or Fund Letter of Credit 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 (Appendix F) 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:

<p>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.</p>	<p>Total Points Assigned: 350</p>
<p>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 show how the Qualified Concessionaire will balance both up-front construction costs and long-term maintenance costs.</p>	<p>Total Points Assigned: 150</p>
<p>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, and the certainty and strength of the recommended plan of financing.</p>	<p>Total Points Assigned: 500</p>

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.



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 H). 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.