

# University of California, Riverside

## UCR Health Outpatient Pavilion Project

### Request for Qualifications (RFQ) for Project Developer

uBuy Project Number: RFQ-FY2017-372

July 11, 2016

Request for Qualifications Issued:	July 11, 2016
Deadline for Questions:	July 26, 2016 12:00 PM
Deadline for Responses:	September 12, 2016 4:00 PM

**TABLE OF CONTENTS**

	<b>Page</b>
<b>I. SOLICITATION FOR PROJECT DEVELOPER</b>	<b>1</b>
A. OVERVIEW OF DEVELOPMENT OPPORTUNITY	1
B. AVAILABILITY OF DOCUMENTS	1
<b>II. PROJECT INFORMATION AND REQUIREMENTS</b>	<b>2</b>
A. CAMPUS BACKGROUND	2
B. PROJECT DESCRIPTION	2
C. RESPONSIBILITIES OF DEVELOPER AND UCR	7
<b>III. SELECTION PROCESS</b>	<b>8</b>
A. OVERVIEW OF PROCESS	8
B. SCHEDULE	10
C. SUBMITTAL OF MATERIALS	11
<b>IV. MAJOR AGREEMENT TERMS</b>	<b>15</b>
A. OVERVIEW	15
B. TRANSACTION SUMMARY	15
<b>V. USEFUL REFERENCE DOCUMENTS</b>	<b>17</b>

**ATTACHMENTS**

<b>A. SITE MAP</b>	<b>18</b>
<b>B. REQUESTED INFORMATION FOR STATEMENT OF QUALIFICATIONS</b>	<b>19</b>
<b>C. DEVELOPER AND TEAM MEMBERS' QUALIFICATIONS EVALUATION CRITERIA</b>	<b>25</b>
<b>D. ANTICIPATED SPACE NEEDS</b>	<b>26</b>
<b>E. OVERVIEW OF SCHOOL OF MEDICINE, UNIVERSITY OF CALIFORNIA, RIVERSIDE</b>	<b>28</b>

## I. SOLICITATION FOR PROJECT DEVELOPER

### A. OVERVIEW OF DEVELOPMENT OPPORTUNITY

The University of California, Riverside (“University,” “UCR” or “UC Riverside”) Capital Asset Strategies department, within the Planning and Budget Division, is soliciting Statements of Qualifications (“Responses”) from experienced real estate developers to undertake development, financing, design, construction, ownership, and management of a medical office building on land owned by the University. The University anticipates that the real estate developer (“Developer”) will assemble a team to fulfill the necessary functions for developing, delivering, and operating the building and related facilities. It is understood that the Respondent may not have identified all team members at this stage.

The proposed site would be leased by the University to the selected Developer under a long-term ground lease, and a portion of the space in the medical office building would be leased back by UCR for various purposes under a Space Lease Agreement. This Development Opportunity is hereafter referred to as the “UCR Health Outpatient Pavilion” or the “Project.” The desired year of UCR occupancy of the Project is 2020.

Although UCR has the capacity to build a healthcare facility on the proposed site that meets its current needs, it recognizes that there is a potential opportunity to better develop the proposed site as a larger ambulatory care and medical office building project by involving a private Developer and its team. A larger project would allow UCR to derive greater value from the University’s land and also provide more and better outpatient and related healthcare services to the Riverside community.

This solicitation is the first phase of a two-stage selection process. If deemed qualified, a select group of respondents to this solicitation will be placed on a “short list” of potential Developers, in the fall of 2016.

The Shortlisted Respondents will be provided with a Request for Offers (“RFO”), in the winter of 2017. Selection of the Preferred Respondent is anticipated by mid-2017.

### B. AVAILABILITY OF DOCUMENTS

The Request for Qualifications (RFQ) packet is available (in electronic format only) on **July 11, 2016, by 4:00 PM**. To obtain the RFQ Documents, go to the University of California Public Bid Site (also known as “uBuy”) at: <https://bids.sciquest.com/apps/Router/PublicEvent?CustomerOrg=UCOP>. The listing for RFQ-FY2017-372 is titled as “UCR Health Outpatient Pavilion Request for Qualifications for Project Developer.”

Among other useful links on this site are instructions on how to register and how to submit a response. The RFQ documents also may be viewed and downloaded directly from the UC Riverside Capital Asset Strategies website at: [http://cpp.ucr.edu/rfp\\_rfq.html](http://cpp.ucr.edu/rfp_rfq.html). **However, Responses to the RFQ must be submitted electronically through the uBuy platform, and only those potential respondents who register through this platform will continue to receive notices regarding the RFQ.**

## **II. PROJECT INFORMATION AND REQUIREMENTS**

### **A. CAMPUS BACKGROUND**

The University of California, Riverside (“UCR”) is one of 10 universities within the University of California (“UC”) system, and the only UC located in Inland Southern California. The campus is in the midst of tremendous growth, with new and remodeled facilities coming on-line on a regular basis.

Widely recognized as one of the most ethnically diverse and innovative research universities in the nation, UCR currently hosts approximately 22,000 students, a population that is expected to grow to approximately 25,000 by 2020, and possibly 30,000 soon thereafter. UCR currently employs approximately 900 instructional faculty. In addition, UCR is implementing plans for an aggressive expansion of the faculty, planning to hire an additional 300 faculty by 2020. UCR also employs another 5,100 staff members, for a current total of approximately 6,000 faculty and staff members.

The 1,127-acre UCR campus is located three miles east of downtown Riverside and is bisected by a freeway, consisting of the joint alignment of Interstate 215 (“I-215”) and State Route 60 (“SR-60”), also jointly denoted as “I-215/SR-60”. The 616 acres east of the freeway include most of the existing campus facilities; the 511 acres west of the freeway include agriculture research fields and support facilities, a large parking lot, administrative facilities, and University Extension.

### **B. PROJECT DESCRIPTION**

#### **1. Overview**

The proposed UCR Health Outpatient Pavilion (“Project”) is envisioned to be located near the intersection of University Avenue and Iowa Avenue (1150 University Avenue), west of I-215/SR-60 on a 3.6-acre to 4.8-acre site bordered by University Avenue to the north, and Everton Place to the south. See Section II.B.8 and Attachment A, Site Map, for details.

The Project is expected to encompass a minimum of 250,000 gross square feet (“GSF”) in a multi-story complex, based on UCR’s near-term needs, anticipated future growth, expected demand from other tenants, and potential capacity of the site. The University would prefer development of a 300,000 GSF facility or larger on the proposed site, if practical. The final size of the facility will be determined through the selection process based on the site capacity, the Developers’ offers, the University’s future space needs, and other factors.

The facility will house, at a minimum, the Student Health and Counseling Center (~50,000 GSF) and the UCR Health community outpatient clinics (~150,000 GSF). Additional space may be occupied by strategic partners of UCR Health providing compatible medical service functions (est. 30-60,000 GSF), and other UCR departments (up to 40,000 GSF). The remaining space is expected to be leased to a mix of other tenants with compatible or complimentary programs. As its needs evolve, UCR expects to occupy additional space in the facility, over time.

UCR expects to obtain important synergies for outpatient services, related ancillary support health services, and student health services by combining these clinic functions in a single facility. UCR envisions additional third-party tenants recruited by the Developer for other space in the building, which may include such functions as a pharmacy, imaging center, laboratory, surgery center, dental practices, and commercial/retail functions compatible with medical office uses. UCR also expects the Developer to include appropriate building support spaces, such as a mail room, loading/delivery docks, shared-use conference rooms, and lobby-level reception/security areas, etc., consistent with high-quality medical office buildings in the region. The building also must facilitate access by ambulance.

The Project will be subject to University requirements for sustainability, seismic, fire, and life safety standards (in each case, the Developer should expect that the more stringent of the University or City of Riverside standards shall apply). The Developer is expected to further comply with any other safety standards that are applicable to medical office and outpatient clinic facilities of this type. The facility would be operated by the Developer over the term of the Ground Lease for the Project.

## **2. Campus Objectives for RFQ Process**

UCR is seeking statements of qualifications from Developers and their key team members to undertake development, financing, design, construction, ownership, maintenance and management of a medical office building on land owned by UCR under the terms of a long-term Ground Lease and Project Development Agreement. The land and improvements will return to the University at the end of the Ground Lease, based on the negotiated terms of the Ground Lease, Project Development Agreement, and Space Lease Agreement(s).

Specifically, UCR will select a Developer to:

- Plan, program, design, finance, construct, own, and manage an outpatient clinic and medical office building, and related facilities, to accommodate the needs of the Student Health and Counseling Center (“SHCC”), UCR Health’s community clinical practices, to be operated by UCR’s School of Medicine (“SOM”), related support services, and other, third-party tenants for additional compatible functions.
- Satisfy near-term UCR space needs for these activities of approximately 200,000 GSF, with UCR as a long-term “anchor tenant” under one or more Space Lease Agreement(s).
- Support the University throughout the Project entitlement process. UCR intends to be the lead agency for management of the CEQA process, working closely with the City of Riverside and the Developer.
- Deliver a facility that provides expansion capacity for UCR’s health services activities or other compatible functions, based on UCR retaining a continuing right of first refusal on available space in the Project.

- Attract commercial tenants for additional compatible uses, including pharmacy, lab, imaging, and surgical center, among others, subject to UCR tenant approval rights and rights of first refusal on available space.
- Make effective use and derive greatest value from UCR property, including delivering a facility of high aesthetic quality that will support a strong “brand identity” for UCR Health at the Project.
- Complete the Project for occupancy by UCR tenants by summer of 2020, or by such other time negotiated with the University.

It is understood that the Respondent may not have identified all team members at this stage.

### **3. Student Health and Counseling Center**

UCR needs space for a Student Health and Counseling Center to replace an aging facility and to meet the needs of the growing campus enrollment. UCR also needs space for Student Counseling and Psychological Services to provide professional services, support peer counseling, and accommodate group sessions in a comfortable and discreet environment.

Upon completion, the Student Health and Counseling Center would expect to occupy approximately 50,000 GSF in the facility. The Student Health and Counseling Center space should offer high quality aesthetic appeal, safety, and comfort available in modern health clinic facilities. Additional details can be found in **Attachment D**.

### **4. UCR Health Community Clinic**

UCR School of Medicine (“SOM”) needs space for a new outpatient community health clinic to expand the impact of the SOM as a leading educator of healthcare providers and to increase its capacity to serve the healthcare needs in the region. The SOM operates several outpatient clinical practices at different facilities in the Inland Southern California area. UCR has recognized a growing need for those services and seeks to provide many of them from a centralized location at the Project. In addition, UCR requires a state-of-the-art facility with the aesthetic quality to attract patients, providers, faculty and students. Upon completion, the UCR Health community clinic would expect to occupy approximately 150,000 GSF in the facility. Over time, the clinic will be comprised of a number of medical practices that currently are being considered for inclusion in phases, as summarized below, as well as a clinical trials center, all of which are subject to change based upon the strategic needs of UCR Health and the School of Medicine. Additional details can be found in **Attachment D and Attachment E**.

## **5. Other Potential University Uses**

There are a number of current and potential strategic partners of UCR Health from existing community-based health care providers and other UC campuses that may be interested to occupy space in the Project. UCR expects to work in collaboration with the Developer to facilitate inclusion of these partners, which may provide medical service functions such as a surgery center, imaging, and other compatible uses, potentially including pharmacy, diagnostic labs, and dental services. The space needs of these functions are estimated at approximately 30,000 to 60,000 GSF.

UCR also will consider placing other compatible University functions in the facility, which may include the SOM's administration, student education center, and simulation center, as well as other UCR departments. The space needs of these additional functions are estimated at approximately 40,000 GSF, in aggregate.

## **6. Commercial Uses**

UCR expects that other non-University tenants with programs consistent with the University's mission will occupy additional space within the facility, to provide a range of health-related services, including for the UCR staff and faculty population. Potential third-party tenants also may meet other anticipated UCR and community needs. Depending on the partnerships negotiated between UCR and other UC Health partners, non-University medical service functions may include a surgery center, imaging, and other compatible uses, such as pharmacy, diagnostic labs, and dental services. Other non-University tenants may include third-party retail, commercial, and office space, preferably occupied by healthcare-related businesses. The Developer would play the primary role in securing private tenants to occupy the remaining space in the facility, subject to certain rights of approval and rights of first refusal reserved by UCR.

## **7. Parking**

It is anticipated that the Developer will be responsible for providing sufficient on-site parking to meet market standards for the size and uses of the facility, considering the site location, anticipated flow of visitors and modes of travel, etc., and to accommodate other current UC Riverside users of parking on this site. UCR will provide the Developer with available information on the anticipated uses and flow of visitors, etc., related to space to be occupied by UCR departments only.

A multi-level parking structure is envisioned, consistent with market standards for the scope and scale of the facility. A possible location is at the south side of the Project, on the adjacent secondary parcel, if needed. In such case the structure also would need to accommodate other current UC Riverside users of the existing parking on this parcel. Depending on the location and capacity of the parking facility, it may be operated by the Developer or by the University, subject to negotiation of mutually agreeable terms.

## **8. Location Characteristics**

The primary parcel is located at 1150 University Avenue, between the intersection of Iowa Street and the I-215 off ramp at the University Avenue exit. It is directly across the street from University Village, a mixed-use commercial development with restaurants, entertainment, and retail stores. This site is close enough to the University to encourage pedestrian and bicycle traffic, and its adjacency to I-215 should make it attractive to retail and office users. The primary parcel is an irregular quadrilateral consisting of approximately 3.6 acres. The longest edge spans 600 feet north-south on its western boundary while its

eastern boundary runs 490 feet along the Gage Canal. The vertical improvements on the site currently are due for demolition by the University before the time of construction. The University anticipates removing underground utilities within the limit lines of the existing building footprints only, but is not removing other existing utilities, paving, parking spaces and curbs beyond those limit lines. For reference, please see the site map in **Attachment A**.

The secondary parcel is located at the rear of the primary parcel, immediately north of Everton Place, consisting of approximately 1.2 acres. It currently has a surface parking lot. Depending on the intensity of development proposed on the primary parcel, the University may provide a Ground Lease for the secondary parcel in order to facilitate compliance with open space and parking requirements of optimal development on the primary parcel. Replacement parking would have to be included in the proposed Project.

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**C. RESPONSIBILITIES OF DEVELOPER AND UCR**

The table below presents the anticipated distribution of responsibilities between the Developer and UCR. The final responsibilities of the Development Team and UCR will be established during the future Request for Offers process.

<b>Responsibility</b>	<b>Developer</b>	<b>UCR</b>
<b>Delivery Site/Demolition of Vertical Improvements</b>	Secondary*	Primary*
<b>Studies (e.g., market, traffic, etc.)</b>	Primary	Support & Review
<b>Planning</b>	Primary	Support & Review
<b>Programming</b>	Primary	Review and Approve
<b>Design</b>	Primary	Review and Approve
<b>Entitlements</b>	Support	Primary
<b>Planning, Programming and Design Professional Services</b>	Primary	Review and Approve
<b>Construction</b>	Primary	Review
<b>Permits/Approvals</b>	Primary	Support
<b>Information Technology</b>	Primary	Support (for UCR spaces)
<b>Finance</b>	Primary	Review
<b>Building Operations &amp; Maintenance</b>	Primary	Suite Maintenance (for UCR spaces)
<b>Lifecycle Maintenance/Renewal</b>	Primary	Review
<b>Property Management Services</b>	Primary	Tenant Approval, Right of First Refusal
<b>Handback Condition</b>	Primary	Review and Approve

\* The University anticipates removing underground utilities within the limit lines of the existing building footprints only, but is not removing other existing utilities, paving, parking spaces and curbs beyond those limit lines.

### III. SELECTION PROCESS

#### A. OVERVIEW OF PROCESS

The selection of a Developer is a two-stage process designed to allow for questions and feedback from respondents, and to ensure that UCR receives the best future development offers from Shortlisted Respondents. Below are summaries of these two stages.

##### 1. Request for Qualifications (RFQ)

The purpose of this solicitation is to request Statements of Qualifications ("Responses") from interested parties consisting of experienced Developers with the demonstrated ability and experience to assemble highly expert design, delivery, operations and finance teams.

This phase of the selection process for the Developer for the Project will include:

- Following submittals of responses to this RFQ, an initial review of all Responses to determine which are complete and meet the RFQ's minimum qualifications; this process may include some requests for clarification to Respondents
- A subsequent evaluation of qualified Responses by the University
- The selection by the University of a short list of best qualified "Shortlisted" Respondents

The evaluation of the qualified Responses and the selection of Shortlisted Respondents will identify the Respondents who, in the University's sole discretion, have demonstrated they have the best qualifications to meet the University's needs, have presented a credible and responsive approach to developing, financing, delivering, and operating the Project, consistent with the University's project parameters and related evaluation criteria described further in **Attachment C**. The University reserves the right to reject any or all Responses and to change or add to the evaluation criteria at any time during the evaluation process.

##### 2. Request for Offers – For Short-Listed Respondents

The Short-listed Respondents will be asked to submit responses to a subsequent detailed Request for Offers ("RFO"), which will include more specific information with respect to the Project and the terms of the proposed transaction. Depending on the number and quality of Short-listed Respondents, the University may, at its discretion, extend the request for qualifications process to additional respondents, thereby opening the subsequent RFO process to teams not responding to the current RFQ. In the event that the University extends the qualifications process, previously-qualified Short-listed Respondents will remain on the Short List and may be required to update their responses.

The RFO will provide the selected Short List of potential Developers with design and program parameters (e.g., a Project Basis of Design) sufficient to take the Project through conceptual design and allow Short-listed Respondents to submit design and pricing information sufficient to permit the University to compare competing offers on an open-book basis with respect to, among other things:

- Project cost
- Developer's, architect's, and general contractor's fees
- Developer's cost of capital and expected return on equity (including Developers' project pro forma analyses in Microsoft Excel® format)
- The University's space lease cost
- The conceptual design submittal
- Ground rent

The scope of work and Project Basis of Design will be set forth in the RFO. In addition, the RFO will describe those elements of infrastructure and other specifications that will be the responsibility of the Developer. The RFO also will include an anticipated schedule for the delivery of the Site and for University approval of the Project. Furthermore, the RFO will describe the criteria that will be utilized to select the Preferred Developer and Offer based on the best interest of the University. The University also will reserve the right to reject any or all Offers and to change or add to the selection criteria at any time during the selection process.

### **3. Ground Lease and Project Development Agreement**

Specific transaction terms then will be negotiated with the Preferred Developer. The University retains the right to not proceed with the Project as well as to proceed to negotiate with another Shortlisted Developer should the negotiations with the Preferred Developer not proceed to a mutually acceptable transaction or if the Preferred Developer fails to secure Project financing. The University anticipates that the Preferred Developer, its prime contractor and subcontractors will be required to pay prevailing wage at the location of the Project work. The University also anticipates that the payment of a fair wage will be required for operations and maintenance of the Project upon completion and over the course of facility operations under the Ground Lease.

**B. SCHEDULE**

**1. Request for Qualifications Schedule**

The complete RFQ packet is available (in electronic format only) on **July 11, 2016**. **Responses must be received on or before 4:00 PM, Pacific Time (“PT”) on the date shown below, in the form and manner specified in Section III.C. of this RFQ.** The schedule of important dates is below.

<b>Activity</b>	<b>Schedule*</b>
Release of RFQ	7/11/2016
Deadline for questions about RFQ	7/26/2016
Posting of responses to RFQ questions	8/12/2016
<b>Deadline for Responses</b>	<b>9/12/2016</b>
Qualified Respondent Interviews	10/31/2016 to 11/4/2016
Selection of Short List	11/7/2016 to 11/16/2016

\* *RFQ Schedule is subject to change, with written notice posted to the uBuy platform at <https://bids.scquest.com/apps/Router/PublicEvent?CustomerOrg=UCOP> and the CAS website at [http://cpp.ucr.edu/rfp\\_rfq.html](http://cpp.ucr.edu/rfp_rfq.html).*

**2. Request for Offers Process Overview**

<b>Activity</b>	<b>Schedule *</b>
Release of RFO	Winter 2017
Deadline for Responses	Winter-Spring 2017
Qualified Respondent Interviews	Winter-Spring 2017
Selection of Preferred Developer & Offer Negotiation of Business Terms	Spring 2017
of Ground Lease & Related Documents	Summer-Fall 2017
UC Regents Approval of Business Terms	Summer-Fall 2017
Notice of Acceptance	Summer-Fall 2017
CEQA & Design Approvals	To be determined
Execution of Ground Lease & Related Documents	To be determined

\* *RFQ Schedule is subject to change*

**3. Questions**

Questions must be submitted using the uBuy platform (*see “Q & A Board” in “Tools”*), at any time prior to the deadline above; earlier submittal is encouraged. **Questions posted by potential respondents will only be viewable by the University.** A summary of question topics of a broadly applicable nature and University responses will be **posted through the uBuy platform** as soon as practical after receipt of questions, and not later than the date shown above for questions received by the stated deadline. The University reserves the right, but is not obligated, to provide an additional period for clarification questions following release of its responses. In case of problems with the uBuy system, go to <https://bids.scquest.com/apps/Router/PublicEvent?CustomerOrg=UCOP>.

## C. SUBMITTAL OF MATERIALS

### 1. Overview

UCR is seeking responses to this RFQ including information on each of the following subjects:

- **Development Team:** Information for each of the Developer team members identified, including company overview, key personnel, references, financial capacity, and relevant experience related to planning and delivery of medical office and clinical facilities.
- **Project Approach:** Developer's approach project planning, financing, entitling, designing and tenanting the Project. Provide information regarding the Developer's project concept and approach to working with the community and University.
- **Project Financial Strategy:** The Developer's financial strategy and evidence of financial capacity to perform under the Ground Lease, Project Development Agreement, and Space Lease Agreement(s).

Detailed submittal requirements are discussed below and listed in **Attachment B**.

### 2. Submittal Process

Responses must be submitted through **both** of the following methods by the specified dates and times for each.

#### Required Submittal Methods

- **Electronic Submittal** -- PDF copy of the complete Response submitted through the University of California Public Bid Site (also known as "uBuy") at:  
<https://bids.scquest.com/apps/Router/PublicEvent?CustomerOrg=UCOP>.
  - The listing for RFQ-FY2017-372 is titled as "UCR Health Outpatient Pavilion Request for Qualifications for Project Developer."
  - The University will be using the uBuy procurement platform to manage the process. Electronic submittal must be completed using uBuy. Instructions for registration and training tools may be found at:  
<https://bids.scquest.com/apps/Router/PublicEvent?CustomerOrg=UCOP>.
- **Physical Submittal** -- One (1) signed original Response and four (4) copies; and One (1) PDF copy of the complete Response on an encrypted flash drive (together with password or other instructions provided in writing, in sealed envelope with Developer's name on outside)

Address and deliver all physical submittals to:

Raoul Amescua  
Executive Director, Real Estate Services  
Capital Asset Strategies  
UNIVERSITY OF CALIFORNIA, RIVERSIDE  
1223 University Avenue, Suite 240  
Riverside, CA 92521

*\*Include the following statement on the outside of your package: “UCR Health Outpatient Pavilion Response.” (Deliveries by third-party services may include this information on the outside of a package enclosed in the third-party delivery service packaging, if applicable.)*

### Deadlines

- **Electronic** submittals in response to this RFQ are due ***through the uBuy platform*** at **4:00 p.m. on September 12, 2016**, unless this date is extended.
- **Physical** submittals in response to this RFQ are due ***in the above office*** at **4:00 p.m. on September 14, 2016**, unless this date is extended.

### 3. Response Contents

Respondents must submit information identified below, in the order shown and in conformance in all material respects to the specifications provided.

- a. Cover Letter.** Provide a cover letter of up to two (2) pages, summarizing the key points of the Response and signed by a member authorized to represent the Respondent.
- b. Table of Contents.** Provide a Table of Contents specifying the location of responses to items listed in **Attachment B, Requested information for Statement of Qualifications**, as well as a list of all appendices, including the title, description and location of each appendix.
- c. Statement of Qualifications.** Provide responses to items listed in **Attachment B**.
- d. Required Appendices.** Provide evidence of financial capacity, **as specified in item 10 of Attachment B**.
- e. Optional Appendices.** Provide any additional information for which the Response exercises the option to place the required information in an appendix. Any such appendix should be clearly labeled and cross-referenced to the relevant required item in the body of the Response, and included in the listing of appendices required in the Table of Contents.

#### 4. Other Process Guidelines

- a. **Costs.** The University assumes no obligations, responsibilities and liabilities to reimburse any costs incurred by parties considering a response to and/or responding to this RFQ. All costs will be the sole responsibility of each Developer and its team. The University reserves the right to cancel, withdraw, postpone or extend this RFQ without UCR incurring any obligations or liabilities.
- b. **Confidential Information.** The California Public Records Act limits the University's ability to withhold qualification and bid data. If a submittal contains any trade secrets that a Developer does not want disclosed to the public or used by the University for any purpose other than evaluation of the Development Team's eligibility, each sheet of such information must be marked with the designation "Confidential." At the end of the RFQ and RFO processes respectively, the "Confidential" information shall be returned to Respondents not awarded selected as the successful respondents for that phase. The University agrees that if a "Public Records Act" request is made for disclosure of data so classified, it will notify the submitter of such data so that the submitter will have an opportunity to legally challenge the University's obligation to disclose such information.
- c. **Equal Opportunity.** Every effort will be made to ensure that all persons have equal access to contracts and other business opportunities with the University. All qualified firms will receive consideration without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, age or protected veteran status. Each candidate firm will be required to show evidence of its equal employment opportunity policy.
- d. **Reservation of Rights.** The University reserves the right to reject any or all Responses and to waive non-material irregularities in any response received. The execution of agreements with any firm selected pursuant to this process is subject to University approvals.

#### 5. Evaluation Process

- a. **Initial Screening.** The University will conduct a screening of all complete RFQ submittals. The screening will identify the Respondents who have met the University's minimum qualifications. The University may make requests for clarifications, if needed, at this time or any other time during the evaluation process.
- b. **Interviews.** The University reserves the right to interview some or all qualified Respondents, or to decline to interview any Respondents, if such interviews are determined unnecessary by the University, at its sole discretion. If interviews are held, the University will take into account the information provided from the Respondents during the interview process.

- c. Evaluation.** The University will conduct an evaluation of all qualified Responses, and interviews, as applicable. Based on the evaluation criteria provided in **Attachment C**, the University will identify those Respondents which, at the University's sole discretion, are best qualified to meet the University's needs. The University also reserves the right to reject any or all Responses and to change or add to the evaluation criteria at any time during the process.
- d. Short-Listing.** Upon completion of the Evaluation, the University will select the Shortlisted Respondents who will receive the future Request for Offers.

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#### IV. MAJOR AGREEMENT TERMS

##### A. OVERVIEW

The University intends to enter into a long-term Ground Lease with the Developer and to lease back a portion of the building under a Space Lease Agreement. The Developer would plan, program, design, finance, construct, own, and manage the project under the terms of a Project Development Agreement. The preliminary terms of the agreements will be identified in the Request for Offers phase, and the exact terms of the agreements will be determined prior to approval by the Regents of the University of California and execution of the agreements.

##### B. TRANSACTION SUMMARY

1. **Ground Lease.** Under the Ground Lease, the Developer will be required to finance and construct the facility and the University will occupy a portion of the premises under a Space Lease Agreement. The Ground Lease will govern the terms of the University's delivery of the site to the Developer. The Ground Lease will govern the Developer's responsibility to deliver, own, operate, and maintain the facility, and to hand back the site and improvements to the University at the conclusion of the Ground Lease.

The term of the Ground Lease will be 30 – 40 years from the date of closing, consistent with the market standard (or longer if required for financing, but in no instance longer than 52 years), with no renewal options. The term of the Ground Lease may be extended to accommodate delivery of the Project in phases. The Ground Lease will provide for the Developer to make ground rent payments in the amount of the estimated fair market rent for the leasehold estate, as determined by appraisal and specified in the RFO. The University will have the option at specified times, not sooner than the fifth year of operation, to acquire the entirety of the Developer's interest. The University will also have the right of first refusal for purchasing the Project at any time.

2. **Space Lease.** The Space Lease Agreement will govern the terms under which the University will occupy a portion of the Project initially and will provide for future space expansion rights for the University.
3. **Project Development Agreement.** The Project Development Agreement ("PDA") will govern the financing, design submittals and approvals as well as conditions to "closing" of the transaction. Under the PDA, the Developer will be required to construct the facility under certain terms and conditions. The PDA will include in its terms Developer responsibilities such as:
  - a. Manage, hire and coordinate a design team including architect and contractor;
  - b. Manage design professionals and coordinate interaction with UCR user groups and outside user groups;
  - c. Coordinate submittal of plans, contract documents and specifications to the University for review and approval;
  - d. Support University in obtaining entitlements and facilitating related community reviews;

- e. Provide cost estimates and schedules for project;
  - f. Arrange or provide financing for the Project;
  - g. Obtain permits (primarily from the University) for construction; and
  - h. Provide information for CEQA documentation and University approvals for the Project.
4. **Priority.** Neither the University's fee interest in the Site nor the University's interest in the Ground Lease will be subordinated to any financing or other lien or encumbrance which the Developer may create in connection with development and ownership of the Project. The Ground Lease will be unsubordinated and the credit of the University (other than through its Space Lease Agreement obligations) will not be pledged for financing.
5. **Right of First Refusal.** The University will have a continuing right of first refusal (on the terms offered to a third party) and/or a right of first offer to purchase both the Developer's Ground Lease interest and the Project prior to sale or transfer of any such interest to a third party.
6. **Approval of Third-Party Agreements.** Any refinancing, ground sublease or assignment will require the University's approval consistent with standard loan limit parameters and participation in net proceeds.
7. **Financing.** Financing of the Project will be the responsibility of the Developer. The University may consider an alternate financing model utilizing an independent § 501(c)(3) non-profit entity, which will arrange through a "conduit issuer" for issuance of tax exempt bonds in an amount sufficient to fund some or all of the development costs. The details of the financing mechanism to be used by the Developer would be provided in the Short-listed Developer's response to the RFO.
8. **Property.** The property is offered and will be leased "as-is / where-is." It is the Respondent's responsibility to verify existing land uses, permits, entitlements, property encumbrances, and the feasibility of the Respondent's proposed plan. It is also the Respondent's responsibility as part of its due diligence to confirm the size, configuration, and condition of the Property, including, but not limited to, the condition of the title and environmental condition. Any information provided by the University in this RFQ or otherwise is without representation or warranty as to its accuracy or completeness.
9. **Signage Approval & Revenues.** The University has a strong interest in maintaining a strong brand image at the facility. The University reserves the right to primary signage on the Project. The University reserves the right to approve all other signage for the facility. However, the University does not anticipate deriving any revenues from signage at the facility.

## V. USEFUL REFERENCE DOCUMENTS

The following documents may be of interest to respondents. Review is optional. They are available in electronic format only, via the links provided. These documents may also be accessed in the uBuy platform at <https://bids.scquest.com/apps/Router/PublicEvent?CustomerOrg=UCOP>, and are located in the buyer attachments.

- **Campus Health and Counseling Center Detailed Project Program, April 2013.** (Please note that this DPP relates to a prior proposed site, and was completed before recent operating consolidations and increased enrollment projections.)

<http://cpp.ucr.edu/chcc.pdf>

- **University of California Office of the President's Sustainable Practices Policy**

<http://policy.ucop.edu/doc/3100155/SustainablePractices>

- **University of California Seismic Safety Policy**

<http://ucop.edu/real-estate-services/resources/seismic-safety-policy/index.html> AND  
<http://policy.ucop.edu/doc/3100156/SeismicSafety>

(please note the PDF filename contains the above misspelling)

### **University of California Fair Wage Fair Work Plan**

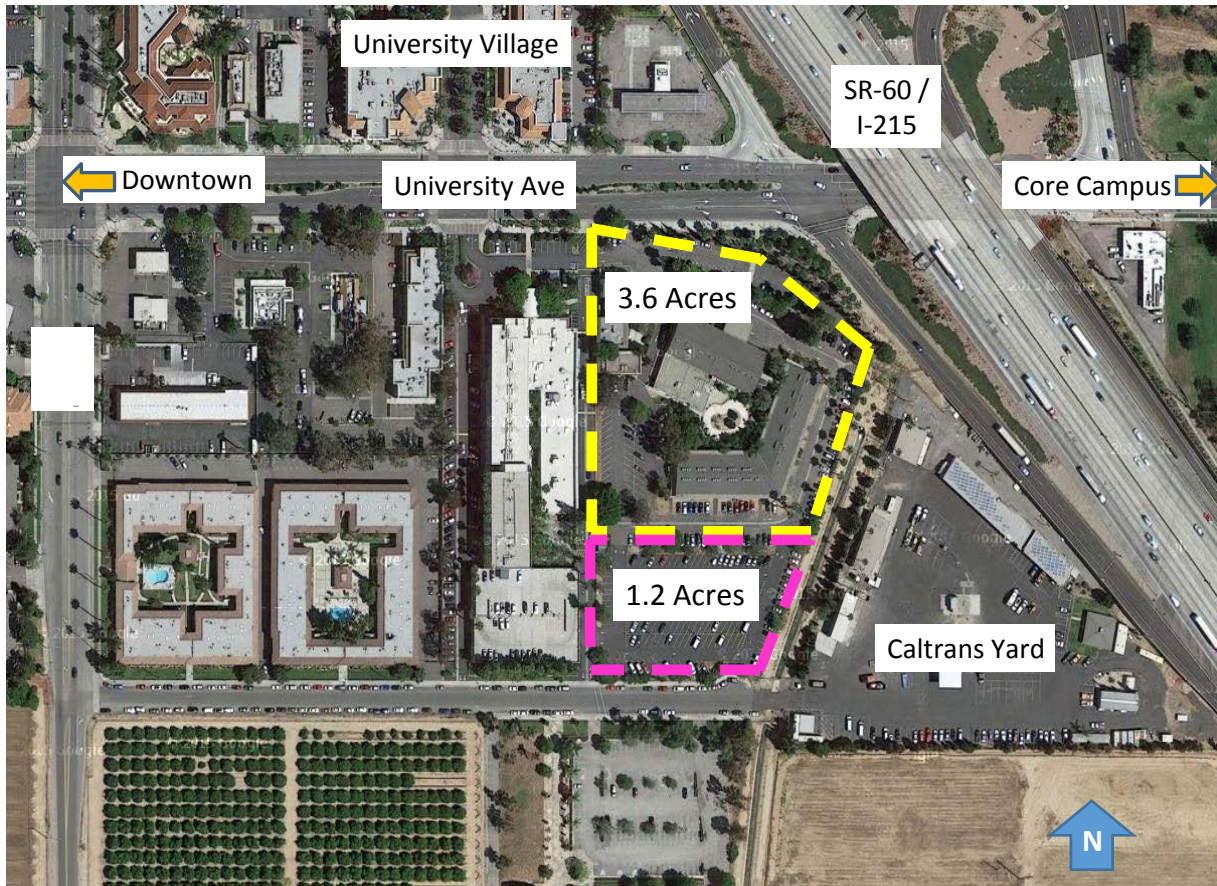
<http://www.ucop.edu/real-estate-services/files/documents/fair-wage-fair-work-plan-applicability-to-re.pdf>

- **UC Riverside Physical Master Plan Study**

[http://cpp.ucr.edu/masterplan\\_study/report.html](http://cpp.ucr.edu/masterplan_study/report.html)

**ATTACHMENT A**

**SITE MAP**



**Aerial View (Pre-Demolition)**

## ATTACHMENT B

### REQUESTED INFORMATION FOR STATEMENT OF QUALIFICATIONS

*Responses must include complete information on each of the following subjects in order to be considered for the Project. Responses should be provided in the order specified below.*

#### 1. Development Team Organization

It is understood that the Respondent may not have identified all team members at this stage. For each of the Developer team members (e.g., developer, equity member(s), architect, contractor, planner/programmer, financial partners including lenders, property manager, and other participants, as applicable), that have been identified to date, please submit the following:

- Company name (both legal name and business name(s) commonly used)
- Legal structure, state of incorporation (as applicable), and company or corporation number
- Number of years in business (under current or prior names, with explanations, as needed)
- Company headquarters office address, phone number(s), and website address
- Full names of company officers
- Role of company on Development Team
- Full name and contact information for the primary company representative for the Project

Please provide a Development Team organizational chart and a company organizational chart for each of the current members. Company organizational charts may be provided as appendices, if desired; however, reference to any such appendices should be specified clearly in the body of the Response.

Because of the importance of the design and construction of this Project to the University, it is preferable that the Developer indicate the intended Lead Programmer/Planner, Lead Architect, and Prime Contractor, if such key Development Team members have been selected. In the event these key Development Team members have not been selected, please indicate the criteria that would be utilized to select such members or provide a “short list” of potential firms that Developer would consider using.

#### 2. Overview of Companies

Please describe the Developer and other key Development Team members, including the following:

- Services
- Accomplishments
- Volume of annual revenues for the past five years
- Current staffing levels and explanation of any material changes in the past five years
- Location of office(s) from which the work on this Project would be directed



Provide comparable information for all companies identified to date that are part of the proposed Development Team at this time. Include any brochures and marketing materials as appendices **only if, and only to the extent, they are directly relevant to this Project**. Reference to any such appendices (and their relevance) should be specified clearly in the body of the Response.

### **3. Project Approach**

The Response should include descriptions as to how the Developer and its team members will approach project planning, financing, entitlements, community participation, design, amenities, signage, third-party tenant solicitation, and how the Development Team will address the University's requirements. Include the basis for employing the chosen approach, reasons that the approach would be successful, material underlying assumptions, and the market factors which will be considered.

**a. Project Concept.** Desired information about the envisioned Project should include:

- Size and configuration of the Project (e.g., gross square feet, number of floors, utilization of site)
- Size and configuration of parking
- Size and configuration of open space
- Design style and notable aesthetic features
- Lifecycle efficiencies and sustainability features or strategies

**b. Approach to Working with the University.** Please describe the proposed planning, programming, design, budgeting, bidding and construction management strategy for the Project. Specific note should be made about how you will incorporate the future Basis of Design and University decision makers into the planning, programming and design process. Please also describe the approach to communicating with the University in the identification of third-party tenants for the Project.

### **4. Project Financial Strategy**

Describe the Developer's financial strategy and include evidence of financial capacity to perform its anticipated obligations under the Ground Lease, PDA, and Space Lease Agreement(s). Describe the financing sources and method(s) which would be considered for the Project, including any recommended public-private partnership structures. Indicate experience the Developer and team members have with the proposed financing method(s), specifically experience in developing and financing the same or similar product utilizing Public-Private Partnership structures. Describe the benefits the recommended approach would be expected to deliver for the Project and the University/Stakeholders. Also identify any key assumptions, material risks, and proposed strategies to mitigate those risks. Note that additional information regarding the Developer's financial capacity is requested in item 10, below.

## 5. Key Personnel Assigned to Project

Identify Key Personnel members in each organization specified as a Development Team member, including their proposed roles and reporting relationships. Include as much of the following as may be available:

- The proposed role of each Key Personnel.
- Brief biographical summaries and Key Personnel's past experience as it applies to his/her proposed role and services for this Project. (Details regarding past experience should indicate whether the experience was gained at the current firm or at a past firm/employer.)
- Complete resumes for each Key Personnel showing experience applicable to this Project and relevant licenses, registrations, and certifications, etc., as applicable. Resumes may be placed in one or more appendices to this Response, if desired; however, reference to any such appendices should be specified clearly in the body of the Response and included in the Table of Contents.
- Whether Key Personnel have worked together in the past and a list of the Projects wherein the Key Personnel worked together.

## 6. Relevant Development Experience

Describe the Developer and team members and Key Personnel's experience developing similar projects built within the last 10 years. Specific experience with medical office buildings, outpatient healthcare clinics, or medical laboratory facilities, imaging centers, and retail supporting medical clinics should be included, if available. Please specify any such projects in the Riverside or Inland Southern California markets. Indicate if the firms have any experience working with the University of California. If so, please specify which campuses and indicate the timeframe(s) and approximate number of projects involved. In addition, specify if any of the firms' experience includes a ground lease.

**If applicable**, describe the experience of Development Team members **working together** on past projects similar to this Project.

In describing the specific examples of respective firm's and Key Personnel's role(s) and the results achieved for the client(s), please include the following:

- Participating Firm(s)
- Project Name and Location
- Project Type / Description
- Client Agency / Organization (and campus location, if applicable)
- Type of Work, including Services and Deliverables Provided
- Results /Benefits Achieved
- Key Personnel Involved from Firm(s) and Roles Performed
- Contract Sum(s)
- Start and Completion Dates
- Performance Regarding Project Schedule and Budget

## 7. Relevant Property Management Experience

Provide evidence of property management experience and specify property management partner if identified. Development Teams must provide evidence of property management experience and expertise for comparable projects, such as medical office buildings, outpatient healthcare clinics, or medical laboratory facilities, and retail supporting medical clinics. Such evidence should include some or all of the following information:

- Participating Firm or Proposed Property Management Firm
- Property Name and Location
- Property Type
- Client Agency / Organization (as applicable)
- Key Personnel Involved from Firm and Roles Performed
- Period Engaged at Project
- Performance Regarding Schedule and Budget

## 8. References

Provide at least three (3) references regarding the Development Team members' experience. References must be from among the above-referenced development and property management projects. Information provided should include the following for each reference:

- Participating Firm
- Project / Property Name
- Client Agency / Organization (as applicable)
- Client Contact Person with Title, Phone Number(s), and Email Address

## 9. Ability to Finance the Project

Provide the Development Team's assessment of the scale of the Project's financial obligations and confirm its ability to accommodate such obligations. Describe experience in financing and/or obtaining financing for comparable projects, especially those involving unsubordinated ground leases, bond financing, and/or Public-Private Partnerships. Provide a brief statement regarding the proposed source and method of Project financing. Identify possible (and specific, if known) sources of debt/equity capital proposed for this Project and, if applicable, include a written statement from each such known source with their investment criteria (**place in Appendix A1**).

## 10. Development Team Financial Capacity

Respondents are asked to demonstrate the ability to finance a facility expected to cost up to \$250,000,000. Include a description of the Developer's relationships with lending institutions, financial partners, investors, environmental insurers, etc.

In one or more Appendi(x)(ces) to the Response, provide at least one reference from a bank or similar financial institution familiar with the financial condition of the organization and an additional reference from an equity partner in a previous project (**place in Appendix A1**). In addition, provide a description of any bankruptcy filing by the Respondent, a major team member, or an entity either one of them controlled (minimum past ten years) (**place in Appendix A2, if applicable**). **The University reserves the right to request additional evidence of the Respondent's financial condition prior to selection of the Short-listed Respondents.**



### **11. Developer's Proposed Conditions and University Responsibilities**

Describe any conditions the Development Team will require be met by others to deliver the Project. Describe any responsibilities that the University will have to assume for the Development Team to deliver the Project.

### **12. Litigation / Arbitration**

Disclose material information relating to any legal or regulatory proceeding or investigation in which the Developer or Development Team member is or has been a party and which might have a material impact on the financial viability of the Project or the Developer or Development Team member. Information shall be regarded as material if any one of the following applies to the claims:

- Resulted in the firm being disqualified from a project
- Resulted in a verdict / award in favor of project owners totaling over \$1 million
- Resulted in a verdict / award in favor of project owners for warranty and defect claims totaling over \$1 million
- Resulted in labor and enforcement fines over \$100,000 for bad acts

Such disclosures shall include any parent, subsidiary, or affiliate of the Developer or Development Team member that is proposed to be involved in the management, operation, or development of the Project.

### **13. Other Relevant Experience and Information**

Provide information on any other relevant experience that may be helpful to the University in evaluating the proposed Developer and its team members' qualifications for the Project, and any other relevant information you wish the University to consider.

For example, experience on other large or complex development projects or financing arrangements may be relevant. In this regard, the University may favorably consider experience including, but not limited to, the following:

- Public-Private Partnerships with the University and/or other higher education institutions for the development of like or similar projects
- Development or management of similar and/or other medical facilities
- Familiarity with local neighborhood groups, the City of Riverside, State Fire Marshal, and Division of the State Architect

### **14. Equal Employment Opportunity**

Disclose information regarding the Developer's and Development Team members' equal employment opportunity policy and how it will apply to the Project.

## **15. Sustainability**

UC Sustainable Practices Policy requires all New Construction achieve LEED Silver Certification (strive for Gold), to exceed energy efficiency in Title 24 by 20% (strive for 30%) and/or meet an EUI of 19.1 kWh/gsf/yr, 0.90 therms/gsf/yr (for lab/complex space), achieve two water points in LEED WE section and meet the prerequisites of Labs 21 (includes no single pass water cooling). Campus requires 95% diversion of C&D materials. New equipment needs to be Energy Stars rated, when possible, EPEAT Gold or the most water and energy efficient possible within programmatic scope and budget.

Describe your approach to achieving the University's goals for sustainability. Responses should include sustainability goals for the facility construction and operations (e.g., level of LEED certification) and for activities undertaken during design and construction of the facility (e.g., use of clean fuel vehicles, locally-sourced subcontractors and materials, etc.). The University of California Sustainable Practices policy can be found at the following: <http://policy.ucop.edu/doc/3100155/SustainablePractices>.

## ATTACHMENT C

### DEVELOPER AND TEAM MEMBERS' QUALIFICATIONS EVALUATION CRITERIA

1. Developer's and other Development Team members' applicable firm qualifications, experience and references, particularly experience with formulating and implementing successful Public-Private Partnership development projects of similar scope and scale (more favorable consideration may be given to projects delivered on schedule and within budget and those in the University of California system and California market)
2. Qualifications and experience of assigned Key Personnel to be involved in the Project, including direct experience playing comparable roles with successful projects of similar scope and scale, and other relevant experience and information
3. Developer's project concept and approach, including demonstrated understanding of the University's needs, an acceptable approach to the University's sustainability objectives, credible financing strategy, and reasonable proposed conditions and University responsibilities
4. Developer's demonstrated financial capacity **(which may require certain Respondents to provide additional evidence of their financial condition, upon request)**
5. Developer's demonstrated ability to access external financing and/or equity capital for past or current projects of similar scope and scale
6. Developer's and Team Members' responses to required disclosures regarding litigation, arbitration and equal employment opportunity policy

## ATTACHMENT D

### ANTICIPATED SPACE NEEDS

#### **a. Student Health space**

The Student Health space should include the following areas and features:

- Public reception area
- Patient waiting areas
- Exam rooms
- Provider offices
- Physical therapy treatment rooms
- Psychiatry offices
- Dental offices
- Pharmacy
- Laboratory and imaging facility
- Patient and support services
- Nursing stations
- Travel clinic offices
- Triage offices
- Treatment rooms
- Procedure rooms
- Autoclave rooms
- Medical inventory storage space

#### **b. Student Counseling space**

The Student Counseling space should include the following areas and features:

- Public reception area
- Private patient waiting area
- Outdoor treatment area
- Counselor offices
- Intern offices
- Case manager offices
- Biofeedback rooms
- Group rooms

#### **c. Shared space**

Joint space available to both Student Health and Student Counseling:

- Administration and Management team offices
- Outdoor gathering space
- Meeting space
- Work room
- Peer counseling
- Lounge
- Kitchen
- IT space
- Record storage
- Peer group work rooms
- Conference rooms

***d. UCR Health Future Clinical Practices***

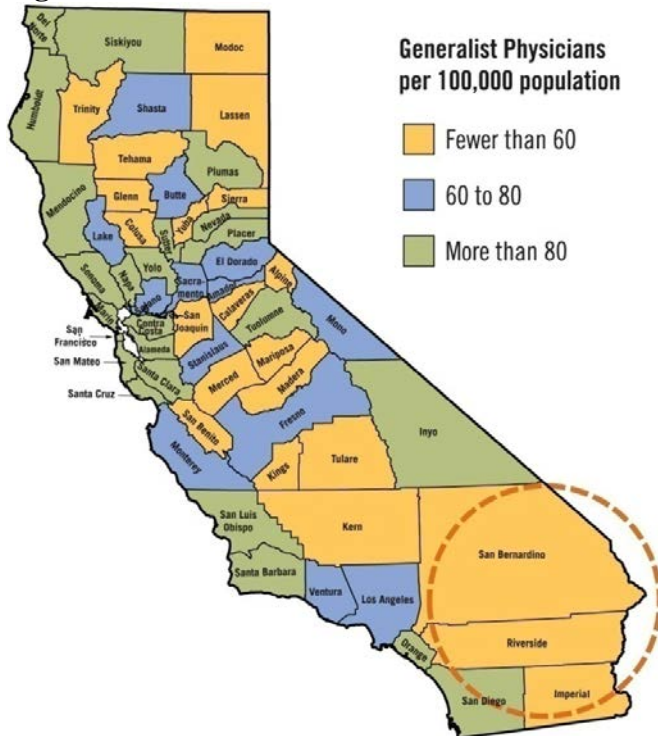
- Women's Specialty Services
- Urgent Care
- Psychiatry
- Infectious Disease
- Dermatology
- Primary Care
- Musculoskeletal Center
- General OB/GYN
- Esthetic Institute
- Cancer Services
- Center for Digestive Disorders
- Expanded Specialty Medicine Practice
- Expanded Surgery Practice

**ATTACHMENT E**

**OVERVIEW OF SCHOOL OF MEDICINE  
UNIVERSITY OF CALIFORNIA, RIVERSIDE**

The School of Medicine at the University of California, Riverside (UCR) has a mission distinctive among U.S. medical schools. It was created to expand and diversify the physician workforce in Inland Southern California and to develop research and healthcare delivery programs that will improve the health of underserved populations living in the region. Inland Southern California – a geographically large, racially and ethnically diverse, and rapidly growing region of 4.4 million people – has the state’s greatest shortage of primary care physicians, with just 43 primary care physicians per 100,000 people, according to the California HealthCare Foundation, as shown in Figure 1, below.

**Figure-1.**



The region also performs poorly in relation to most other California regions in nearly every measurable health outcome, especially for common chronic conditions such as diabetes and coronary heart disease. For instance, San Bernardino County ranks second worst among California’s 58 counties in deaths due to diabetes and Riverside County is seventh worst in deaths due to coronary heart disease, both largely preventable conditions. Healthcare disparities are particularly pronounced. In Riverside County, African American babies have a significantly

higher infant mortality rate than for other racial and ethnic groups. Self-reported asthma diagnoses in Riverside County jumped from 11.3% in 2001 to 17.8% in 2009, with the rate for African Americans doubling from 16.8% to 35.1%.

Responding to these regional needs, UCR in 2013 opened a community-based medical school with a social mission – the sixth school of medicine in the University of California system and the first public medical school on the West Coast in more than 40 years. The curriculum focuses on care for the underserved, ambulatory settings, prevention, wellness, chronic disease management, health disparities, and cultural competence. The medical school is currently in its third year with 150 total enrolled medical students. The medical school is also admitting its fourth class which will start in August 2016 with an estimated class size of 60. There are an additional 15 Ph.D. students in biomedical sciences.

Inland Southern California has one of the lowest physician levels in the State. Many medical services are not available in the area, resulting in an estimated 40% of healthcare dollars spent outside the region. For example, 58% of all neurosurgeries and 70% of brain surgeries leave the area. There is a shortage of primary care physicians as well as specialty practices, including neurosurgery, OB/GYN specialties, and psychiatry. In addition, about 40% of the area's physicians are 55 years old or older and nearing retirement. When fully implemented, the Affordable Care Act will add approximately 500,000 newly insured patients to the region, which will further increase the pressure on the region's medical providers.

It is the goal of the medical school to produce culturally responsive, service-minded physicians who are drawn largely from Inland Southern California and thus more likely to remain in the region to practice. For instance, The Thomas Haider Program at the UCR School of Medicine provides a unique pathway into medical school for up to 24 qualifying UC Riverside undergraduate students. The purpose of the program is to recruit, admit and support students from disadvantaged backgrounds who attend UC Riverside.

Dr. Deborah Deas, M.D., M.P.H. was recently appointed as the Mark and Pam Rubin Dean of the School of Medicine and Chief Executive Officer for Clinical Affairs at UCR. She has seen first-hand the challenges faced by underserved populations like those in the Inland Southern California region and will lead the school in meeting its mission to educate the next generation of physicians and scientists who will serve in the community and improve the health of people living in this region of California.

The UCR School of Medicine is executing two additional strategies to capitalize on the primary drivers of where physicians practice – where they grow up and where they complete residency training. Student pipeline programs, currently spanning middle school through post-baccalaureate studies, are designed to help more of the region's students become eligible for medical school. The pipeline programs focus on increasing access to medical school for socio-economically and/or educationally disadvantaged students. Reaching approximately 1,100 students, these programs are comprised of activities designed to improve the competitiveness of students for entry into medical school.

In addition to expanding its student pipeline programs, the school is also partnering with hospitals in the region to establish new residency training programs. These include training programs in the primary care specialties of general internal medicine, family medicine and primary care pediatrics, as well as the short-supply specialties of general surgery and psychiatry. There are more than 110 resident physicians currently in these programs. A residency training program in OB/GYN is preparing to launch in 2017.

The school will also address workforce shortages by retaining UCR-trained physicians in the region. One way to do this is through the mission-based scholarship program. This scholarship provides an incentive for students to alleviate medical school debt while remaining in Inland Southern California for at least five years following medical school and residency training in one of the six primary care and specialty shortage areas. A total of 24 students in the first three classes of medical students are recipients of these scholarships.

To address the region's health outcomes, the new Center for Healthy Communities in the medical school serves to use innovative community-based research and to promote the health of communities in Inland Southern California. The Center is building bridges with community groups and interdisciplinary health-field faculty to promote the health of the culturally and economically diverse population surrounding UCR, particularly the medically underserved.