

Public Private Ventures Process Guide

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

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

III. Team Selection

Special Instructions:

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

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

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

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

Activities:

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

Submittals:

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

Meetings:

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

Approvals:

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

GMP

Submittals:

- A. GMP Documents
 - 1. Construction Drawings (PDF)
 - 2. Specifications (PDF)
 - 3. GMP Change Order per CP contract 3.3.1
 - a.

VII. Financial Close

Submittals & Activities:

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

Meetings:

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

Approvals:

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

VIII. Construction

IX. Occupancy

Submittals:

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

Meetings:

Fiscal Affairs - Annual Meeting with Rating Agencies & Bond Insurer

Approvals:

VC for Facilities - Rental Agreement Annual Extension
VC for Facilities - Amendments to Ground Lease or Rental Agreement