



Request for Proposal

UK-2466-25

Proposal Due Date - 10/30/24

Utility Infrastructure Public Private Partnership



REQUEST FOR PROPOSAL (RFP)

ATTENTION: This is not an order. Read all instructions, terms and conditions carefully.

PROPOSAL NO.:	UK-2466-25	RETURN ORIGINAL COPY OF PROPOSAL TO:
Issue Date:	09/23/2024	UNIVERSITY OF KENTUCKY
Title:	Utility Infrastructure Public Private Partnership	PROCUREMENT SERVICES
Purchasing Officer:	Corey W. Leslie	411 S LIMESTONE
Phone:	859-323-5405	ROOM 322 PETERSON SERVICE BLDG.
Email:	Corey.Leslie@uky.edu (preferred)	LEXINGTON, KY 40506-0005

IMPORTANT: PROPOSALS MUST BE RECEIVED BY: 10/30/2024 3 P.M. LEXINGTON, KY TIME.

NOTICE OF REQUIREMENTS

1. The University's General Terms and Conditions and Instructions to Bidders, viewable at <https://purchasing.uky.edu/bid-and-proposal-opportunities>, apply to this RFP. When the RFP includes construction services, the University's General Conditions and Special Conditions for Construction and Instructions to Bidders, viewable at <https://purchasing.uky.edu/bid-and-proposal-opportunities>, apply to the RFP.
2. Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.
3. Any agreement or collusion among Offerors or prospective Offerors, which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price or to refrain from offering, or otherwise, is prohibited.
4. Any person who violates any provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars nor more than ten thousand dollars or be imprisoned not less than one year nor more than five years, or both such fine and imprisonment. Any firm, corporation, or association who violates any of the provisions of KRS 45A.325 shall, upon conviction, be fined not less than ten thousand dollars or more than twenty thousand dollars.

AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

1. That I am the Offeror (if the Offeror is an individual), a partner, (if the Offeror is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the Offeror is a corporation);
2. That the attached proposal has been arrived at by the Offeror independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other Contractor of materials, supplies, equipment or services described in the RFP, designed to limit independent bidding or competition;
3. That the contents of the proposal have not been communicated by the Offeror or its employees or agents to any person not an employee or agent of the Offeror or its surety on any bond furnished with the proposal and will not be communicated to any such person prior to the official closing of the RFP;
4. That the Offeror is legally entitled to enter into contracts with the University of Kentucky and is not in violation of any prohibited conflict of interest, including, but not limited to, those prohibited by the provisions of KRS 45A.330 to .340, and 164.390;
5. That the Offeror, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sale and use tax imposed by Chapter 139 to the extent required by Kentucky law and will remain registered for the duration of any contract award;
6. That I have fully informed myself regarding the accuracy of the statement made above.

SWORN STATEMENT OF COMPLIANCE WITH CAMPAIGN FINANCE LAWS

In accordance with KRS 45A.110 (2), the undersigned hereby swears under penalty of perjury that he/she has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky.

CONTRACTOR REPORT OF PRIOR VIOLATIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341 & 342

The contractor by signing and submitting a proposal agrees as required by 45A.485 to submit final determinations of any violations of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that have occurred in the previous five (5) years prior to the award of a contract and agrees to remain in continuous compliance with the provisions of the statutes during the duration of any contract that may be established. Final determinations of violations of these statutes must be provided to the University by the successful contractor prior to the award of a contract.

CERTIFICATION OF NON-SEGREGATED FACILITIES

The contractor, by submitting a proposal, certifies that he/she is in compliance with the Code of Federal Regulations, No. 41 CFR 60-1.8(b) that prohibits the maintaining of segregated facilities.

SIGNATURE REQUIRED: This proposal cannot be considered valid unless signed and dated by an authorized agent of the Offeror. Type or print the signatory's name, title, address, phone number and fax number in the spaces provided. Offers signed by an agent are to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the issuing office

DELIVERY TIME:	NAME OF COMPANY:	Kentucky Secretary of State ID #
PROPOSAL FIRM THROUGH:	ADDRESS:	Phone/Fax:
PAYMENT TERMS:	CITY, STATE & ZIP CODE:	E-MAIL:
SHIPPING TERMS: F. O.B. DESTINATION PREPAID AND ALLOWED FEDERAL EMPLOYER ID NO.:	TYPED OR PRINTED NAME:	WEB ADDRESS:
	SIGNATURE:	DATE:

Contents

1.0 Definitions4

2.0 General Overview5

3.0 Proposal Requirements..... 12

4.0 Proposal Format and Content..... 19

5.0 Evaluation Criteria Process 24

Appendix A: University Needs 26

Appendix B: Project Concept Visualization..... 29

1.0 Definitions

The term "Addenda" means written or graphic instructions issued by the University of Kentucky prior to the receipt of proposals that modify or interpret the RFP documents by additions, deletions, clarifications, and/or corrections.

The term "Competitive Negotiations" means the method authorized in the Kentucky Revised Statutes, Chapter 45A.085.

The term "Contractor" means the entity receiving a contract award.

The term "Developer" means the entity selected to carry out the Project.

The "Agreement" is the agreement that defines the terms between the parties. The terms "Offer" or "Proposal" mean the Offeror's response to this RFP.

The term "Offeror" means the entity or group submitting the Proposal.

The term "Project" means the Energy Infrastructure Project.

The term "Project Site" means the ground on which the Project is located.

The term "Procurement Services" means the University of Kentucky, Procurement Services, Room 322 Peterson Service Building, Lexington, KY 40506-0005.

The term "Purchasing Officer" means the University of Kentucky's appointed contracting representative.

The term "Responsible Offeror" means a person, company or corporation that has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an Offeror is responsible, the university may evaluate various factors including (but not limited to): financial resources; experience; organization; technical qualifications; available resources; record of performance; integrity; judgment; ability to perform successfully under the terms and conditions of the contract; or any other cause determined to be so serious and compelling as to affect the responsibility of the Offeror.

The term "Solicitation" means RFP.

The term "University" or "Owner" means University of Kentucky.

2.0 General Overview

2.1 Intent

The University of Kentucky (UK) is pleased to present this Request for Proposal (RFP) for qualified individuals, firms, and teams with extensive experience in developing, financing, constructing, implementing, operating, and maintaining campus energy infrastructure. The primary components of the core project are the additional heating and cooling capacity required to support the UK Campus, including the new Chandler Expansion hospital, new thermal energy distribution, and other enabling utility projects.

UK is interested in a Public-Private Partnership (P3) delivery method for the Project primarily to diversify UK's financing sources, accommodate and accelerate capital project schedules, gain expertise and innovation, and maintain and enhance UK's competitive position. UK is not interested in pure monetization of energy assets and instead is seeking a creative collaboration with a partner to optimize long-term value.

This RFP represents Phase 1 of the public procurement process. Based on Offeror proposals, the university will create a short list of firms to continue to Phase 2, where UK will provide a specific scope and request conceptual proposals. The selected developer will be awarded the right to negotiate a partnership with the university. The university anticipates using a Pre-Development Agreement structure to advance the project design within a shared-risk framework as UK and the selected developer work toward a final agreement.

The Commonwealth of Kentucky budget authorization has been granted in the 2024-2026 Biennial Budget for this P3 project delivery. The University of Kentucky Board of Trustees has authorized the university to engage in this procurement and competitive negotiation.

The university anticipates additional growth and capital renewal projects in the future. The university reserves the right to negotiate with the selected Developer for additional energy and utility infrastructure projects; however, the continued use of the Developer is at the university's sole discretion.

Brailsford & Dunlavey is serving as the university's advisor for this initiative.

2.2 University Context

Founded in 1865 as a land-grant institution adjacent to downtown Lexington, UK is nestled in the scenic heart of the beautiful Bluegrass Region of Kentucky. UK's campus covers more than 918 acres and is home to more than 36,000 students, according to preliminary fall 2024 numbers, and approximately 26,000 full-time and part-time employees, including more than 3,000 full-time faculty. UK is one of a small number of universities in the United States that has programs in agriculture, engineering, a full complement of health colleges including medicine and pharmacy, law, and fine arts on a single campus. Along with a vibrant academic medical system, this range of programs and offerings leads to groundbreaking discoveries and distinctive interdisciplinary collaboration.

Since his arrival, President Eli Capilouto has set forth an ambitious agenda to extend and enhance our role as Kentucky's land-grant and flagship research university. By focusing on infrastructure growth and improvement; creating opportunities for innovative teaching, learning, and academic excellence; fostering a robust research and creative scholarship enterprise; providing life-saving subspecialty care; empowering communities through service and outreach; and encouraging a transparent and shared dialogue about institutional priorities; the University of Kentucky will ensure a new century of promise for the people we impact.

The university's clinical enterprise, UK HealthCare, is supported by more than 10,000 dedicated health care professionals committed to providing advanced subspecialty care for the most critically injured and ill patients from the Commonwealth and beyond. It also is the home of the state's only National Cancer Institute (NCI)-designated Comprehensive Cancer Center, a Level IV Neonatal Intensive Care Unit that cares for the tiniest and sickest newborns, the region's only Level 1 trauma center and Kentucky's top hospital ranked by U.S. News & World Report. UK HealthCare is the power of advanced medicine committed to creating a healthier Kentucky, now and for generations to come.

More information about UK's offerings and strategic plan can be found at [UK's website](#).

2.3 Background Information

Current District Energy System Overview

The University of Kentucky operates a district energy system for most campus heating and cooling needs. Rather than having small, decentralized heating and cooling systems spread around campus, a district energy system leverages economies of scale to deliver more efficient, reliable, and resilient utilities around the clock. UK's district energy system comprises five heating and cooling plants interconnected with a vast network of underground distribution lines.

Heating and Cooling

Steam is produced for campus every day of the year, including the hottest day in the summer, for space heating, domestic hot water, sterilization, and other process heat needs. While summertime loads drop to around 90,000 lbs. per hour, harsh winter temperatures may send demand for steam above 410,000 lbs. per hour. Steam is produced in three heating plants around campus at ~366 degrees Fahrenheit and delivered to campus via underground steam lines at pressures of 125 to 175 pounds per square inch seasonally. Chilled water is used primarily for cooling and dehumidification in campus facilities. The cooling plants produce chilled water at around 42 degrees Fahrenheit and pump it through large, underground distribution lines to campus facilities. The chilled water is primarily used within air handling systems to extract heat from the air supplied to spaces such as offices, classrooms, and labs.

Natural Gas Hedging: Innovation and Fiscal Stewardship in Natural Gas Procurement

The University of Kentucky buys more than 1,200,000 MCF of natural gas every year for producing steam heat, cooking, research needs, and other process loads. Natural gas prices can vary greatly based on market conditions; therefore, it is critical for the university to be proactive in hedging or making strategic future purchases for the gas to be consumed. This process can mitigate risk by sheltering UK from significant market fluctuations while also providing budget certainty for portions of the utility budget. Columbia Gas of Kentucky is our local distribution provider, but our hedged gas is via a third-party market provider.

Electricity

UK's annual electrical utility bill is more than \$25 million. All but a fraction of the electricity is purchased from Kentucky Utilities, which delivers it to three campus substations. Those substations are fed from different transmission lines, providing redundancy for critical

infrastructure. Utilities and Energy Management's high voltage team is responsible for the operations and maintenance of the substations. The team is also responsible for the campus medium voltage infrastructure. Approximately 20% of the annual kWh consumed on campus is used for district cooling. The electricity purchased comes from power plants around the region which are primarily powered by fossil fuels (coal and natural gas).

Energy Efficiency and Conservation

The cleanest, most sustainable (and cheapest) energy is the energy use avoided through efficiency and conservation. Starting in the 1980s, UK has been a leader in this area. In recent years, UK has renewed its focus on efficiency and conservation. While the campus has grown from 17.41 million gross square feet (gsf) in 2016 to 19.47 million gsf in 2022 (an 11.2% increase), the total annualized energy use has decreased by 10.2% across that same time period. This represents an almost 20% decrease in energy use intensity (the amount of energy used per gross square foot). The UK Sustainability Strategic Plan includes additional targets for improving energy efficiency on campus. UK has an ongoing energy conservation partnership with Cenergistic.

Sustainability

Sustainability is an institution-wide priority for the University of Kentucky. UK strives to ensure that all activities and operations seek to balance environmental and economic implications. This commitment also prioritizes integrating these principles in curricula, research, athletics, healthcare, creative works, and outreach. This principled approach to operational practices and intellectual pursuits is intended to prepare students and empower the campus community to support sustainable development in the Commonwealth and beyond. The UK Sustainability Strategic Plan guides these efforts (<https://sustainability.uky.edu/commitment/sustainability-strategic-plan>).

Future Growth

UK plans to construct additional facilities over the next 3-10 years, adding a significant amount of square footage to its current facilities portfolio. The majority of the growth is related to the expansion of UK's healthcare enterprise, including the Chandler Expansion patient care tower, portions of which will open in 2029. The planned growth will exceed the current capacity of UK's existing infrastructure.

2.4 Project Information

Vision & Guiding Principles

The vision for the university is to become a thriving, residential research and healthcare campus -- one poised to serve those students, scholars, and staff today and one that is ready to serve the needs of the state and world tomorrow. To do this -- to create the best possible environment for the university community's success -- the institution has invested, and largely self-financed, more than \$6 billion in a campus transformation since 2011, with new residence halls and classrooms, research facilities, dining facilities, healthcare expansion, and athletic venues. The vision is for the university to take its place among the best public universities in America, all of it designed to help students, faculty and staff reach their potential together. Transforming the campus will continue to transform lives.

<http://www.uky.edu/sotu/campus-transformation>

As part of that vision, the university must have an efficient, reliable energy system, which supports campus growth, with manageable operations and funds to reinvest in infrastructure improvements.

Schedule Alignment

- UK is committed to an aggressive project schedule to ensure that utility constraints do not delay the opening of new UK HealthCare facilities.

Strategic Funding Sources

- UK is seeking to preserve its balance sheet for mission-centric investments in healthcare, education, and research.
- The utility infrastructure projects must optimize long-term value for the university with respect to the total cost of ownership.

Long-Term Talent & Operational Excellence

- New utility infrastructure assets must be operated to a high standard of excellence, efficiency, and reliability.

Optimal Land Use

- Utility infrastructure solutions must use the university's land resources strategically, including preserving maximum real estate for key mission-centric uses and efficiently leveraging plant and distribution footprints.

Energy Resilience & Redundancy

- The university's utility system supports healthcare facilities, critical research, residential buildings, and other spaces requiring high reliability for power, heating, and cooling.
- New utility assets should leverage the resiliency benefits of the broader district energy system.
- The future utility infrastructure solution must ensure reliable, energy-efficient, cost-effective energy services over the long term.

University Needs

The 2023 Utility Study (see Appendix A) details the specific component projects considered for this Utility P3. At a high level, the core project scope includes:

- New cooling capacity needed for the Chandler Expansion by January 2028
- Enabling projects for hospital opening in 2025-2028
- Additional heating & cooling capacity needed for the campus & Chandler Expansion by 2030-2032

UK's needs have been identified and enabling projects have been defined conceptually, but these projects have not yet been designed with the exception of the cooling capacity needed by January 2028. For that specific need, UK has commissioned the design of approximately 25% complete construction documents for a new cooling plant in order to serve as bridging documents to allow a selected developer to move quickly given the schedule constraint.

Potential Project Concept and Sites

The university is seeking ideas from the Offerors on the best way to supply the needed capacity in alignment with the vision and guiding principles. So far, the university has considered a split-plant project concept with the following new plants (see Appendix B for site map):

- New cooling capacity provided in a new plant located immediately to the north of Cooling Plant No. 1, to the south of the Medical Behavioral Science Building, at a current surface parking lot located at the corner of Veterans Drive, University Drive, and Complex Drive.
- New heating capacity provided in a new plant on the site of the new Chandler Expansion. The Chandler Expansion site is located on the block between Hospital Drive and Cooper Drive, and between Limestone and University Drive. The new heating plant is currently planned on the northeast quadrant of the site, adjacent to a future parking deck.

This split-plant project concept supports the immediate delivery of the cooling capacity needed by 2028, since the new cooling plant project can proceed even while heating capacity is still being planned. The university is open to alternative concepts, but all ideas must satisfy the guiding principles above, especially schedule alignment, land use optimization, and strategic funding sources.

Financing

The university is seeking responses from Offerors who can provide cost-effective financing options and structures. Therefore, Offerors responding to this Solicitation should anticipate that, during the Planning Stage, the university will engage the selected Developer in a comprehensive evaluation of transaction structures, business terms, and capital sources.

The university seeks Offerors with demonstrated ability and experience in project financing, with a preference for solutions with equity contributions. The university wishes to spread out the cost of long-term assets over time and to maintain UK balance sheet flexibility for other investments in healthcare and education. The university also desires a structure with financial incentives that align with mutually-agreed-upon outcomes around successful utility asset performance and longevity.

3.0 Proposal Requirements

3.1 Key Event Dates

RFP Phase 1	
Release of RFP	Monday, September 23, 2024
Pre-Proposal Call (Optional)	Thursday, October 3, 2024
Pre-Proposal Site Tour (Optional)	Tuesday, October 15, 2024
RFQ Questions Due	Thursday, October 17, 2024
RFQ Q&A Released	Monday, October 21, 2024
RFP Proposals Due	Wednesday, October 30, 2024
RFP Phase 2	
Release of RFP Phase 2 to shortlisted firms	TBD
RFP Phase 2 Due Date	TBD
Offeror Presentations (Tentative)	Monday December 16, 2024
Down Selection	TBD
Best and Final Offer (BAFO) Presentations	TBD
Award	Early 2025

3.2 Offeror Communication

To ensure that RFP documentation and subsequent information (modifications, clarifications, addenda, Written Questions and Answers, etc.) are directed to the appropriate persons within the Offeror’s firm, each Offeror who intends to participate in this RFP is to provide the following information to the purchasing officer. Prompt, thorough compliance is in the best interest of the Offeror. Failure to comply may result in incomplete or delayed communication of addenda or other vital information. Contact information is the responsibility of the Offeror. Without prompt information, any communication shortfall shall reside with the Offeror.

- Name of primary contact
- Mailing address of primary contact
- Telephone number of primary contact
- Fax number of primary contact
- E-mail address of primary contact
- Additional contact persons with same information provided as primary contact

This information shall be transmitted via fax or e-mail to:

Corey Leslie
University of Kentucky Procurement Services
322 Peterson Service Building
Lexington, KY 40506-0005
Phone: 859 323-5405
Email: corey.leslie@uky.edu

All communication with the university regarding this RFP shall only be directed to the purchasing officer listed above.

3.3 Pre-Proposal Call & Pre-Proposal Tour

An **optional pre-proposal call** will be held virtually to allow prospective Offerors an opportunity to ask questions and clarify the university's expectations. This conference provides Offerors an opportunity for oral questions.

Those Offerors planning to attend the pre-proposal call shall email Corey Leslie at corey.leslie@uky.edu indicating their interest in order to receive the Zoom information to join the call.

An **optional pre-proposal tour** will be held in Lexington, Kentucky, to allow prospective Offerors an opportunity to see the planned sites for new construction. Attendance at the pre-proposal tour is voluntary; however, multiple tours of the Project site will not be given. Interested Offerors should plan to attend the scheduled pre-proposal tour in order to tour the site.

Those Offerors planning to attend the pre-proposal tour shall email Corey Leslie at corey.leslie@uky.edu by October 11, 2024, indicating their interest in attending and the number in their party.

Offerors are encouraged to submit written questions after the conference by the date listed in Section 3.1. The university will prepare written responses to all questions submitted and make them available to all Offerors. The questions and answers will be made part of the RFP and may become part of the contract with the successful contractor. Answers given orally are not binding.

3.4 Offeror Presentations

Finalists shall be required to make a presentation to the evaluation committee. The interviews are tentatively scheduled to be held in Lexington on the date listed in Section 3.1. Actual interview times will be scheduled later. In addition, an agenda for the finalists will be issued prior to the interviews.

3.5 Preparation of Offers

The Offeror is expected to follow all specifications, terms, conditions, and instructions in this RFP. The Offeror will furnish all information required by this solicitation.

Proposals should be prepared simply and economically, providing a description of the Offeror's capabilities to satisfy the requirements of the solicitation. Emphasis should be on completeness and clarity of content. All documentation submitted with the proposal should be bound in a single volume except as otherwise specified.

An electronic version of the RFP, in .PDF format only, is available through the University of Kentucky Procurement Services web site: <https://purchasing.uky.edu/bid-and-proposal-opportunities>

3.6 Proposal Submission and Deadline

Offeror must provide the following materials prior to 3 p.m. (Lexington, KY time) on the date specified in Section 3.1 and addressed to the purchasing officer listed in Section 3.2:

In a single package provide one (1) copy of the proposal on an electronic storage device (USB), along with eight (8) printed copies. The outside of the package should be clearly marked with the RFP number, title, due date/time, and Offeror name.

Note: Proposals received after the closing date and time will not be considered. In addition, proposals received via fax or e-mail are not acceptable.

The University of Kentucky accepts deliveries of RFPs Monday through Friday from 8 a.m. to 5 p.m. Lexington, KY time. However, RFPs must be received by 3 p.m. Lexington, KY time on the date specified on the RFP in order to be considered.

Proposals shall be enclosed in sealed envelopes to the above referenced address and shall show on the face of the envelope: the closing time and date specified, the solicitation number and the name and address of the Offeror.

Note: In accordance with the Kentucky Revised Statute 45A.085, there will be no public opening.

3.7 Modification or Withdrawal of Offer

An offer and/or modification of offer received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered.

An offer may be modified or withdrawn by written notice before the exact hour and date specified for receipt of offers. An offer also may be withdrawn in person by an Offeror or an authorized representative, provided the identity of the person is made known and the person signs a receipt for the offer, but only if the withdrawal is made prior to the exact hour and date set for receipt of offers.

3.8 Acceptance or Rejection and Award of Proposal

The university reserves the right to accept or reject any or all proposals (or parts of proposals), to waive any informalities or technicalities, to clarify any ambiguities in proposals and (unless otherwise specified) to accept any item in the proposal. In case of error in extension or prices or other errors in calculation, the unit price shall govern. Further, the university reserves the right to make a single award, split awards, multiple awards, or no award, whichever is in the best interest of the university.

3.9 Rejection

Grounds for the rejection of proposals include (but shall not be limited to):

- Failure of a proposal to conform to the essential requirements of the RFP.
- Imposition of conditions that would significantly modify the terms and conditions of the solicitation or limit the Offeror's liability to the university on the contract awarded on the basis of such solicitation.
- Failure of the Offeror to sign the university RFP. This includes the Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest statements.
- Receipt of proposal after the closing date and time specified in the RFP.

3.10 Addenda

Any addenda or instructions issued by Procurement Services prior to the time for receiving proposals shall become a part of this RFP. Such addenda shall be acknowledged in the proposal. No instructions or changes shall be binding unless documented by a proper and duly issued addendum.

3.11 Disclosure of Offeror's Response

The RFP specifies the format, required information, and general content of proposals submitted in response to this RFP. Procurement Services will not disclose any portions of the proposals prior to contract award to anyone outside Procurement Services, the university's administrative staff, representatives of the state or federal government (if required), and the members of the committee evaluating the proposals. After a contract is awarded in whole or in part, the university shall have the right to duplicate, use or disclose all proposal data submitted by Offerors in response to this RFP as a matter of public record.

Any submitted proposal shall remain valid six (6) months after the proposal due date.

The university shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal will not affect this right.

3.12 Restrictions on Communications with University Staff

From the issue date of this RFP until a contractor is selected and a contract award is made, Offerors are not allowed to communicate about the subject of the RFP with any university administrator, faculty, staff, or members of the Board of Trustees except: the Procurement Services representative, any university procurement official representing the university administration, others authorized in writing by the procurement office and university representatives during Offeror presentations. If violation of this provision occurs, the university reserves the right to reject the Offeror's proposal.

3.13 Cost of Preparing Proposal

Costs for developing the proposals and any subsequent activities prior to contract award are solely the responsibility of the Offerors. The university will provide no reimbursement for such costs.

3.14 Disposition of Proposals

All proposals become the property of the university. The successful proposal will be incorporated into the resulting contract by reference.

3.15 Alternate Proposals

Offerors may submit alternate proposals. If more than one proposal is submitted, all must be complete (separate) and comply with the instructions set forth within this document. Each proposal will be evaluated on its own merits.

3.16 Questions

All questions should be submitted by either fax or e-mail to the purchasing officer listed in Section 3.2 no later than the date listed in Section 3.1. Email to: corey.leslie@uky.edu .

3.17 Section Titles in the RFP

Section titles used herein are for the purpose of facilitating ease of reference only and shall not be construed to infer the construction of contractual language.

3.18 No Contingent Fees

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this contract, except bona fide employees of the Offeror or bona fide established commercial or selling agencies maintained by the Offeror for the purpose of securing business. For breach or violation of this provision, the university shall have the right to reject the proposal, annul the contract without liability, or, at its discretion, deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee or other benefit.

3.19 Proposal Addenda and Rules for Withdrawal

Prior to the date specified for receipt of offers, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the Procurement Office, signed by the Offeror. Unless requested by the university, the university will not accept revisions or alterations to proposals after the proposal due date.

3.20 Kentucky State Law Notice

The university is a state agency of the Commonwealth of Kentucky and is subject to all terms and conditions of the Kentucky Model Procurement Code contained in KRS Chapter 45A and all other applicable statutes. Therefore, the university can accept Terms only to the extent permitted by and in accordance with the Kentucky constitution, state law, and the Eleventh Amendment to the United States Constitution. A Kentucky state agency cannot agree to indemnify a third party, submit to the jurisdiction of another forum, or agree to arbitrate disputes. Further, the university does not waive any of the rights, privileges, or immunities available to Kentucky state agencies. The final contract(s) is contingent upon approvals by the Capital Project and Bond Oversight Committee and Government Contracts Review Committee.

4.0 Proposal Format and Content

4.1 Proposal Information and Criteria

The following list specifies the items to be addressed in the proposal. Offerors should read it carefully and address it completely and, in the order, listed to facilitate the university's review of the proposal.

Proposals shall be organized into the sections identified below. The content of each section is detailed in the following pages. It is strongly suggested that Offerors use the same numbers for the following content that are used in the RFP. UK encourages clear, concise responses and has provided guidance for length and format in the applicable sections below.

- Signed Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest Form
- Transmittal Letter
- Executive Summary and Proposal Overview
- Criteria 1 - Offeror Information
- Criteria 2 – Development Experience
- Criteria 3 – Financial Capability to Execute the Project
- Criteria 4 – Project Financing
- Criteria 5 – District Energy System Operations & Maintenance Experience
- Criteria 6 – Additional Questions
- Criteria 7 – Other Additional Information

4.2 Signed Authentication of Proposal and Statements of Non-Collusion and Non-Conflict of Interest Form

The Offeror will sign and return the proposal cover sheet and print or type their name, firm, address, telephone number and date. The person signing the offer must initial erasures or other changes. An offer signed by an agent is to be accompanied by evidence of their authority unless such evidence has been previously furnished to Procurement Services. The signer shall further certify that the proposal is made without collusion with any other person, persons, company, or parties submitting a proposal; that it is in all respects fair

and in good faith without collusion or fraud; and that the signer is authorized to bind the principal Offeror.

4.3 Transmittal Letter

The Transmittal Letter accompanying the RFP shall be in the form of a standard business letter and shall be signed by an individual authorized to legally bind the Offeror. It shall include:

- A statement referencing all addenda and written questions, the answers and any clarifications to this RFP issued by the university and received by the Offeror (If no addenda have been received, a statement to that effect should be included.).
- A statement that the Offeror's proposal shall remain valid for six (6) months after the closing date of the receipt of the proposals.
- A statement that the Offeror will accept financial responsibility for all travel expenses incurred for oral presentations (if required) and candidate interviews.
- A statement that summarizes any deviations or exceptions to the RFP requirements and includes a detailed justification for the deviation or exception.

4.4 Executive Summary and Proposal Overview

The Executive Summary and Proposal Overview shall condense and highlight the contents of the technical proposal in such a way as to provide the evaluation committee with a broad understanding of the entire proposal. [Length guidance: 1-3 pages]

4.5 Criteria 1 - Offeror Qualifications

Offerors must describe and offer evidence of their ability to meet each of the qualifications listed below.

- a) **Team and Firm Organization:** Identify the Offeror's entity, its legal status, employer identification number, address, full names of the officers, their addresses, credit references, and brief firm histories. If the entity is a joint venture or partnership, provide the above information for each partner. In the case of multiple firms teaming up to respond to the proposal, identify the lead firm.
[Length guidance: 1-2 pages per firm]

- b) **Key Personnel:** Provide a general description of the proposed staffing plan, including the names and titles of key senior-level staff assigned to lead the Project, their roles and responsibilities, and their resumes.
[Length guidance: 1-2 pages, plus up to 1 page per resume]
- c) **Legal Claims:** Disclose any recent or currently outstanding legal claims against the Offeror or any key personnel, including the source of such claims, their amount, and status.
- d) **Use of Subcontractors:** Identify which services the Offeror has in-house, and which services the Offeror plans to work with another firm to deliver. Provide a list of proposed primary subcontractors (e.g., Architect, Engineer, and General Contractor) and experience of their firms with projects similar in size and scope to the Project. Where possible, provide multiple options or alternative primary subcontractor firms. Identify whether any of the subcontractors are small businesses as determined by the U.S. Small Business Administration.

4.6 Criteria 2 – Development Experience

- a) The Offeror must provide evidence of having successfully undertaken other projects of this type and/or magnitude. Describe the background and experience of the entity and its principals in undertaking utility infrastructure projects of this type and magnitude, including brief descriptions of 3-5 similar completed projects. UK is interested in utility infrastructure projects completed in the last five (5) years. Provide a statement regarding the Owner’s goals and how the Offeror addressed them in the project; and the Offeror’s financial and operational involvement with each such project following completion (or an affiliate’s involvement if the Offeror is not the entity working with such project following completion). This description should additionally include the project financing approach, the cost history of the project in meeting construction budget, operating budget, funding strategy, debt coverage and delivery dates and where they differed from the pre-construction project pro forma. [Length guidance: 1-2 pages per example]
- b) The Offeror should provide a brief statement outlining the experience of the firm, or each of the firms on the Development Team, in working with public institutes of higher education, healthcare, and appropriate local and state government offices.

4.7 Criteria 3 – Financial Capability to Execute the Project

Provide evidence of the Offeror entity’s financial condition and a statement detailing the different methods of financing the Offeror is capable of delivering including, but not limited to, equity, private debt, and other financing options. In this Phase 1 RFP, a statement will suffice; however, short-listed teams will be required to provide additional financial documentation in Phase 2 of this RFP process.

4.8 Criteria 4 – Project Financing Concept(s)

- a) Proposed Financing Structure: Provide a high-level narrative description of the likely proposed financing structure. Specify all assumptions about use of taxable and/or tax-exempt debt, and/or equity; cost of capital; expectation of Offeror’s return on investment; and interim and permanent financing options available. Provide a description of the organizational structure necessary to implement the proposed financing structure.

- b) Alternative Financing Structure(s): Provide a high-level narrative description of any alternative proposed financing structure(s). Specify all assumptions about use of taxable and/or tax-exempt debt, and/or equity; cost of capital; expectation of Offeror’s return on investment; and interim and permanent financing options available. Provide a description of the organizational structure necessary to implement each alternative proposed financing structure and state the benefits and/or disadvantages of the alternative financing structure versus the proposed financing structure.

4.9 Criteria 5 – District Energy System Operations & Maintenance Experience

The university will evaluate various options proposed by Offerors responding to the RFP for maintenance and operations of the utility infrastructure delivered in this Project. The university anticipates that some portion or all of the management and operations responsibilities for the new utility infrastructure delivered in this Project, including the new central plant(s), may be the responsibility of the Developer. The university is interested in a shared O&M model for the new utility infrastructure, with clear delineation of tasks that allow the Developer to add value and expertise and the university to maintain direct

involvement. The university anticipates that management and operations responsibilities for existing campus utility infrastructure will remain the university's responsibility, with a clear demarcation of responsibility to be addressed during contract negotiations.

[Length guidance: up to 1 page per subsection]

- a) Provide a description of previous management arrangements used by the Offeror and the success of each, particularly as it relates to on-campus or publicly owned district energy system facilities serving healthcare, research, and higher education facilities.
- b) Discuss the various options available regarding operations and maintenance.
- c) Provide a statement of the Offeror's preferred operations and management arrangement for this project.
- d) Provide a statement of evidence of the Offeror's utility-specific management experiences with references. Provision of the required references shall constitute the Offeror's consent for the university to initiate contact with the references specifically to discuss services rendered to them by the Offeror.
- e) If intending to contract with a management firm, describe prior joint projects with that firm and include the length of service. All personnel associated with or involved in the management of the project must undergo and pass background checks.

4.10 Criteria 6 - Additional Questions

Respond to the following questions and/or requests for information, referencing your preceding responses as appropriate. [Length guidance: up to 1 page per subsection]

- a) How would you deliver the immediate cooling need on schedule? Please share a narrative description of your approach to ensure timely completion and a conceptual schedule or timeline of key milestone dates as you see them to achieve the schedule needs.
- b) The utility infrastructure project will be underway at the same time as the construction of the Chandler Expansion hospital building. Multiple contractors or builders working on the same project site can create challenges with logistical, safety, access, staging, schedule, liability, and other significant construction site concerns. Specifically, thermal distribution, which may be planned for tunnels excavated alongside the basement level of the hospital building, could present specific challenges if the utility infrastructure developer's contractor is a different entity than the hospital contractor. What is your approach to mitigating those risks?

Please provide any experience addressing similar challenges on prior projects and any creative ideas to consider for this project.

- c) What innovative technologies would you consider for the plant(s) and distribution in order to align with the vision and guiding principles, specifically reliability, efficiency, and timeliness? Provide a description with examples.

- d) While the university does not anticipate that operation and maintenance of the existing utility infrastructure will be included in the core P3 project, the university is interested in initiatives to improve the entire district energy and utility system. Please share your capabilities and creative ideas for increasing efficiency, performance reliability, and resiliency of the campus system, e.g., supply optimization, predictive or preventative maintenance, measurement & verification programs, etc.

- e) Please share any considerations, concerns, or ideas to improve the process outlined Section 2.1. Please include any lessons learned from previous procurements in which your firm has been engaged.

4.11 Criteria 7 – Other Additional Information

Please provide any additional information that the Offeror feels should be considered when evaluating their Proposal. The Offeror may present any creative approaches that might be appropriate. [Length guidance: 1 page summary. The Offeror may also provide supporting documentation that would be pertinent to this RFP as an appendix]

5.0 Evaluation Criteria Process

A committee of university officials appointed by the Chief Procurement Officer will evaluate proposals and make a recommendation to the Chief Procurement Officer. The evaluation will be based upon the information provided in the proposal, additional information requested by the university for clarification, information obtained from references and independent sources and oral presentations (if requested).

The evaluation of responsive proposals shall then be completed by an evaluation team, which will determine the ranking of proposals. Proposals will be evaluated strictly in accordance with the requirements set forth in this solicitation, including any addenda that

are issued. The university will award the contract to the responsible Offeror whose proposal is determined to be the most advantageous to the university, taking into consideration the evaluation factors set forth in this RFP.

The evaluation of proposals will include consideration of responses to the list of criteria in Section 4.1. Offerors must specifically address all criteria in their response. Any deviations or exceptions to the specifications or requirements must be described and justified in a transmittal letter. Failure to list such exceptions or deviations in the transmittal letter may be considered sufficient reason to reject the proposal.

The relative importance of the criteria is defined below:

Primary Criteria

- Offeror Information
- Development Experience
- Financial Capability to Execute the Project
- Project Financing
- District Energy System Operations & Maintenance Experience
- Additional Questions

Secondary Criteria

- Other Additional Information

The university will evaluate proposals as submitted and may not notify Offerors of deficiencies in their responses.

Proposals must contain responses to each of the criteria listed in Section 4.1, even if the Offeror's response cannot satisfy those criteria. A proposal may be rejected if it is conditional or incomplete in the judgment of the university.

Appendix A: University Needs

This document summarizes a high-level understanding of the university’s current need for additional energy infrastructure, which may be included in the core P3 project. UK expects these needs to be further refined through the RFP process based partly on feedback from respondents. UK will provide specific scope and additional technical details (e.g., studies, reports, drawings, etc.) for qualified respondents in Phase 2 of this RFP.

Overview

UK has an extensive thermal and electrical district energy system serving roughly 14.5 million gross square feet (“GSF”). This is expected to grow to over 20 million GSF in the next decade. The new Chandler Expansion project, currently in design, will be a key driver of future energy demand growth. This expansion will add roughly 2 million GSF and significant new thermal and electrical loads to the campus.

Currently, there are five (5) thermal energy plants and three (3) electrical substations.

Key	Name	Nominal Capacity
CP-1	Cooling Plant #1	18,000 tons
CH	Central Heating Plant	200,000 lb/hr
CP-2	Cooling Plant #2	9,000 tons
MC, CP-3	Medical Center Plant (incl. Cooling Plant #3)	150,000 lb/hr, 9,000 tons
CUP, CP-4	Central Utility Plant (incl. Cooling Plant #4)	310,000 lb/hr, 15,000 tons

A 2023 Utility Capacity Study evaluated existing electrical, cooling, and heating systems and identified needs to support UK’s growing campus. A few key findings include:

- In the next decade, demand is forecasted to grow from:
 - 38,000 to 58,000 tons of central chilled water,
 - 410,000 to 530,000 lb/hr (~490,000 – 633,000 MBH) of central steam, and
 - 75MVA to 120MVA of peak electricity.
- The Medical Center Plant has 30-50+ year old equipment and occupies space that could be better utilized for other healthcare needs.

- Accommodating future demand growth and end-of-life equipment, including the Medical Center Plant, will require adding:
 - roughly 40,000 tons of chilled water capacity,
 - roughly 350,000 lb/hr (~418,000 MBH) of steam capacity,
 - significant electrical upgrades and backup capacity.

The following needs are contemplated as part of the core P3 project in this RFP. The final P3 agreement scope may include all or some portion of the projects referenced.

Thermal Energy Generation Needs

Cooling

- 12,000 tons of new cooling capacity for the Chandler Expansion by January 2028
- 9,000 tons of new cooling capacity for the Chandler Expansion by 2031
- 9,000 tons of new cooling capacity for the broader campus by 2032

Heating

- 150,000 MBH of new heating capacity for the Chandler Expansion and broader campus by 2030
- 150,000 MBH of new heating capacity for the Chandler Expansion and broader campus by 2031

Thermal Distribution Needs

- Heating and chilled water distribution to connect distribution in the vicinity of Cooling Plant 1 to south campus needed by January 2026 (~1,900 linear feet)
- Chilled water distribution to connect distribution in the vicinity of Cooling Plant 1 to the north campus system at corner of Huguelet and University Drive needed by January 2027 (~1,000 linear feet).
- Heating & chilled water distribution around Chandler Expansion (tunnel along foundation) needed by January 2028 (~2,300 linear feet). Includes connection to Cancer Treatment Center and Pavilion A tunnel.
- Second heating & chilled water distribution to connect the Chandler Expansion to the south campus for looped feeds needed by January 2028 (~1,200 linear feet)

Enabling Project Needs

- New plant building(s) to house the added thermal energy generation capacity, including the necessary buildings, an electrical duct bank for the plant, backup power, and thermal distribution connecting new building(s) to the campus loop.
- Addition of 15kV switchgear and circuits to Substations 1 and 3 to support new cooling plant by January 2028
- In collaboration with Kentucky Utilities, relocation of existing overhead and underground distribution lines on the Chandler Expansion site by January 2026 (all will be underground).
- Replacement domestic water lines impacted by Chandler Expansion construction (~600 linear feet, 16” line replacing 12” line)

Appendix B: Project Concept Visualization

The following map shows UK's current conceptual plans for new heating and cooling plants and the related distribution. UK welcomes creative input, ideas, and alternative concepts from respondents in line with the criteria outlined in section 2.4 Vision & Guiding Principles of this RFP.

UK expects this concept will be further developed and refined throughout the RFP process based partly on feedback from respondents. The final P3 agreement scope may include all or some portion of the projects referenced in this visual. In Phase 2 of this RFP, UK will provide specific scope and additional technical details (e.g., studies, reports, drawings, etc.) for qualified respondents.

