

TO: All Bidders
Provide Building Operation and Program Management
Services for the University Housing Building
on the Newark Campus
(Proposal # P06-039)

SUBJECT: Addendum #1

DATE: March 13, 2006

1. Following are responses to the questions submitted by Pennrose Management Company at the pre-bid site conference:

(a) Q: What is envisioned with respect to the Universities role or involvement with (*the successful bidder*) as it relates to the building operations to include security, resident life, etc?

A: The University will be responsible for security, residence life, etc. The University may look to the successful bidder for input and advice as the University sees fit.

(b) Q: Page 5 – Section 1.4.9 – HIPAA Compliance - What goods or services are anticipated at this site that would require HIPAA regulations? From reading the Business Associate Agreement, it appears to relate to Protected Health Information (PHI). What types of PHI is contemplated that we would be coming into contact with?

A: There may be occasions when students would have their health records in the building and possibly in view of the Contractor's personnel.

(c) Q: Page 10 – Section 3.1 Appointment and Acceptance - This section indicates that UMDNJ will appoint (*the successful bidder*) as an Independent Contractor. However, it's been our experience that with other student housing initiatives, we act as the Managing Agent on behalf of the owner. We were wondering what the reason was for structuring the appointment with this distinction.

A: The University does not want the successful bidder acting as an agent of the University, hence the role as an independent contractor.

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(d) Q: Page 11 – Section 3.3.5.1 Apartments - If you skip down to Section 3.3.5.1.1 in this section you discuss executing student housing contracts. For clarity purposes, we want to confirm that student housing contracts will be used and we'd like to confirm that UMDNJ will originate and execute these contracts directly with the students. (This assumes they are responsible for room and bed assignments).

A: Student housing contracts will be used and the University will originate and execute these contracts directly with the students.

(e) Q: Page 11 – Sections 3.3.5.1.2/3.3.5.1.3/3.3.5.1.4 - These sections go through the UMDNJ dates for renting the student apartments. We see some concerns with respect to the completion of construction and the beginning of the academic year as it relates to achieving 100% occupancy for the 1st year – there could possibly be beds not filled by UMDNJ students. We would like to address our concerns with renting or filling beds with non-students. (Jean – i.e. lease evictions taking longer and could eat into the academic year, thereby limiting ability to rent to UMDNJ students with next academic year.)

A: At the current time, the University anticipates on-time completion of construction and close to 100% occupancy of the facility by UMDNJ students and residents.

(f) Q: Page 12 – Section 3.3.5.1.5 - This section indicates the UMDNJ will implement the Resident Life Program. What do you envision (*the successful bidder's*) role will be in assisting with the implementation of the Resident Life Program?

A: The successful bidder may be looked to for advice by the University, but the University will be responsible for implementation of the Resident Life Program.

(g) Q: Page 12 – Section 3.3.5.1.7 - With respect to recommending annual rental rates in accordance with the preparation of and approval of an annual operating budget, this section indicates that there would be limitations on increases. Can you provide an explanation on what the limitations would be? Percentage (%) or specific dollar \$ amount, or are there guiding principles to the limiting amounts of increases allowable per year?

A: The University anticipates that it will use the published consumer price index as a basis.

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(h) Q: Page 12 – Section 3.3.5.1.0 - This section addresses replacement furniture, but it does not address being permitted to charge students for missing or damaged furniture. Pennrose would like to have the right to do such. We provide damage sheets at the time of move-in.

A: Bidders shall presume that they may charge students for missing or damaged furniture. Bidders shall be responsible for development and implementation of a furniture assessment plan, which shall include use of damage sheets.

(i) Q: Page 14 – Sections 3.3.7.2/3.3.7.3 - This section discusses enforcing contracts and indicates that we would need to consult with legal counsel selected by UMDNJ. Our concern with this would be in those instances whereby UMDNJ consents to renting to non-students and we would need to initiate the eviction process. We have experienced attorneys on retainer who have a proven track record in working with us in these matters. We would like to have the opportunity (with UMDNJ's approval) to engage them.

A: The University will select and retain legal counsel for enforcement of contracts. The University reserves the right to have the successful bidder retain legal council as a Contingent Additional Service, but only when authorized in writing in advance by the University.

(j) Q: Page 20 – Sections 3.3.2.0 Emergency Response - Does UMDNJ have their own police force and medical emergency team (EMTs) that will respond to any and all emergencies at this building?

A: The University has its own police force that responds to matters of public safety on and around the campus. Fire and medical emergencies in the building will be addressed as if the building were any other building in the City of Newark- that is to say that the University will not provide any special medical or fire response to the building.

(k) Q: General Question - It is our understanding that the school has a postal delivery service. Therefore, can we assume that the school will take responsibility for also ensuring delivery of mail to this building?

A: Bidders shall presume that the University will take responsibility for also ensuring delivery of mail to this building. The University reserves the right to have the successful bidder handle mail and packages as a Contingent Additional Service, but only when authorized in writing in advance by the University.

2. Following are responses to the questions submitted by Meridian Services prior to the pre-bid site conference:

(a) Q: Is the building new, or under renovation?

A: The building is new construction.

(b) Q: Is Prevailing Wage required?

A: "Prevailing Wage," or wages set by the Davis-Bacon Act or similar legislation, affects wages paid to workers of a construction project. Therefore, Prevailing Wage rates do not apply to the work described in the RFP. However, Bidders are solely responsible for compliance with all applicable laws, statutes, and regulations in terms of payments to its employees.

(c) Q: What percentage of the apartment units are estimated to be leased to UMDNJ students?

A: The University anticipates leasing all of the units to University students and residents.

(d) Q: Please clarify information contained in RFP Sections 3.5 and 3.6 on compensation for expenses such as bookkeeping, accounting, and clerical (the two paragraphs appear to be contradictory). If bookkeeping, accounting and clerical services for the Project are provided off-site by employees of the Manager, is the Manager entitled to be reimbursed through the Operating Budget? If so, is the reimbursement billed on an hourly basis based on loaded rates submitted with the proposal?

A: The paragraphs referenced are not contradictory and stand as written.

(e) Q: Please confirm that the Management Company is required to have a NJ Brokers' License, since the Manger will be collecting rents (per New Jersey law).

A: The successful bidder shall have a NJ Brokers' License, since the Manager will be collecting rents (per New Jersey law).

(f) Q: RFP Section 3.3.13.5 refers additional reports which may be required by a "Loan Agreement." Please provide details on what information may be required.

A: Bidders may disregard any reference to requirements for additional reports which may be required by a "Loan Agreement."

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(g) Q: Please confirm that marketing expenses for both the apartments and the retail space will be part of the Operating Budget and paid by UMDNJ.

A: Marketing expenses for both the apartments and the retail space will be part of the Operating Budget and paid by UMDNJ.

(h) Q: What are the projected annual gross proceeds from rental of the apartments and retail space?

A: The University estimates that the approximate amount of annual gross proceeds from rental of the apartments (excluding retail) will be \$4.5 million.

(i) Q: Does UMDNJ desire to have maintenance personnel on site 24/7? If not, are the hours of operations at the discretion of the Manager?

A: The Bidder shall be responsible for providing on-site maintenance personnel on a full time basis (24 hours a day/7 days per week/365 days per year).

(j) Q: Will UMDNJ provide security services at the subject Building?

A: The University shall be responsible for providing a Security Officer at the main lobby on a full time basis (24 hours a day/7 days per week/365 days per year).

3. Following are responses to the questions asked but not answered at the pre-bid site conference:

(a) Q: What are the anticipated demographics of the renters?

A: The marketing analysis report, prepared by Scion, will be released to the successful bidder.

(b) Q: Can schematic floor plans of the housing floors be provided?

A: Floor Plans and dwelling unit information are provided as part of this Addendum.

© Q: There seem to be conflicts in intent as described in paragraphs 3.3.5.1.4 and 3.3.5.1.5?

A: The University will be executing leases with lessees. Bidders shall disregard any reference that requires the bidder to lease residential space.

Attachments: Floor Plans and Dwelling Unit Information

END OF ADDENDUM #1

