

THE OHIO STATE UNIVERSITY



The Ohio State University Comprehensive Energy Management Opportunity

Request for Concessionaire Qualifications

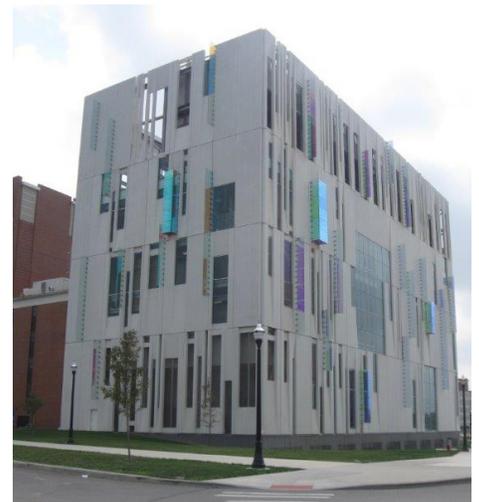


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Section 1: Executive Summary

Introduction

To strengthen its sustainability efforts, The Ohio State University (“Ohio State”) is considering an innovative energy strategy that also could provide new resources for its academic mission by providing an opportunity to manage its energy systems (the “Opportunity”). Consequently, Ohio State invites interested parties to respond to this Request for Qualifications (“RFQ”) with respect to the Opportunity. The Opportunity encompasses a contemplated 50-year concession and lease (the “Concession Agreement” or “Concession”) consisting of four major components: (1) the operation and maintenance of the Utility System (as defined herein); (2) procurement of the energy supply for Ohio State’s primary campus located in Columbus, Ohio (the “Columbus Campus”); (3) implementation to achieve energy savings goals for the Columbus Campus, which could include for example energy conservation measures (“ECM”); and (4) the development of an affinity relationship with Ohio State and its stakeholders.

This RFQ allows prospective proposers or proposing groups (“Teams”) to formally express their interest in the Opportunity and provide a Statement of Qualifications (“SOQ”) that provides information to Ohio State sufficient for it to determine the capabilities of the Team. Teams can express interest in all or a portion of the Opportunity, except Ohio State will not consider SOQs that propose to operate and maintain only a portion of the Utility System. This RFQ presents the Opportunity as if Teams will express interest in the entire Opportunity; as such, if a Team only wishes to express interest in a portion of the Opportunity, it should ignore those portions of the RFQ that address the portions of the Opportunity on which it will not be expressing an interest. Ohio State will use the responses to identify qualified teams (“Qualified Proposers”) which will be invited to participate further in the proposal process. In the Indication Stage (“RFI”), Qualified Proposers will receive access to a Confidential Information Memorandum (“CIM”), financial model for the Concession (“Financial Model”), and technical report on Ohio State’s energy delivery system (“Technical Report”), and they will then be asked to submit an indicative, non-binding proposal which will include a proposed valuation as well as any other additional opportunities that such Qualified Proposer believes would be beneficial to Ohio State to include in the Concession. From these indicative proposals, Ohio State will short-list certain Teams (“Final Proposers”) who will then receive a formal Request for Proposals (“RFP”) to solicit final and binding proposals for the Opportunity.

Ohio State has engaged Barclays Capital Inc. (“Barclays”) as its exclusive financial advisor to assist in the transaction process, Jones Day (“Jones Day”) and Ice Miller LLP (“Ice Miller”) as joint legal counsel, and Burns & McDonnell (“B&M”) as technical advisor. Parties interested in responding to this RFQ should submit an SOQ to Barclays by April 6, 2015 according to the instructions provided in Section 7 herein.

The Opportunity

Ohio State is committed to improving its infrastructure for the benefit of all of its community stakeholders and is seeking an innovative partnership to do so under the Concession Agreement. In addition, Ohio State is seeking to realize value through a substantial up-front payment and to achieve energy savings goals. The private sector partner (“Concessionaire”) will bring operational, technical, and financial expertise and create value for Ohio State and its stakeholders over time and will receive a return on its investment during the term of the Concession Agreement through the rate setting mechanisms prescribed in the Concession Agreement.

Below is a brief summary of the components of the Opportunity and the activities associated therewith.

1. Utility System

- Operate and maintain electric, steam, gas, heating, cooling, and associated central (production and distribution) assets serving the Columbus Campus (“Utility System”).
- Make capital investments to the Utility System to maintain and expand it as Ohio State evolves.

2. Energy Supply

- Directly supply Ohio State’s Columbus Campus with energy sufficient to meet its current and future requirements.
- Operate and maintain the electricity and natural gas supply contracts associated with the Utility System, including the logistics of purchasing and delivering fuel and/or onsite generation.

3. Energy Savings Goals

- Achieve and maintain Ohio State’s energy savings goals over the term of the Concession.
- The manner in which the reduction in Ohio State’s energy utilization index is achieved is subject to the Concessionaire’s discretion, and such measures may include providing design and construction services to identify and implement competitive and creative energy conservation measures that will maximize efficiency, minimize consumption, and result in a significant long-term reduction of the electric, natural gas, and water needs in Ohio State-owned facilities.

4. Affinity Relationship

- Establish an affinity relationship between the Concessionaire and Ohio State that benefits Ohio State, its students, faculty, and all public and private stakeholders. Initiatives could include, but are not limited to, research collaboration with faculty, scholarships and internships for students, and integrated co-branded energy marketing opportunities.

Overview of The Ohio State University and Columbus

Ohio State is one of 13 state-supported universities in Ohio. The Columbus Campus, Ohio State's primary campus, is located in the City of Columbus on a 1,904-acre site. The Columbus Campus is one of the largest individual campuses of any university or college in the United States in terms of both total enrollment and full-time equivalent ("FTE") enrollment. With approximately 58,000 students and more than 30,000 employees, the Columbus Campus supports approximately 87,000 people on a daily basis, excluding visitors. Ohio State's facilities consist of approximately 411 buildings (approximately 24 million square feet) and include intra-building systems. In addition to the Columbus Campus, Ohio State has four regional campuses. These smaller campuses, located in Lima, Mansfield, Marion, and Newark, make Ohio State accessible to a broad range of Ohioans, providing them the Ohio State experience in a student-centered environment focused on the liberal arts. The Ohio Agricultural Research and Development Center ("OARDC") in Wooster, Ohio, is the research arm of Ohio State's College of Food, Agricultural and Environmental Sciences ("CFAES"). Ohio State is a research-intensive university with a commitment to energy research as demonstrated by its "Energy and Environment" *Discovery Themes* initiative.

Columbus, Ohio is a growing metropolis with a population of over 1.9 million. Columbus is the capital of Ohio and is a major metropolitan area with strong ties to government and business. Limited Brands, Abercrombie & Fitch, American Electric Power, Battelle, Cardinal Health, Greif, Nationwide Insurance, and Wendy's International are among the many corporations headquartered in Columbus and the surrounding areas.

Statement of Authority

Ohio State derives its authority from Ohio law and University policies to enter into an Agreement or series of Agreements with a Concessionaire. Ohio statute provides Ohio State's Board of Trustees (the "Board") the power to contract on behalf of Ohio State. Ohio Revised Code ("ORC") § 3335.03. Pursuant to university rule 3335-1-03 and Board Resolution No. 99-141, the Board vests this authority in the President and the Senior Vice President for Business & Finance. Ohio statute also provides Ohio State the authority to enter into a long term lease of real property comprising the Opportunity, regardless of the length of the term of such lease. ORC § 3345.12. If a successful proposer fulfills its ECM obligations through the construction of facilities and/or improvements to existing Ohio State facilities, which construction projects are deemed "public improvements" under statute, then Ohio State intends that this RFQ and the subsequent RFI and RFP documents and materials will fulfill the requirements of ORC Chapter 153 which governs the award of contracts for the construction of "public improvements".

Section 2: Key Investment Highlights

The Opportunity will provide the Concessionaire the ability to invest in a high-quality, well-maintained energy delivery system that provides a steady cash flow and offers attractive growth opportunities, while giving the Concessionaire the chance to partner with a well-respected research institution in developing creative and sustainable energy solutions. Ohio State is committed to the process of partnering with private third parties to deliver high-quality services to its stakeholders and has proven execution ability. Below is a brief discussion of some of the highlights of the Opportunity that are likely to be relevant to Teams in evaluating the Opportunity and making their proposals.

Stable and Growing Long-Term Cash Flow Profile

- The Opportunity is expected to provide a long-term, predictable cash flow via the anticipated 50-year Concession with Ohio State.
- Ohio State's history of stability and steady growth highlight attractive opportunities for long-term focused investors.
- A favorable compensation structure will allow the Concessionaire to earn an attractive return given the risk profile (see Section 4 for a description of rate setting mechanisms being considered for the Concession Agreement).

Attractive Growth Opportunities

- Compound annual growth rates ("CAGR") of consumption from 2004–2014 have been approximately 2.6%, 2.6%, and 17.1% for electricity, steam, and chilled water, respectively.
- Future consumption growth in the Utility System, based on Ohio State's most recent Master Plan, is expected to be 2.2%, 2.3%, and 10.0% annually for the next 10 years for electricity, steam, and chilled water, respectively.
- Major growth drivers over the next 10 years include three new facilities which are currently under construction or are planned: Health Sciences District, Student Housing and the Athletics District.
- Beyond the near-term growth plans described above, robust long-term growth plans include the construction of several significant facilities associated with long-term growth initiatives such as the Arts District, Discovery Themes, the St. John Parcel, and the Western Lands, among others.
- Ohio State's research and medical facilities have been, and will continue to be, drivers of energy use, with planned expansions increasing future demand.

High-Quality and Well-Maintained Utility System

- Ohio State has invested nearly \$340 million since 2004 to upgrade the Utility System, as described in Figure 6, with an additional \$31 million currently allocated to projects under construction.
- Ohio State anticipates approximately \$600 million of capital expenditures over the Concession term of which approximately \$90 million is expected to be invested over the next 10 years.
- Ohio State currently has in place an experienced and highly qualified management team that oversees the operation and maintenance of the Utility System.

High Barriers to Entry and Limited Competition

- The Concessionaire will have the opportunity to take over an existing Utility System.
- The Concessionaire is contemplated to be the exclusive provider of essential services for Ohio State with a growing need for critical utility services.
- Ohio State is one of the largest electricity customers in the state of Ohio.

Unique Opportunity for Close Relationship with a Marquee University

- Investors will benefit from partnership with one of the largest US research universities in a marquee partnership. To facilitate that partnership, the Concessionaire will establish an affinity program that will enable cooperation between the Concessionaire and Ohio State's stakeholders to support targeted initiatives and other programs that would benefit Ohio State and Concessionaire, such as an integrated co-branded energy marketing plan, research collaboration with faculty, and student enrichment via scholarships and/or internships.

Additional Opportunities for Investment

- Beyond the specific Opportunity provided for herein, Ohio State will consider further proposals provided by Teams in their Indicative Proposals (as defined herein) regarding a variety of related projects, including, but not limited to:
 - An opportunity to provide similar services for Ohio State's regional campuses, OARDC and Agricultural Technical Institute.
 - An opportunity to include the in-building equipment related to the Utility System in the Concession.

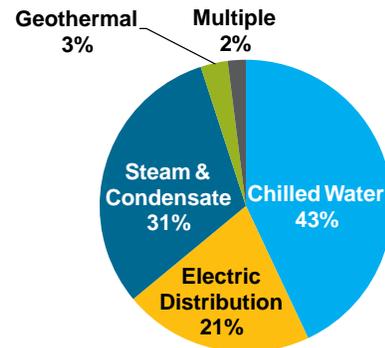
Section 3: System Overview and Growth Opportunities

System Overview

The Opportunity includes the long-term lease of the assets comprising the Utility System listed below, such that the Concessionaire will operate and maintain the Utility System, as well as the procurement and management of the electricity and natural gas supplied to the Utility System:

- Electric Supply Management and Distribution System
- Chilled Water System
- Steam and Condensate System
- Natural Gas Supply Management and Distribution System
- Geothermal System

Figure 1. Breakdown of Existing Book Value
Book Value as of June 2014



Electric Supply Management and Distribution System

Electricity is currently supplied by short-term contracts procured and managed by Ohio State that are set to expire in 2017, except for a 20-year power purchase agreement with the Blue Creek Wind Farm that Ohio State signed in 2012 for up to 50 MW of electricity. Ohio State produced electricity at the McCracken Power Plant (“McCracken”) until 2003. McCracken now provides only steam, hot water, and chilled water for campus consumption, and no longer has power generation capabilities.

The Columbus Campus has an extensive electric distribution system consisting of high-voltage substations, medium-voltage substations, medium-voltage distribution facilities, power plant support equipment, and diesel generators. The Ohio State electric distribution system starts with the delivery of energy to two high-voltage substations, which is then distributed throughout Ohio State by medium-voltage systems. American Electric Power serves the two high-voltage substations.

In FY2014, Ohio State’s total electrical consumption was 589,977 MWh, and Figure 2 shows the electric load for the last ten years and the expected use in FY2015.

Chilled Water System

Chilled water to the Columbus Campus is either supplied locally or from three operating centralized chilled water generating facilities that are currently existing or are soon to be complete – McCracken, the South Campus Central Chiller Plant (“SCCCP”), and the East Regional Chilled Water Plant (“ERCWP”). All of the facilities are owned by Ohio State.

There are many buildings on the Columbus Campus served by local chilled water assets that are nearing the end of their useful lives. With the recent addition of the SCCC and the ERCWP, there will be capacity to connect those buildings, as well as provide capacity for the long-term future building growth by connecting chilled water load on the more efficient centralized system.

The centralized campus chilled water load is anticipated to grow significantly in the next 10 years and beyond, as a result of the addition of these existing buildings to the centralized system and the construction of new buildings that will be interconnected with the centralized system.

In FY2014, Ohio State’s total chilled water consumption was 57,206,833 ton-hrs, of which 913,833 ton-hrs came from Ohio State’s geothermal plants. Figure 3 shows the chilled water load for the last ten years and the expected use in FY2015.

Steam and Condensate System

Steam is currently produced for the Columbus Campus from five dual fuel (natural gas and #2 oil) steam boilers within McCracken with a sixth under construction that is expected to be installed in March 2015. Steam is distributed throughout the campus through the utility tunnel system. The building-side connections and equipment, consisting of a pressure regulating valve station and local heat exchangers to produce heating water or domestic hot water for the building, are owned and operated by the building and thus not part of the Utility System.

Condensate is returned in a parallel path to the steam distribution. Generally, the buildings connected to the steam system own and operate a condensate return pump, commonly steam-powered, to provide the necessary pressure to return the condensate back to McCracken.

In FY2014, Ohio State's total steam and condensate consumption was 1,802,093 klbs, of which 218,418 klbs were non-revenue generating. Figure 4 shows the steam load for the last ten years and the expected use in FY2015.

Natural Gas Supply Management and Distribution System

Natural gas is supplied to McCracken pursuant to a supply contract through June 2016 with DTE Energy and Columbia Gas local distribution network. This feed currently provides 700,000 CFH of capacity with a plan to upgrade the feed to provide 975,000 CFH of capacity by summer 2015. Ohio State is also served by 11 master meter natural gas distribution systems supplied by Columbia Gas. These systems provide gas service to 160 buildings through 16.5 miles of pipeline. Figure 5 shows the natural gas load for the last ten years and the expected use in 2015.

Geothermal System

The system is capable of providing 2,400 tons of cooling and 26,000 MBH of heating to the surrounding residence halls. Ohio State has four geothermal well fields. All of the wells are a closed water system. There are 72 wells at the 4-H building that supply heating and cooling water to that facility. There are 50 wells at 500 feet deep north of the Residence on 10th and south of the 11th avenue garage. That well field supplies water for heating and cooling for the Residence on 10th facility. There are 146 wells at the Hale Lot and 265 wells in the south oval, all at 550 feet deep that supply heating and cooling water for Smith-Steeb, Park-Stradley, and Siebert halls, and heating water for Baker, Bradley, Paterson, Mack, and Canfield Halls and Kennedy Commons.

Near-Term Attractive Growth and Investment Opportunities

Health Sciences District

The Medical District is one of the fastest-growing areas on the Columbus Campus. In 2012, Ohio State built the SCCCPC primarily to serve this area. Several new buildings are expected to be built in the area over the next 10 years, which will be connected to the steam system served from McCracken and the chilled water system served from SCCCPC. In addition to new buildings being built in this area, several existing buildings will also be connected to the chilled water system. The Cancer and Critical Care Tower, which opened in December 2014 in the Medical District, is a 1.1 million square foot hospital, which adds a projected peak chilled water load of 5,300 tons.

Student Housing

The North Residential District, located along Lane Avenue and High Street, is currently under construction. This area is projected to add almost 1.3 million square feet of mixed use space including residence halls, dining, recreation, and office space. The load from the new buildings constructed as part of the North Residential District is expected to be connected to the new ERCWP in 2015 and will add a peak chilled water load of approximately 2,300 tons at full build out in 2017.

Cogeneration Opportunity

The results of a life-cycle cost analysis for the installation of a combined heat and power facility at Ohio State suggest a gas-fired Combined Heat and Power System ("CHP") with a heat recovery steam generator, sized to match Ohio State's electric and steam profiles, show the potential for a strong annual savings based on current rates and loads. Ohio State continues to evaluate CHP options, and a CHP solution could be included as part of the Concession as a means for Ohio State to achieve its targeted reduction in energy savings goals.

Athletics District

The Athletics District, defined by Ackerman Road, Olentangy River Road, Lane Avenue, and State Route 315, is also a significant potential driver for growth. In addition to near-term plans for development of the sites south of Ackerman for Ohio State's new Multi-Sport Arena and Sports Medicine Facility, future expansion opportunities have also been identified for the district, such as the replacement of athletics facilities currently located on the St. John Arena parcel, the creation of additional practice facilities, and the development along the Ackerman Road edge.

Future Expansion Possibilities

In 2010, Ohio State established a robust framework to guide its evolution over time (the "Framework"), ensuring that the academic mission drives the physical environment. The Framework covers the full spectrum of Ohio State activities and includes four rapidly developing initiatives, which are aligned with Ohio State's 10-year capital plan.

Arts District

In an effort to create a vibrant Arts District in the heart of the Columbus Campus, the Department of Theatre will be relocated into new facilities in the 15th and High Street corridor. The School of Music will be renovated and expanded, and a number of existing public spaces and facilities will be renovated or rebuilt. The Arts District will provide a crucial connection, linking Ohio State and the thriving arts scene in downtown Columbus.

Discovery Themes

Ohio State's three signature Discovery Themes of Health and Wellness, Energy and Environment, and Food Production and Security leverage Ohio State's special strengths to spur transformational solutions to issues critical to Ohio and the world. Beginning in 2015, Ohio State is renovating two historic Columbus campus buildings and developing cutting-edge new facilities to support its Discovery Themes initiative.

St. John Parcel

The area currently occupied by St. John Arena and other athletics facilities on Lane Avenue will be transformed into a vibrant hub of academic programming. Existing athletics facilities will be relocated and certain currently existing buildings will be demolished, and the parcel – located at a critical front door of Ohio State – will function as a living/learning laboratory.

Western Lands

The Western Lands extend north of Kinnear Road, west of State Route 315, south of Ackerman Road (extended), and east of North Star Road. The area currently houses unique and unrelated uses, including the Science and Technology Campus Corporation ("SciTech"), the Martha Morehouse Medical Plaza, the Waterman Agricultural and Natural Resource Laboratory, the Fred Beekman Park, significant remote parking lots, and a number of other miscellaneous office, research and service facilities. The Framework Plan highlights the ability to add up to 4.5 million gross square feet in this area.

Historical Utility Data

Figure 2. Historical Electric Load

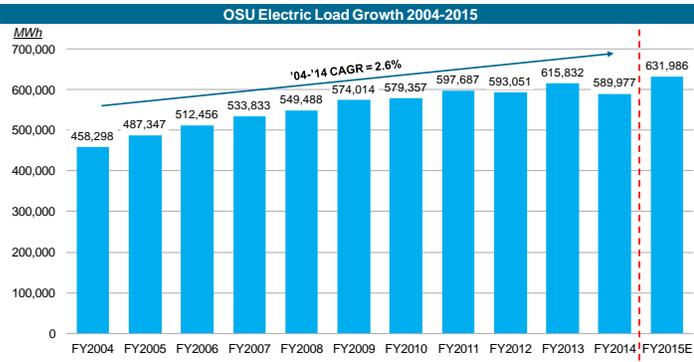


Figure 3. Historical Chilled Water Load

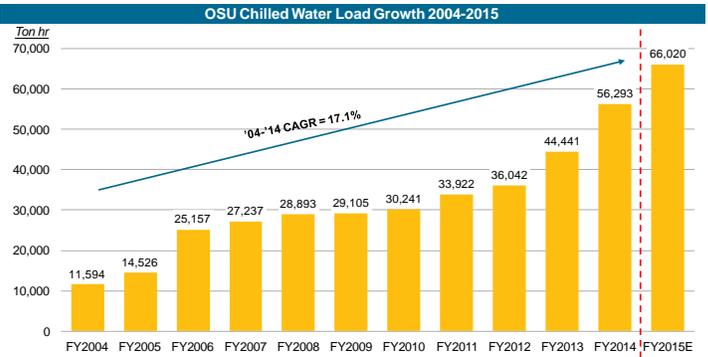


Figure 4. Historical Steam Load

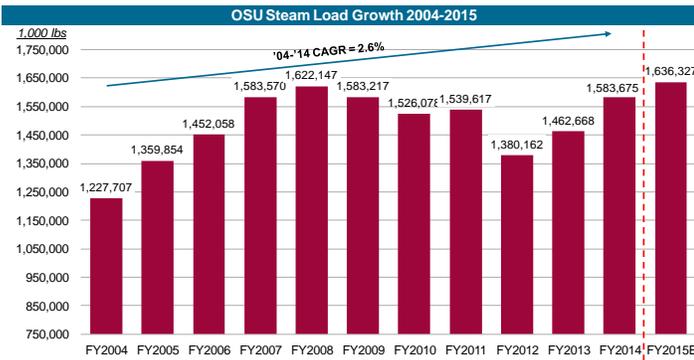


Figure 5. Natural Gas Load

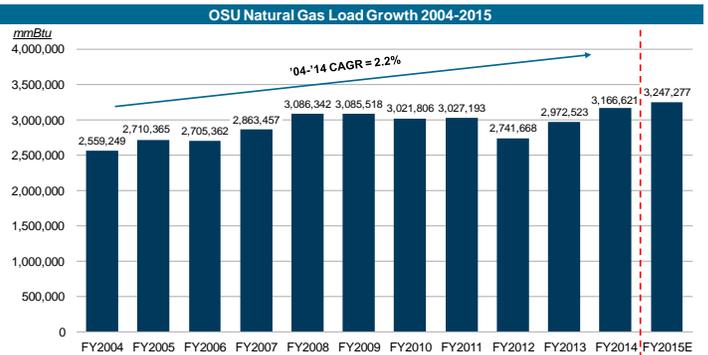
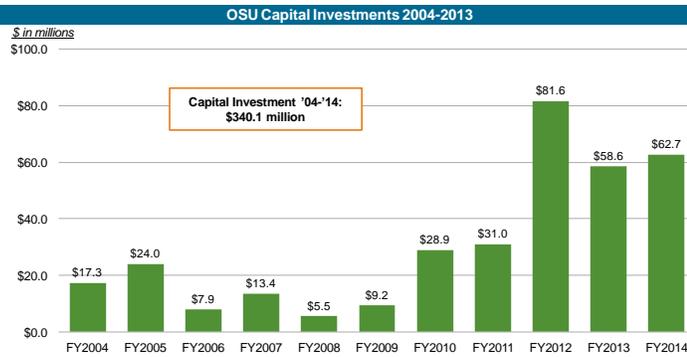


Figure 6. Historical Capex



Section 4: Rate Setting Mechanism & Energy Saving Measures/ECM

One of Ohio State's objectives is to achieve cost-effective, reliable and consistent service by granting the Concessionaire the operation and maintenance of the Utility System. Ohio State plans to deliver an attractive risk/return proposition to the Concessionaire while balancing the needs of Ohio State, including its targeted energy savings goals. Ohio State has contemplated the following compensation structures for the Concessionaire and is open to feedback and suggestions, including the proposal of a rate structure different from those suggested below. In addition, the Concession will include a mechanism by which the Concessionaire would, in consultation with Ohio State, institute certain energy saving measures, including ECMs.

Investment Model Structure

The investment model rate structure would be similar to the regulatory rate structures governing some utilities and adopted in some states including Alabama and Georgia. Allowed return on equity would be set within an agreed-upon range with the potential for the Concessionaire to earn additional revenue through adders and performance incentives (e.g., level of service, effective energy savings measures, etc.).

Fixed Rate Structure

Another possible rate structure is a fixed rate structure whereby Ohio State and the Concessionaire agree to a fixed service charge subject to periodic rate increases over the term of the Concession. The fixed rates would generate revenue to the Concessionaire sufficient to cover operating and capital costs to maintain the Utility System and provide a return on invested capital.

Cost of Service Structure

A third possible rate structure is a cost of service structure, which is analogous to utility-style rate making. The Concessionaire would earn a fixed return on invested capital under an allowed capital structure. Incremental capital investments would be added to the "rate base" and depreciated accordingly. Ohio State would appoint a person or persons to hear, negotiate, and approve periodic rate changes to the Concession.

Hybrid Structure

A fourth possible rate structure could incorporate elements from one or more of the structures above, where rates would escalate at a fixed rate for the first period of the Concession (e.g., 5 to 10 years of the total 50-year concession) and then be subject to adjustment based on additional capital investments thereafter, likely utilizing the cost of service or investment model structure.

Energy Saving Measures/ECM

As part of the Concession, Ohio State will establish, and reflect in any rate structure, a program that appropriately incentivizes the Concessionaire to achieve targeted energy benchmarks, while also providing an attractive return to the Concessionaire. Through such programs, Ohio State will seek to keep rates low, become more environmentally friendly, and reduce its carbon footprint.

To achieve the targeted energy benchmarks, the Concessionaire may, though it is not required to, propose ECMs which may or may not include public improvements subject to a public-selection process. Additionally, the Concessionaire may propose ECMs inside buildings or facilities on campus.

The form of the contract for any ECM provided will be based upon the ultimate structure of the Concession. Any such contract would be required to comply with the provisions of ORC §153, which governs University contracting for public improvements, and/or ORC § 3345.65 which governs performance contracting for ECM projects by Universities (a "Performance Contracting ECM").

To the extent a Performance Contracting ECM is initiated, each such ECM would include the two primary stages identified below, but may also include additional stages as appropriate to facilitate completion of the ECMs.

Stage I may involve the Concessionaire providing an investment-grade energy audit of the facilities covered by such phase ("Energy Audit Report") as further described in this and the following paragraph. The Energy Audit Report would contain an analysis and recommendation pertaining to the implementation of ECMs, operating cost savings, and avoided capital costs. The Energy Audit Report shall include estimates of all costs of ECMs, including the costs of design, engineering, installation, maintenance, repairs, and applicable financial analysis.

Performance Contracting ECMs must result in a guaranteed minimum energy savings linked to actual documented energy and cost reductions. The savings achieved by these ECMs must be sufficient to cover all implementation costs including financing, maintenance, and monitoring fees on an annual basis for the duration of the Concession's term.

The Energy Audit Report shall also establish an energy baseline utilizing a measurement methodology agreed upon by Ohio State and the Concessionaire and include a mutually agreed-upon detailed plan, to verify the savings resulting from each mutually selected ECM. A proposed measurement and verification methodology will be agreed upon prior to execution of the Energy Audit. The final measurement and verification methodology must be agreed upon prior to Ohio State's decision to proceed with Stage II and prior to the implementation of any selected ECMs.

Stage II will cover the agreed-upon design and implementation of the ECMs and associated measurement and verification by the Concessionaire. The contract may require the Concessionaire to guarantee that the savings in any year will equal or exceed Ohio State's installment payments during that year.

All ECMs must comply with all Ohio State design and construction standards, including, but not limited to, Ohio State's Green Build Policy and Building Design Standards. Ohio State will reserve the right to accept or reject deviations from its Green Build Policy and Building Design Standards.

Section 5: Selection Process

Ohio State will conduct qualifying, indicative, and final proposing stages in order to ensure that it receives the highest and best offer. An outline of the anticipated process is provided below.

- **Qualifying Stage (RFQ)** – Initiates with the release of this RFQ and concludes with the selection of Qualified Proposers.
 - In response to this RFQ, proposers should express their interest in the Opportunity or any part thereof (except that proposers may not express an interest in operating and maintaining only a portion of the Utility System) and submit an SOQ pursuant to the terms of Section 6 and Section 7.
 - Ohio State, in conjunction with its advisors, intends to hold a web-based and in-person introduction to the transaction opportunity to introduce the objectives and intended structure of the transaction and give interested parties a more detailed description of the selection process.
 - Prospective proposers should review the RFQ submission requirements in Section 6 and Section 7 below in preparing their SOQ and consider any necessary teaming arrangements to meet obligations under the Concession Agreement.
 - Each proposing Team should submit joint SOQ responses including all required Team members.
 - Of the respondents, Ohio State will, based on the evaluation described in Section 6 and using the submission provided pursuant to Section 7, select Qualified Proposers to continue with the selection process. Qualified Proposers will be required to sign a Confidentiality Agreement (“CA”) as a condition to participating in the following stages.
- **Indication Stage (RFI)** – Initiates with notification to Qualified Proposers that they are Qualified Proposers and concludes with the submission and evaluation of an indicative valuation and work plan (“Indicative Proposal”).
 - Following the execution of a CA, Qualified Proposers will be provided the CIM, Financial Model, Concession Agreement Term Sheet, and Technical Report for their initial review.
 - After a review of the information provided in the CIM, Financial Model, Concession Agreement Term Sheet, and Technical Report, Qualified Proposers will submit an Indicative Proposal which will include indicative valuation and proposed work plan for the Concession, as well as any additional opportunities such Qualified Proposer believes would be beneficial to Ohio State to include in the Concession. The Indicative Proposal will be non-binding and for information purposes only.
 - Ohio State will evaluate each responding Qualified Proposer on the basis of that firm’s SOQ, Indicative Proposal and experience of the particular individuals identified as the candidate’s proposed team for the Concession. Ohio State may hold discussions with individual firms to explore further their qualifications, the scope and nature of the services they would provide, and the various technical approaches they may take regarding the Concession. After evaluating the responses to the RFI, Ohio State will select a short list of candidates that it considers to be the most qualified to be the Final Proposers.
- **Proposing Final Stage (RFP)** – Initiates with notification of the Final Proposers that they are Final Proposers and concludes with the submission of final, committed technical and financial proposals (“Proposals”).
 - Final Proposers will be provided the opportunity to hold management meetings with Ohio State and conduct on-site due diligence visits.
 - During the final proposing stage, Final Proposers will complete due diligence on the Utility System and finalize all commercial arrangements in their Team structure.
 - Ohio State will invite Final Proposers to submit comments on the key deal elements and documentation for Ohio State’s consideration and Ohio State will issue a single, conformed set of documents for the final proposal, upon which the Final Proposers will base their final proposals.
 - Final proposals must be irrevocable and provide for a complete technical and financial solution, including the up-front payment component of the transaction structure, and the Final Proposers must provide proposal security, in the form of cash or letter of credit or both, in the amount of 10% of the expected concession value.
 - Ohio State will select the preferred proposer (“Preferred Proposer”) after receiving the final proposals, provided that Ohio State retains the right to request a best and final offer from the Final Proposer making the highest bid among the Final Proposals and any Final Proposers that are within 10% of such offer.
- **Committed Stage (Post-Proposal)** – Initiates with the selection of the Preferred Proposer and concludes with financial close (“Financial Close”).
 - Ohio State and the Preferred Proposer will finalize all documentation and negotiate final details regarding the transaction, which documentation will be substantially in the form provided to the Final Proposers before their final proposal. Ohio State intends to

sign the Concession Agreement concurrently with any related financing documents. Ohio State and the Preferred Proposer will work to achieve an expedited Financial Close date which minimizes the time period during this transaction stage.

Ohio State reserves the right to modify or terminate the selection process at any time if Ohio State determines such action to be in its best interests. The receipt of proposals or other documents at any stage of either the RFQ or the selection or transaction process will in no way obligate Ohio State to enter into any contract of any kind with any party.

Ohio State expects RFQ responses by April 6, 2015 and hopes to select a Preferred Proposer by the end of 2015.

Section 6: RFQ Evaluation Criteria

This RFQ is open to prospective proposers capable of performing all or a part of the Concession, which performance requires, among other things, the demonstrated capabilities below. Upon receipt, all RFQ submissions will be reviewed for completeness and responsiveness in accordance with the submission requirements described in Section 7 in order to determine if the submitting Team will move on to the next step of the selection process.

Ohio State, along with its advisors, will assess each Team's qualifications in the areas of (1) operational and management capability and (2) financial capability. Ohio State, via Barclays, must consent to any changes in the composition of a Team if the Team is comprised of more than one entity (e.g., joint venture, partnership, etc.). Ohio State reserves absolute discretion in the selection of the Qualified Proposers through the submissions under this RFQ and throughout the transaction process.

Statement of Intent

The ability to meet or exceed existing services while ensuring the safety and security of Ohio State's students, faculty, staff, and visitors is of paramount importance in the selection of a Concessionaire for the System.

The following sections provide a high level overview of the scope of technical and financial capabilities which should be addressed in the SOQ, whose form and substance is detailed in Section 7.

Operational and Management Capability

The evaluation of operational and management capabilities will consider the following areas of expertise:

1. Operational and maintenance experience
2. Reliability and customer service
3. Safety and security
4. Ability to achieve the targeted reduction in Ohio State's energy utilization index by means of ECMs or otherwise

Financial Capability

The evaluation of financial capabilities will address whether the RFQ submission adequately responds to the financial capability requirements of the Concession with respect to the following areas:

1. Ability to undertake required capital expenditures
2. Financial capacity to fund up-front payment to Ohio State and maintain and improve the Utility System throughout the term of the Concession Agreement
3. Ability to raise appropriate financing
4. Credit quality to ensure the payment of any obligations, including, but not limited to, obligations under the Concession Agreement to purchase the necessary energy supply
5. Commitment to submit a competitive up-front payment

ECM Evaluation

The ECM component of the RFQ will be evaluated pursuant to ORC requirements as outlined below:

1. Design-build firm's competence to perform the required design-build services as indicated by the technical training, education, and experience of the design-build firm's personnel and key consultants, especially the technical training, education, and experience of the employees and consultants of the design-build firm who would be assigned to perform the services, including the proposed architect, engineer, and landscape architect of record – 75 pts
2. Ability of the firm in terms of its workload and the availability of qualified personnel, equipment, and facilities to perform the required professional design services or design-build services competently and expeditiously – 30 pts
3. Past performance of the firm as reflected by the evaluation of previous clients with respect to such factors as control of costs, quality of work, dispute resolution, administration of subcontractors, and meeting deadlines and the past performance of the design-build firm's proposed architect or engineer of record; – 20 pts
4. The use of a licensed design professional for all design services – 25 pts
5. Financial responsibility including evidence of the capability to provide the required surety bond – 100 pts

6. History of performance with meeting goals of any diversity and inclusion programs required by a public authority or by applicable law, and compliance with applicable affirmative action programs. For public improvement projects subject to section 9.47 of the ORC, a valid certificate of compliance shall be submitted – 25 pts
7. Other qualifications that are consistent with the scope and needs of the project including, but not limited to, knowledge of the local area and working relationships with local subcontractors and suppliers – 25 pts

Similarly, the ECM section of the RFP will be assessed pursuant to established ORC requirements which necessitates pricing and technical proposals be submitted with a correlating evaluation criteria including; however not limited to: Design Service Fees, Pre-Construction Fees, Design Build Service Fees, General Conditions, and Contingencies; subject to refinement to address information obtained through the RFQ & RFI phases.

Section 7: RFQ Submission Instructions and Next Steps

Below is a detailed description of the steps required to submit an SOQ in response to this RFQ and the components of such submission. Any failure to follow the directions set forth in this Section 7 could result in the submitting Team being disqualified from participating in the proposal process for the Concession.

Notice of Intention to Respond

Teams that anticipate responding to this RFQ should indicate their intention as soon as possible by providing the Team's contact information via email to the people listed below. All questions or requests for information regarding this RFQ should be directed only to Barclays via email to all of the contacts listed below. These questions or requests must be received no later than 5pm Eastern Time on March 30, 2015. DO NOT contact any employees of Ohio State or any of their vendors or advisors.

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In Person Management Meetings

In an effort to give Teams an opportunity to learn more about the Opportunity, two in person sessions will be held, one in New York on March 6, 2015, and one in Columbus, Ohio on March 13, 2015. During these sessions, Ohio State management will deliver a short presentation outlining the Opportunity and allow Teams to ask questions. All Teams are invited to attend, but attendance at a session is not required as part of the RFQ process.

No Liability for Costs

Ohio State and its advisors are not responsible for costs or damages incurred by Teams, subcontractors, or other interested parties in connection with the solicitation process, including, but not limited to, costs associated with preparing responses, qualifications, and proposals, and participating in any conferences, oral presentations, or negotiations.

Modification, Termination, and Rejection Rights

Ohio State reserves the right (1) to modify or terminate this solicitation at any time for any reason, (2) to reject any or all proposals, and (3) to waive minor, technical defects in any Team's SOQ. The receipt of proposals or other documents at any stage of either the RFQ or the selection or transaction process will in no way obligate Ohio State to enter into any contract of any kind with any party.

Detailed RFQ Instructions

All RFQ submissions should follow the format outlined below:

1. Cover Page (to include identification of all Team Members)
2. Cover Letter (two pages maximum)
3. Table of Contents
4. Executive Summary (optional)
5. Team Information
 - a. **Description of Team:** Provide a description of the Team, including a description of all Team members and the anticipated legal relationship (e.g., governance and capital structure) among the Team Members (e.g., partners, shareholders, client-consultants, subcontractors) as appropriate. All equity investors should be identified.
 - b. **Opportunity:** Provide a description of the portion of the Opportunity in which the Team is interested, or if the Team is interested in the entire Opportunity, indicate such interest.
 - c. **Roles of Team Members and identification of key personnel:** Briefly outline the roles of the Team Members and key personnel of each Team Member.
 - d. **Operator:** Identify the entity or entities that will act as operator of the Utility System under the proposed Concession and their relationship to the Team (e.g., contractor, partner, etc.). Provide details on their experiences with operating and maintaining assets and facilities similar to the Utility System, specifically noting any processes regarding such prior operations similar to the operations required under the potential transaction.

- e. **ECM Provider:** Identify the entity or entities that will provide the ECM services contemplated by this Concession (the “ECM Provider”), if any, under the proposed Concession. Provide details on their experiences with energy conservation measures and experience with other facilities, specifically noting any processes regarding such prior operations similar to the operations required the potential transaction. If the Concessionaire does not anticipate providing ECM at the time of its submission, please so indicate.
 - f. **Contact Person:** Provide a single contact person for all future communication between Ohio State or its advisors and the Team. Please identify the contact person’s name, title, organization, address, telephone number, fax number, and email address.
 - g. **Controlling Interest:** Identify the individuals or companies who hold a major or controlling interest in each Team Member.
 - h. **Expected Advisors:** Identify the firms and individuals who are expected to act as legal, financial, or other advisors for the Team.
 - i. **Comparable Projects:** Provide a list of comparable projects in which Team Members have participated and specify how these comparable projects relate to the proposed Concession.
 - j. **References:** Provide a list of four total references for the Team, or certain Team Members that include name, company/institution, phone number, email address, and relevance of reference, who should be able to describe the relevant qualifications and capabilities of Team Members seeking to take a leading role in the operation and maintenance of the Utility System and the performance of the ECM obligation.
 - k. **Insurance:** Provide (1) evidence of the of the Proposer’s workers’ compensation insurance; and (2) certificate(s) of insurance showing the Proposer’s current limits of liability for commercial general liability, employer’s liability, business automobile liability, umbrella/excess liability, and professional liability insurance. If the Proposer is a joint venture or other affiliation of “partner” companies, provide the insurance information for each participating company.
 - l. **Financing Options:** Describe in detail each proposed financing method for the Concession (including self-financing in accordance with applicable law) that the Proposer believes Ohio State should consider. For each proposed method: (1) describe the source(s) and types of financing; (2) provide references where the Proposer and any financing institution used that financing method; (3) provide sample cash flow analyses using anticipated effective interest rates; and (4) clearly identify advantages, disadvantages, and relative costs. Note that the financing terms may be limited in accordance with Ohio law and any other applicable law and permit Ohio State’s early payment, but may not reduce Ohio State’s bonding capacity.
6. **Technical Capability:** Address the following areas with respect to technical capability
- a. **Operations and Maintenance Expertise:** Provide evidence demonstrating an ability to operate and maintain a Utility System of this nature and scope, specifically, demonstrating that it has:
 - i. Advanced knowledge of utility system maintenance, repair, construction, and practical application of equipment and materials in operations;
 - ii. Understanding in utility facility aging behavior to assess and determine the applicability of remedial maintenance action; and
 - iii. All the capabilities necessary to successfully operate and maintain the Utility System including routine maintenance, operations management, billing management and operations, administration, marketing and public relations, capital planning, construction administration, regulatory compliance, and other operations.
 - b. **Ability to Undertake Required Capital Expenditures:** Demonstrate the Team's ability to efficiently undertake and finance required capital improvements to the Utility System during the term of the Concession.
 - c. **Ability to manage infrastructure growth:** Teams must demonstrate their ability to assess, plan, and coordinate utility system construction with minimal impact to services and campus operations.
 - d. **Reliability and Customer Service:** Demonstrate the Team's commitment to achieving the highest standards of reliability and customer service and satisfaction, specifically, highlighting the Team's experience and qualifications providing excellent customer service and reliability of service to medical and research facilities, including hospitals, and educational facilities generally. Teams may at their option include additional information concerning their experience in maintaining productive ongoing relationships with government entities, similar to the relationship that the winning Proposer will have with Ohio State.
 - e. **Safety and Security:** Demonstrate the Team’s ability to address and resolve safety and security issues specifically, detailing the Team’s experience with power and utility public safety and security techniques and methodologies, experience in emergency response support, and expertise in relevant engineering standards, specifications, policies, practices, and processes.
7. **ECM Provider – General Qualifications (only necessary if the Concessionaire identified an ECM Provider):**
- a. **ECM Provider’s Personnel Qualifications and Experience:** Provide a Team-member list for the ECM portion of the Concession that identifies the employees of the ECM Provider and a list that identifies all other Team members not employed by the ECM Provider. Identify each Team member by name, job title, employer’s name and address, training/education, professional licenses, role in the ECM portion of the Concession, and specific experience in the specialty area related to the ECM portion of the Concession. For each Team member, also include a one-page resume outlining the Team member’s education, experience, and any other pertinent information.
 - b. **Estimating:** Describe (1) the in-house capability to estimate the cost associated with an ECM Project; (2) the use of in-house estimating on projects comparable to the ECM portion of the Concession; and (3) the ECM Provider’s track record of managing projects to the original budget.

- c. **Pricing Criteria:** Clearly define the ECM Provider’s methodology for pricing ECM projects including a description of applicable fees, markups, and charges.
 - d. **Scheduling:** Describe (1) the capability of in-house scheduling an ECM Project; (2) the use of in-house scheduling on projects comparable to the ECM portion of the Concession; and (3) the ECM Provider’s track record of managing projects to the original schedule.
 - e. **Historical Performance:** Describe the ECM Provider’s policy relative to projects that do not perform as specified. Give a specific example of pay out if on a guaranteed project. Identify how the costs are calculated. Show the ECM Provider’s past record of projected costs and savings compared to actual performance improvements. Provide at least one reference with current phone number to a project that did not perform as specified. Give at least two specific examples of projects at least two years old where tracking information is available. Provide a sample of the reports available to the owner to verify project savings. Identify the frequency of auditing reports proposed by the ECM Provider. Identify where the ECM Provider or its subcontractors have defaulted on a contract for a project similar to the ECM portion of the Concession. Identify where the ECM Provider or its subcontractors have been in litigation over a contract for a project similar to the ECM portion of the Concession. The ECM Provider must show the amount of ECM-related guarantees currently outstanding in the entire company and the amount of the ECM-related guarantees that were missed and paid out to customers within the last five years.
 - f. **References:** Provide a minimum of three reference examples of the ECM Provider’s recent experience on projects similar to the ECM portion of the Concession, in addition to those required in Paragraph 5(j) of this Section 7. Each reference shall describe the services and equipment provided, project cost, and benefits to the project owner. Provide the name, address, current telephone number, and contact person for each reference who can be contacted to make candid comments on the ECM Provider’s performance and the project. For each reference project, provide a brief description including type of facility, scope of work, the cost and duration of project, problems, successes, the benefits to the project owner and key ECM Provider and vendor personnel involved, and identify any awarded utility participation money or funding provided outside of energy savings. When providing project experience that includes utility participation, identify the amount of utility funding, the name of the utility and a contact person and current phone number at the utility. References should be for projects where the ECM Provider is the prime contractor.
8. ECM Provider – Technical Qualifications (only necessary if the Concessionaire identified an ECM Provider):
- a. **Management Plan:** Describe the ECM Provider’s approach to managing the ECM portion of the Concession including the specific responsibilities, lines of communication, and authority of the ECM Provider’s management. Describe (1) the record keeping, reporting, monitoring and other information-management systems that the ECM Provider would propose to use for the ECM portion of the Concession; (2) the scheduling and cost-control systems the ECM Provider would propose to use for the ECM portion of the Concession (Include typical procedures for identifying problems and preventing schedule setbacks and cost overruns, and a detailed description of the specific steps and outcomes. Include a sample timeline showing the necessary activities and schedules for implementation of the ECM portion of the Concession); (3) how the ECM Provider will obtain a clear understanding of the existing conditions of the facilities. Provide specific examples of the ECM Provider’s approach to designing a project that is compatible with Ohio State’s existing staff capabilities and existing equipment. Specify the roles of Ohio State and the ECM Provider’s management Team, engineering Team, subcontractor Team, and any other groups involved in the ECM portion of the Concession. Describe the management philosophy, decision-making structure, and specific experience working as a Team on projects of this nature.
 - b. **Energy Savings Projections:** Indicate the ECM Provider’s approach to projecting the energy savings associated with proposed ECMs. Describe the methodology and processes used to project energy savings. Provide sample written savings calculations with all supporting information. The sample energy calculations shall show energy cost, energy units, operating hours, and all assumptions made. The samples shall also show reductions compared to existing historical utility usage and how interactive effects and the overall impact on rates and prices from energy suppliers are taken into account. Provide samples for the different types of ECMs anticipated to be implemented on the ECM portion of the Concession.
 - c. **Operating Savings Projections:** Indicate the ECM Provider’s approach to projecting the operating savings associated with proposed ECMs. Describe the methodology and processes used to project operating savings. Provide sample written savings calculations with all supporting information. The sample operating calculations shall show labor/equipment units, operating hours, and all assumptions made. The samples shall also show reductions compared to existing hypothetical historical operating costs. Provide samples for the different types of ECMs anticipated to be implemented on the ECM portion of the Concession.
 - d. **Engineering/Code Requirements:** Indicate the ECM Provider’s ability to comply with ORC Sections 4703.182, 4703.332, and 4733.16, including the use of a licensed design professional for all design services. Indicate the ECM Provider’s understanding of applicable codes and construction practices for the ECM portion of the Concession. Identify any specific challenges the ECM Provider anticipates in implementing a comprehensive energy program as they relate specifically to the ECM portion of the Concession based on the ECM Provider’s experience at similar facilities.
 - e. **Additional ECM-Related Information:** ECM Providers are encouraged to organize any extended description of their qualifications, experience, or other lengthy documents germane to the requested information in appendices. Any extended documents should be summarized in the main body of the qualifications with supporting information included in appendices.
9. General:

- a. **Diversity and Inclusion:** Describe the Proposer's, the ECM Provider's (if any) and the proposed operator's history of performance with meeting goals of any diversity and inclusion programs required by a public authority or by applicable law, and compliance with applicable affirmative action programs. If the Proposer is a joint venture or other affiliation of "partner" companies, provide the information for each participating company.
- b. **Owner's Academic and Research Missions:** Describe if and how the Proposer would propose to integrate itself and the Concession into Ohio State's academic and research missions, including any special programs or qualifications the firm has in higher education. If the Proposer is a joint venture or other affiliation of "partner" companies, provide the university with information on how the Proposer would support the university's academic and research missions.
- c. **Financials:** Provide a copy of the Proposer's, the ECM Provider's (if any) and the proposed operator's most recent annual report and a copy of the current balance sheet. Publicly held companies should include a 10K or annual report. Provide financial statements on parent company if the Proposer is not the parent company. If the Proposer is a joint venture or other affiliation of "partner" companies, provide the financial information for each participating company.

Submission Instructions

Six hard copies of the RFQ submission should be delivered to Ohio State at the address shown below no later than 5pm Eastern Time on April 6, 2015. Email copies comprised of a single pdf file should also be delivered to the Barclays representatives provided above and the Ohio State representative below.

Attention: Mike Papadakis, Vice President and Treasurer
The Ohio State University
Office of Financial Services
1590 North High Street, Suite 400
Columbus, Ohio 43201
Email: energymanagementRFQ@osu.edu