

Item No.	Date Received	Topic and/or RFP Section Reference	Question	Answer
147.	14 November 2008	Submittal requirements	If the standard design provided by U.S. government has a design deficiency, who bares the responsibility? Should offerors change the deficiency before submission of their Proposal? If not, will the U.S Government compensate additional cost after award?	<i>The U.S. Government prepared the standard designs with care and is not aware of any design deficiencies. However, if there are any design deficiencies, offerors should identify them and propose modifications to the design with their submittal. Once awarded, the successful offeror will take full responsibility for the design.</i>  <i>Any U.S. Government requested design modifications that occur following selection will be factored into final pricing. Also, Offerors may propose modifications to the Standard Design for U.S. Government approval.</i>
148.	14 November 2008	Section 3.4.1.1.6	Are janitorial service personnel required for the on-base SLQs? Would you tell us the clean-up area?	<i>Yes, Offerors must provide janitorial services throughout the project site for each phase, which includes the SLQ buildings, underground parking garage, etc in accordance with Appendix B.</i>
149.	14 November 2008	Section 3.4.1.1.9	Can the offeror use the substitute's considering local circumstances such as climate or weather? Can we replace personnel certified per the IMCOM-K Environmental Program with personnel certified with Korean?	<i>No, the U.S. Government requires that all personnel who apply pesticides to each project site must be properly certified in accordance with the IMCOM-K Environmental Program.</i>
150.	14 November 2008	Section 3.4.1.4	Does the lessor need to have on-site personnel to respond to service order at service request center? Can we use Audio [Automated] Response System instead? Service Request Center	<i>The U.S. Government requires that Lessors respond to and complete service order requests within the standard timeframes and to the quality standards specified in Appendix B (O&amp;M Plan). Offerors have the flexibility to define their own internal procedures, staffing plans, systems, etc., as long as it meets these referenced requirements.</i>
151.	14 November 2008	Section 3.4.2	Would you tell us how and by whom the fees that are customary in the marketplace will be decided? Is it based on Korean market or the U.S. market?	<i>Proposed fees will be evaluated against a government estimate that was derived based on an assessment of fees charged for comparable projects (on a risk-adjusted and service-adjusted basis) for residential/military rental</i>

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				<i>projects in the ROK and U.S. markets.</i>
152.	14 November 2008	Section 5.1.1.1.5	What is the exactly the meaning of 'Unused Contingencies'?	<i>“Unused contingencies” refers to any remaining balance of construction contingency proceeds as of the date of Substantial Completion and U.S. Government acceptance of each phase.</i>
153.	14 November 2008	Section 5.1.1.2.1	If the letter of credit is not finalized, can the offeror submit a conditional letter of credit?	<i>The Letter of Credit must meet the requirements identified in the RFP. Terms and conditions of the letter of credit submitted by each Offeror must be final, however, execution of the Letter of Credit will not occur until project closing and therefore can be conditional upon simultaneous execution of the Lease.</i>
154.	14 November 2008	Standard Drawing	Can a successful offeror be exempted from taxation in importing of Off-shore construction materials by applying SOFA?	<i>Offerors are responsible for determining any applicable taxes. Please note Article IV of the Status of Forces Agreement stipulates that all materials, supplies and equipment imported into ROK for construction of the housing and related facilities will be free from customs duties and other such charges.</i>
155.	14 November 2008	Appendix R	Does the cost of supporting facilities need to be included in cost for each phase?	<i>Yes. Appendix R incorporates the construction costs of supporting facilities into the sum of total hard and soft costs for each phase.</i>
156.	14 November 2008	Standard Drawing	Can we use domestic materials instead of off-shore materials if they meet specifications? If yes, what are the limits?	<i>Any modifications to the standard design, including materials, may be proposed for U.S. Government review and approval. However, Offerors must clearly demonstrate how use of non-U.S. supplied materials will be advantageous to the U.S. Government (i.e. will result in energy savings or long-term maintenance cost efficiencies).</i>
157.	14 November 2008	O&M Plan	When the U.S. Government makes a contract for O&M, is it only with O&M company or with the consortium?	<i>No, the U.S. Government will not make a separate contract for O&amp;M. For each phase, the U.S. Government only will sign a lease and related transaction documents with a single</i>

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				<i>Lessor. The Lessor for each phase will be responsible for meeting the requirements of the O&amp;M Plan.</i>
158.	14 November 2008	Lease Agreement	Does the U.S. Government have specific standards for termination of the lease agreement or replacement of O&M company (e.g. the Lessor's failure to cure a Lessor default)?	<i>Please refer to Condition 22 of the Agreement of Lease, which addresses the topics of events of default, remedies, and termination. Failure of the Lessor to cure Lessor non-compliance with any material provision of the Lease within 30 days of receiving notice of such non-compliance from the Government may constitute an Event of Default. In such cases, the U.S. Government may pursue the remedies specified in the Lease, including termination of any management agreement or the Lease.</i>
159.	14 November 2008	Incentive Management Fee Plan	Should the incentive management fee maximum be included in our pricing estimates? Are there suggestions on how the offeror can structure the cost clearly?	<i>The incentive management fee can range between a minimum of 50% and a maximum of 100% of total management fees. Appendix C automatically will calculate the amount of performance management fees based on the percentage specified by each Offeror. This fee amount will be part of the price estimate for the Service Rent generated by the pro forma.</i>
160.	14 November 2008	Standard Design	When a certain foreign material is not available during the lease period, can we use the substitute? If yes, what procedure does the lessor need to follow?	<i>Any modifications to the standard design, including use of alternative or substitute materials, may be proposed for U.S. Government review and approval. However, the U.S. Government (not the Lessor) will have final determination regarding substitutions for any foreign materials.</i>
161.	14 November 2008	O&M Plan	Is there any standard defines Normal Wear and Tear?	<i>The definition of normal wear and tear may vary depending on the source of reference. In general, this term is intended to mean that an asset has not suffered significant damage that shortens its expected useful life or compromises its functionality.</i>
162.	14 November 2008	Section 6.8.1	What does "bonding capacity" exactly mean and how can we approve our bonding capacity? Please give us what kind of documentary	<i>Bonding capacity refers to the maximum value of payment and performance bonds (or</i>

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			evidence available to prove our bonding capacity.	<i>irrevocable letters of credit) that a construction contractor can obtain from qualified sureties. This capacity must be sufficient to cover the bonding requirements of all the contractor's outstanding construction projects. Sureties typically evaluate a contractor's credit worthiness based on its audited financial statements to determine the value of the bonds they will issue.</i>
163.	14 November 2008	Section 5.1.1.2	What is the meaning of "use of principal guarantees"?	<i>Construction lenders may require Offerors to provide a corporate or personal guarantee that the loan will be repaid. Thus, in the event that proceeds from a permanent/project loan are insufficient to pay debt service, the lender may be authorized to pursue payment from the guarantor.</i>
164.	14 November 2008	Section 3.2.4, 3.2.4.9	In case Korean Tax Agency impose corporate tax on offeror's operation income, actual equity return to sponsors will be less than Pro Forma equity return. Which trust account of lease agreement is the source for paying its corporate tax? After paying tax	<i>Lessors will be responsible for payment of income taxes. There is no trust account that will serve as a source for payment of corporate income taxes.</i>
165.	14 November 2008	Section 4.5.2.3	Section 5.2.2.2 states that the offeror must provide a "detailed" Operation and Maintenance (O&M) plan. There are 11 plans included in the O&M plan, but we are allowed only 30pages. This plan will be substantially longer than 30 pages. Can we attach the O&M plan to Volume I? What about other contents in Volume II? Can we also attach these to Volume II? If no, can we make an extra volume for these contents?	<i>The Government will not review more than 30 pages. Please limit your O&amp;M Plan to 30 pages for your proposal, and include in Part B of Volume II of your proposal as indicated in the table in Exhibit 6 of the RFP. Please do NOT attach elements of Volume II to any other Volume when you make your submission.</i>
166.	14 November 2008	Section 4.5.3	If the offeror writes Volume I &II with Korean softwares instead of microsoft office , can the offeror submit electronic copies of Volume I &II only in PDF format?	<i>Yes, Adobe Acrobat Reader is an acceptable format for the Volume I and II submission with the exception of the ProForma Template.</i>
167.	14 November 2008	Appendix H	Mechanical design analysis shows 'split A/C system in the elevator machine room' but the mechanical drawing does not show A/C system in the elevator machine room. Is the A/C system needed in the elevator machine room? Clarify this.	<i>Air conditioning is not required in the elevator machine room.</i>
168.	14 November 2008	Appendix H	Mechanical design analysis shows 'Re-circulating type range hoods will be provided for the cook tops' but mechanical drawing shows 'Duct type	<i>Range hoods shall be duct type.</i>

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			range hoods'. Please verify range hoods type.	
169.	14 November 2008	Section 3.3	If there are conflicts among Specification, Drawing, and Design Analysis, which one we should follow?	<i>The U.S. Government prepared the Specifications, Drawings and Design Analysis with care and do not anticipate any conflicts. However, if a conflict is observed, offerors should identify it in their submittal and propose an alternative. Any proposed design alterations will be reviewed by the U.S. Government who will be responsible for approving any and all design changes.</i>
170.	14 November 2008	Section 3.2.2	According to the RFP, the U.S. Government prefers that a simultaneous financing and “transaction closing” be executed. Also, the Lessor’s equity shall be a direct cash contribution at the time of “Project closing” for each phase. Please clarify the term “transaction closing” and “Project closing” used in the 6 page of the RFP.	<i>Transaction closing and project closing are synonymous and are used interchangeably. Both terms refer to Lease signing by the U.S. Government and Lessee. Financial closing refers to the execution of any loan agreements.</i>
171.	14 November 2008	Appendix A	According to the page18 of the Lease Agreement (9.27), <i>any unused construction contingency funds held in any project accounts shall be transferred to the Lessee and Lessor in certain proportions.</i> However, it is unclear how it would be transferred to Lessor and whether the Lessor’s portion could be used at Lessor’s discretion (e.g. to pay dividend).  Please advise me if there is any misunderstanding on the questions.	<i>The Trust or Escrow Agreement should specify the process for disbursing funds from the account holding the construction contingency proceeds.</i>