FAQ: Exploration of University Housing Public-Private Partnership

On Dec. 17, 2018, the University of Cincinnati issued an RFQ (request for qualifications) for vendors interested in potentially managing the university’s undergraduate student housing facilities.

This RFQ is an initial test of the market.

Information acquired in response to this RFQ will determine whether there is further exploration (Request for Proposals/RFP) of a P3 (Public-Private Partnership).

This exploration and any possible follow-up steps will center on the following guiding principles:

- Quality of the student experience and fostering student success.
- Affordability for students, key to higher education accessibility.
- Accountability in the form of prudent stewardship of public resources with a focus on the university's core mission of teaching, research and service.

No decision has yet been made regarding ultimately moving forward with a P3 or not.

Any potential P3 would be a long-term agreement inclusive of maintenance, renovation, replacement and/or construction of undergraduate student housing at UC.

This FAQ will be updated if, when and as the process moves forward.

1) WHAT IS THE OVERALL CONTEXT TO THE ISSUANCE OF THE RFQ?

Universities around the world have explored and made decisions around P3s related to non-core services for decades now. As public funding for higher education has declined and budgets are constrained, universities are challenged to ensure students the best services and opportunities for success without some public-private partnerships.

P3s tend to focus on auxiliary functions of the university enterprise and take into consideration structural opportunities to conserve resources and/or provide opportunities to invest in teaching, research, service and student success, including scholarships.

You can find out more about P3s online:

- Chronicle of Higher Education: [How Colleges Manage to Afford Big Projects in Lean Times](https://chronicle.com/article/How-Colleges-Manage-to-Afford-Big-Projects-in-Lean-Times/165089), May 6, 2018 (subscription required to view)
- College Planning & Management Magazine: [Why Your Next Collaboration May Be a P3](https://www.highered的人物/why-your-next-collaboration-may-be-a-p3), June 1, 2017
2) WHERE CAN I FIND THE RFQ?
Link

3) WHAT IS THE HISTORY OF STUDENT HOUSING AT UC?
For most of its 200-year history, UC did not provide housing for students. UC’s first residence hall, Memorial Hall, did not open until 1924. Others date back to the early 1960s, built to accommodate enrollment increases as baby boomers entered their college careers. Recent years have also seen increasing demand for residence halls, as students who live in university housing are more engaged both academically and with extracurricular activities. Both nationally and at UC, students who live in university housing earn higher grade point averages, persist in their studies and have higher graduation rates than students who commute. Residence hall students also tend to participate in more extracurricular activities as well as interact more with peers and faculty.

Today, the housing portfolio at UC includes 11 structures containing approximately 4,690 undergraduate beds. In addition, in order to meet housing demand, UC currently block leases approximately 2,300 beds in adjacent facilities (Stratford Heights and University Park Apartments) or in the adjacent neighborhood. The current total of UC-owned or UC-managed beds for the 2018-19 school year is about 7,000.

Demand has increased as UC has now enjoyed six straight years of record enrollment, and total enrollment stands at 45,959.

UC has a number of residence halls in need of either replacement or major renovations. These include Calhoun Hall, Siddall Hall, Daniels Hall as well as Dabney Hall. Collectively, these structures require approximately $140 million in terms of major renovation/replacement.

4) IS THIS THE FIRST TIME UC HAS CONSIDERED AN ARRANGEMENT TO CONTRACT WITH A PRIVATE COMPANY RELATED TO RESIDENCE HALLS?
No. Stratford Heights, built in 2005, was privately developed.

5) WHAT IS THE CURRENT EXPLORATION PROCESS?
UC is issuing its RFQ with assistance from professional services firm JLL (Jones Lang LaSalle Incorporated).

A committee comprised of university staff and students from Administration & Finance, Housing and Food Services, and Student Affairs – with university governance oversight – currently plans to evaluate the RFQs in spring 2019. At that point, a decision will need to be made whether to continue the process and to seek an RFP from potential business partners. If a P3 is ultimately pursued and successfully negotiated, the earliest it might take effect would likely be some time in 2020.
6) HAVE OTHER UNIVERSITIES OUTSOURCED FACILITIES MANAGEMENT, RENOVATION AND/OR CONSTRUCTION OF RESIDENCE HALLS? WHY?
Numerous campuses across the country have made the decision to outsource student housing operations, including the University of Alabama, Arizona State University, University of California system, University of Connecticut, University System of Georgia, the University of Kentucky, Purdue University, and Syracuse University, to name just a few.

These universities pursued this course in order to achieve the most-advanced living and learning spaces possible and to attain a competitive edge in recruiting and retaining students. Companies that specialize in student housing can build residence halls more rapidly and less expensively than can universities. Thus, it allows the university to avoid debt financing for student housing, while freeing capital for classrooms, labs and other research and teaching needs.

7) HAS UC EVER EXPLORED OR ENGAGED IN PUBLIC-PRIVATE PARTNERSHIPS OF OTHER SERVICE FUNCTIONS?
Over the years, the university has investigated efficiencies and explored potential P3s related to the bookstore, food services, online education delivery, parking services, grounds keeping and management of the Kingsgate Hotel and Conference Center.

With these explorations, some services were ultimately outsourced, and some were not, depending on what worked best in terms of service to students, student affordability issues, the university’s core mission, and university stewardship of public resources.

For instance, UC’s bookstore operations have been managed by a vendor for about 14 years. Campus food services have been operated by a partner for nearly 20 years. UC recently entered into a contract for a partner to operate the Kingsgate Hotel and Conference Center.

8) IS UC CONSIDERING OTHER FUNCTIONS OR SERVICES FOR A PUBLIC-PRIVATE PARTNERSHIP AT THIS TIME?
As part of serving students and fulfilling the core mission of teaching, research and service, operational efficiencies are periodically reviewed throughout the university. This has been the practice at UC for a number of years. At this time, the exploration of a housing P3 is the only major transition of this nature under active consideration.

9) IF A P3 IS ULTIMATELY PURSUED, WHAT WILL THAT MEAN FOR STUDENT AFFORDABILITY?
Currently, in order to meet expenses, the university’s rates for undergraduate student housing generally increases 2 to 3 percent annually. University financial models call for comparable annual increases should the university maintain responsibility for housing facilities management. If the university
ultimately outsources this function, any future agreement related to a housing management P3 would focus on increased quality while maintaining this level of affordability in terms annual increases borne by students and their families.

10) WHAT DOES THIS POTENTIALLY MEAN FOR STAFF EMPLOYMENT?
Our facilities management team consists of 80 employees who maintain the campus residence halls. It’s too early to say what, if any, impact there would potentially be on current employees. P3 models vary widely, and there are varying approaches to employment within the scope of P3s.

P3s do not necessarily mean moving or replacing existing staff. It might mean the use of contractors for new positions. It might mean current facilities management personnel assigned to maintaining and updating UC’s undergraduate housing stock might become employees of a partner organization.