

Public-Private Partnership for Childcare Center – UT Knoxville
The University of Tennessee Knoxville
SBC No. 540/009-14-2025

Addendum 1

January 7, 2026

This Addendum forms a part of the Requests for Proposals (RFP) and modifies the original revised document dated December 10, 2025. The item listed below shall supersede the previous information issued in the RFP. The Proposer shall acknowledge receipt of this Addendum in the space provided on the Certification Statement located in Exhibit 1. Failure to do so may subject the Proposer to disqualification.

RFP Questions and Comments

Facilities & Design

1. Will it be possible to include a full-service kitchen in the space provided?

It is anticipated that renovation of Cherokee Mills can accommodate a full-service kitchen. Providers, in coordination with their architectural and engineering teams, will be responsible for determining feasibility and incorporating a kitchen into their proposed design, subject to applicable codes and approvals.

Development & Delivery Structure

2. Can UTK provide a copy of the proposed lease or outline the anticipated lease structure?

The final lease agreement will be negotiated following partner selection. The University anticipates a triple-net lease structure with a nominal base rent of \$1 per year to promote affordability. The selected partner will be responsible for operations, maintenance, and asset management. The anticipated initial lease term is ten (10) years, with one optional ten (10)-year renewal at the University's discretion.

3. Is UTK willing to award the development, design, and construction to one entity, while awarding the childcare operation portion to a separate childcare provider?

The University anticipates awarding the project to a single proposing team responsible for designing, building, financing, operating, and maintaining the childcare facility at Cherokee Mills. Proposing teams can be comprised of multiple entities that will fulfill the responsibilities listed above, however, as stated in the RFP, the proposal should include one single point of contact for the proposal submission.

4. Does UTK anticipate retaining a childcare operations consultant during development, design, and construction, and if so, is there a budget allocated for this support?

No, the University does not anticipate retaining a childcare consultant. However, the University does plan to receive guidance from the ELC or other established

partnerships as necessary to evaluate proposed childcare operations. The University anticipates selecting a partner that is familiar and comfortable with achieving an accredited and high-quality childcare facility and that operations will be consistent with other accredited facilities that the provider currently operates.

Financial & Operating Model

5. Is UTK willing to pay a management fee to childcare operator as a part of the proposed partnership structure?

UTK's priority is the delivery of a high-quality, accredited childcare center with tuition rates that are competitive with, or below, prevailing local market rates. Proposers should submit a financial pro forma that reflects any proposed management fees or operator compensation that can be supported by childcare operations alone, without reliance on external or University operating subsidies.

6. Does UTK anticipate subsidizing tuition in any manner?

The University does not anticipate providing direct tuition subsidies. Instead, the University intends to support affordability through non-monetary benefits, including a \$1 annual base lease payment.

Enrollment, Capacity & Program Assumptions

7. The RFP references capacity ranging from 150 capacity up to 230 children. Does UTK have a preferred breakdown of age groups to achieve these capacities, i.e. 24 infants: 24 toddlers etc., or should proposers recommend an age mix?

The University does not have a prescribed age group breakdown. Providers should propose an age mix they believe is appropriate based on licensing requirements, operational considerations, and market demand. The University envisions a program that serves a minimum of 150 children. Supporting additional families will benefit the University, however additional capacity must be balanced with program quality given the established size of the selected site at Cherokee Mills.

8. The RFP references a NAEYC and/or QRIS rated center. Would UTK like proposers to assume NAEYC ratios for financial modeling purposes?

UTK is open to accreditation other than NAEYC as long as it meets the intended delivery of a high-quality childcare facility. Respondents should specify which accreditation they intend to pursue, and how these assumptions impact the facility development, operating model, and how proposed staffing meets accreditation and operating requirements.

Market & Eligibility

9. Would UTK consider providing additional demographic information (e.g., home ZIP codes of faculty, staff, and graduate students) to support demand modeling?

UTK will endeavor to share as much as possible to support Provider demand modelling. This information will be made available later in the solicitation process.

10. Is the childcare center intended to be exclusive to UTK faculty, staff, and students, or may proposers assume enrollment from the broader community or additional partners?

The primary objective of the childcare center is to serve University faculty, staff, and graduate students. However, to mitigate operational risk, the University anticipates establishing a defined enrollment priority and waterfall if demand from the University community is insufficient. In this case, the University anticipates that enrollment would be open to other University affiliated entities first, with the broader community of other Knoxville area families at the bottom of the waterfall.

End of Addendum