



STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT & BUDGET
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

MITCH IRWIN
DIRECTOR

ITB No. 2005-01

INVITATION TO BID

Sale of Labor Building, 7310 Woodward Avenue, Detroit, Michigan

I. Introduction and Overview

Pursuant to Public Act 320 of 2004, the Michigan Department of Management and Budget, acting through its Office of Strategic Asset Management (the "Office"), has been authorized to sell certain real property owned by the State of Michigan (the "State") located at 7310 Woodward Avenue, Detroit, Michigan, commonly known as the Detroit Labor Building (the "Property"), and legally described in the attached Offer to Purchase Real Property (the "Offer").

The Property can be generally described as an eight-story building containing 244,400 gross square feet, more or less, and having a site size of approximately 3.22 acres. The Property was previously used as a State office building and has been vacant since 2002.

The State will be accepting sealed Bid Proposals for the Property until 10:00 a.m., Friday, March 4, 2005, (the "Due Date"). Bids will be opened on the Due Date at 11:00 a.m. It is the intention of the State to notify, no later than Friday, March 18, 2005, the successful bidder who is the most responsive and responsible and offers the highest price or highest value to the State. Notification will be via phone, followed in writing.

The State reserves the right to waive any irregularity or defect in any submission and/or request additional information pertaining to a Bid Proposal; to conduct a Best and Final Offer (BAFO); and to reject any and all bids, at its sole discretion.

The following documents are available on-line at www.michigan.gov/strategic-development:

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|------------------------------------|----------------------------------------------|
| A. Invitation to Bid | E. Public Act 320 of 2004 |
| B. Offer to Purchase Real Property | F. Property Survey |
| C. Property Legal Description | G. Title Commitment |
| D. Release of Liability Form | H. Asbestos Survey Data Sheets dated 1/30/86 |

Thank you for your interest in this Property and Invitation to Bid.

II. Instructions to Bidders

A. Proposal Submission Procedures

1. Sealed Bid Proposals must be delivered to the person and address listed in Section II.E, on or before the Due Date (March 4, 2005 – 10:00 a.m.). Bid Proposals received after 10:00 a.m. on the Due Date will not be accepted or will be marked late, unopened, and returned to sender.
2. Bid Proposals must be received in one envelope or box marked “PROPOSAL – DETROIT LABOR BUILDING.” The envelope or box must also contain the bidder’s name and return address.
3. Bid Proposals may only be delivered via U.S. Mail, courier service, or hand delivery. Electronic or facsimile Bid Proposals will not be accepted.
4. All information shall be entered in ink or typewritten. Mistakes may be crossed out and all corrections inserted before submission of a Bid Proposal. The person signing the Bid Proposal shall initial and date corrections in ink.
5. Bid documents, including the Offer to Purchase Real Property, shall be signed by the person(s) authorized to contractually bind the Bidder. Potential bidders are encouraged to consult with legal counsel to insure that their proposal constitutes a legally binding offer. Failure to submit a legally binding offer is grounds for rejection of a Bid Proposal. Bid Proposals must contain original signatures.
6. Bid documents, including the Offer to Purchase Real Property, signed by persons on behalf of entities, other than for a natural person, must be accompanied by documents evidencing authority as follows:
 - 1) Submissions by corporations or limited liability companies shall be signed by two officers with authority to bind the corporation or limited liability company and shall be accompanied by certified copies of resolutions authorizing such submission, including the Offer to Purchase Real Property, and persons signing the documents, and current certificate of good standing.
 - 2) Submissions by municipalities or municipal entities shall be signed by two officers with authority to bind the municipality or the municipal entity accompanied by certified resolution authorizing the submission, including the Offer to Purchase Real Property.
 - 3) Submissions by partnerships shall be signed by the authorized partner and shall be accompanied by a certified copy of the partnership certificate on file with the appropriate county clerk and a copy of the partnership agreement and any amendments in effect as of the date of submission.

- 4) Submissions by persons doing business under an assumed name shall be accompanied by a certified copy of an assumed name certificate on file with the appropriate county clerk.
 - 5) Submissions by one natural person on behalf of another natural person shall be accompanied by a power of attorney which would be fully effective on the date of signature and irrevocable thereafter and which would authorize such action with regard to this specific transaction.
7. Bid Proposals must be submitted in three-ring binders, containing the following information, tabbed in the order below:
- 1) Copy of this Invitation to Bid (ITB);
 - 2) Signed Bid Submittal Form, as provided in this ITB;
 - 3) Signed Bid Proposal, containing all information outlined in the following Section III. Bid Proposal Writing Format;
 - 4) Signed Offer to Purchase Real Property with attached property legal description, as included in this ITB, and Addendum, if applicable;
 - 5) Earnest Money, in the form of a cashier's or certified check in the amount of \$200,000 made payable to the State of Michigan;
 - 6) Signed Release of Liability Form, as provided in this ITB;
 - 7) Bid Proposals signed by persons on behalf of entities or on behalf of another person, must be accompanied by documents evidencing authority as outlined in Section II.A.6, above; and
 - 8) Evidence of Bidder financial capability including funding source(s) and financial statements, including, but not limited to, past three-year's balance sheet and income statements and income tax returns. If a newly formed company, parent company information must be provided.

Bidders shall submit two clearly marked originals and five photocopies of their Bid Proposal. Failure to provide any of the above requested information may result in disqualification of bid.

8. The winning Bid made to the State shall be irrevocable, except as set forth in Section 6 of the Offer to Purchase Real Property with respect to Cancellation.

B. Earnest Money

1. Earnest Money in the amount of Two Hundred Thousand (\$200,000) shall be submitted with this Bid Proposal, as security for the Offer to Purchase Real Property. The Earnest Money will be deposited by the State in a State account and will be applied at closing as a credit against the Purchase Price of the successful Bidder. No escrowing of the Earnest Money deposit will be

accepted. Treatment of Earnest Money is more specifically defined in the attached Offer to Purchase Real Property.

2. Earnest Money submitted by unsuccessful Bidders will be returned by certified mail, return receipt requested, and will be placed in the mail no later than three business days after the award of the Bid.

C. Non-Mandatory Pre-Bid Meeting and Inspection

1. A non-mandatory pre-bid meeting and inspection of the Property will be held at 10:30 a.m. on Wednesday, January 26, 2005. Interested parties must R.S.V.P. attendance by email to dmb-strategicdev@michigan.gov. To enter the Property, persons will be required to execute the provided "Release of Liability," form acknowledging and releasing the State, including all departments, agencies, boards, employees and/or any tenants from any liability which may result from such inspection.

D. Questions Regarding Invitation to Bid

1. Questions regarding the ITB must be made in writing and submitted electronically to dmb-strategicdev@michigan.gov by the close of business on Wednesday, February 16, 2005 to ensure that questions and answers are posted before the close of bidding.
2. All questions and answers from all Bidders will be made available on www.michigan.gov/strategic-development.
3. The State will not respond to telephone inquiries or visitation by Bidders or their representatives.

E. Official Contact Information:

Name: Terri L. Fitzpatrick
Title: Director, Strategic Development Division
DMB, Strategic Asset Management
Address: 320 S. Walnut Street, Lansing, MI 48933
Fax: (517) 335-1638
Email: dmb-strategicdev@michigan.gov

F. Key ITB Dates (Tentative)

1. January 18, 2005 – Invitation to Bid Release Date
2. January 26, 2005 – Non-Mandatory Pre-Bid Meeting and Tour
3. February 16, 2005 – End of Question Period
4. February 24, 2005 – Final Questions and Answers Posted on Website
5. March 4, 2005 – Bids Opened
6. March 18, 2005 – Bid Awarded

III. Bid Proposal Writing Format

The Bid Proposal must be executed by an authorized signatory, and must contain answers that respond to the questions/directions in the order listed below:

1. Provide the Purchase Price of Property as indicated on the attached Offer to Purchase Real Property. Indicate if any revisions/deletions/changes have been made to the attached Offer, and if so, confirm that an Addendum has been attached.
2. Provide a brief summary of your proposed use of the Property (not to exceed one page in length).
3. Provide a detailed breakdown of the development proposed including, but not limited to, type of development and specific use types contained therein; timing of project completion (if phased completion, timing and description of each phase); and compatibility with existing zoning regulations.
4. Indicate the number of jobs that will be created by the proposed development, including specific information on the number and type of jobs (job classification, approximate wage range, direct/indirect, temporary/permanent) created, and the timing of jobs in the market, both in terms of availability and duration.
5. Project, with detail, the anticipated amount of new taxes (property, income, single business tax, other) that will be generated, if any, as a result of the development.
6. Provide a list of the Bidder's development team, including, but not limited to, names and addresses of all members of the entity and equity partners (and percentage); legal entities; lobbyists; attorneys; consultants and subcontractor information. Provide brief biographical and qualification statements of principal entity and development team members.
7. Detail Bidder's development team experience with projects of similar size and scope to what is being proposed herein. Information should include size of projects, including square footages and dollar amounts, and other information pertinent to the development.
8. Provide the source of funds that will be used to purchase the Property and proposed development, as well as verification of Bidder's financial capability to complete the purchase and development, including financial statements.
9. Indicate how your proposal represents the highest price or highest value to the State in terms of direct and indirect financial, economic and community benefits.

IV. Method of Award/Selection Criteria

Complete responses to this Invitation to Bid will be evaluated by DMB, which may convene a Joint Evaluation Committee (JEC), based on the extent to which each proposal responds to the information requested in Section III. Selection criteria includes, but is not limited to, the following:

- A. Specific details in the response, particularly in terms of dates, numbers and dollars. Vague and/or general responses are not acceptable.
- B. The most responsive and responsible bidder that will allow the State to realize the highest price or highest value.
- C. Evidence of Bidder and Bidder's team experience with like development.
- D. Evidence of Bidder's financial capability to complete the purchase and proposed development.
- E. Compliance with statutory, constitutional, and terms set forth in this ITB.

V. Best and Final Offer (BAFO)

If the selection process does not lead to a viable award recommendation, or if deficiencies are identified, DMB, at its discretion, may prepare a Deficiency Report and/or Clarification Request (DR/CR) for each proposal determined to be in the competitive range. Bidders will be allowed to respond in writing to the DR/CR with a Best and Final Offer (BAFO). The BAFO may include changes to the original proposal, including alterations to the original price proposal. BAFO's must be submitted by the deadline established by DMB.

After reviewing the BAFO's, DMB will reevaluate the proposals using the original evaluation method. If an alteration to the original published evaluation criteria is to be made, changes in the criteria will be published to all bidders as part of the issuance of the DR/CR's.

Bidders will NOT be provided any information about other proposals or where the Bidder stands in relation to others at any time during the evaluation process. Any request for such information will be viewed as a compromise to the evaluation process and the requesting Bidder may be eliminated from further consideration. Requests for proposal information by a Bidder, its subcontractor, or an affiliated party before bid award may also result in disqualification.

Bidders are cautioned to propose their best possible offer at the onset of the process, as there is no guarantee that any proposal will be allowed an opportunity to submit a BAFO.

VI. Freedom of Information Act (FOIA)

All information in a Bidder's proposal is subject to the provisions of the Freedom of Information Act (FOIA), 1976 Public Act 442, as amended, MCL 15.231, et seq.