

# A G E N D A (amended)

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

February 14, 2012 / February 21, 2012  
11:00 A.M. Lake Superior Room 1<sup>st</sup> Floor  
Michigan Library and Historical Center

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### **AWARD OF CONSTRUCTION CONTRACT**

1. DEPARTMENT OF NATURAL RESOURCES, PORT AUSTIN – Port Austin State Harbor – East Pier Upgrade & Toilet Building  
File No. 751/04145.MNB - Index No. 59660  
Low Responsive Bidder: Daniel Building Company Inc., Farmington Hills;  
\$2,539,519.75

#### **Purpose/Business Case**

The purpose of this contract is to provide the construction and renovation of the Port Austin State Harbor. In addition to dredging and deepening the canal leading to the harbor, the existing toilet building, the fueling system and a portion of the floating piers will be replaced. The existing canal does not allow for use by larger boats and the existing toilet building, fuel system and pier are beyond their useful life and require costly maintenance.

#### **Benefit**

The State will benefit by allowing larger boats to enter the marina and providing up-to-date facilities to service the marina.

#### **Funding Source**

100% Waterway Funds

#### **Commitment**

The contract cost is fixed based on competitive bids. The amount of the contract is within the authorized budget.

#### **Risk Assessment**

Failure to approve this contract will result in the limitation of the size of boats able to enter the harbor, potential future fuel leaks and the continued use of the outdated toilet building.

#### **Zip Code**

48467

**MODIFICATION TO PROFESSIONAL SERVICES CONTRACTS**

2. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET, VARIOUS SITE LOCATIONS, MICHIGAN – Various Facilities – Structural / Roof Top Fall Protection  
File No. 071/03420.JNS - Index No. 43000  
That the contract for professional services with LJB, Inc., Okemos, be increased \$28,902.91

**Purpose/Business Case**

The purpose of this modification is to provide additional final design services to address fall protection issues at the Central Energy Center 1st floor hoist way opening, at overhead unit heater locations within the DTMB Records Building, at the utility tunnel entrance in the Operations Center, at penthouse exhaust fan locations on the roof of the State Police Headquarters Building, and at the storm sewer lift station in the Lower Level of the Allegan Parking Ramp.

**Benefit**

The State will benefit by completing the final designs necessary to address fall hazard issues at these locations.

**Funding Source**

100% Agency Operating Funds - BOC

**Commitment**

The professional services contract modification will be paid on a lump sum fee basis plus reimbursables. The amount of the contract is within the authorized budget.

**Risk Assessment**

Failure to approve this modification will result in potential for maintenance staff continuing to be exposed to potential fall hazards.

**Zip Code**

48821 and 48909

3. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET, LANSING - State Capitol Governmental Complex - Allegan and Ottawa Plaza Renovations  
File No. 071/08281.JNS - Index No. 44125  
That the contract for professional services with Carl Walker, Inc., Kalamazoo, be increased \$67,729.26.

**Purpose/Business Case**

The purpose of this modification is to provide Final Design and Office and Field Construction Administration Services to prepare and administer work associated with expanding the Allegan Plaza snowmelt system to include snowmelt pathways to Allegan Ramp exits (glass huts, four locations), to add snowmelt along the north side of the VanWagoner Building west of the main entrance, to add snowmelt on the steps from the plaza level to Ottawa Street north of the VanWagoner Building and to add snowmelt on the south side of the Austin Building east of the main entrance. These areas were not included in the original contract and are needed to provide access/egress to all the facilities in the Capitol Complex.

**Benefit**

The State will benefit by providing clear paths of emergency egress from the Allegan Ramp, the VanWagoner and Austin Buildings down to adjacent street levels.

**Funding Source**

100% Agency Operating Funds - BOC

**Commitment**

The professional services contract modification will be paid on an hourly/direct payroll basis times a multiplier plus reimbursables. The amount of the contract is within the authorized budget.

**Risk Assessment**

Failure to approve this modification could result in fire safety issues with emergency egress paths from the four exits of the Allegan Ramp, the VanWagoner and Austin Buildings.

**Zip Code**

48909

- 4. DEPARTMENT OF ENVIRONMENTAL QUALITY, MUSKEGON – Ott Story Cordova Superfund Site – Continued Operation  
File No. 761/10345.BDH - Index No. 44081  
Low Responsive Bidder: Fishbeck, Thompson, Carr & Huber, Inc., Grand Rapids; \$1,426,570.00

**Purpose/Business Case**

The purpose of this contract is to provide for the operation and maintenance of the existing groundwater remediation system for an additional year. As part of the Environmental Protection Agency's Record of Decision of 1989, a groundwater treatment plant was designed, built, and made fully operational, and this treatment system has been in full operation since 2000. Federal financial support ended in 2010. Contamination still exists at this site and the long term plan is to continue operations until remediation is complete.

**Benefit**

The State will benefit by continuing to operate and maintain the remediation system to clean up the environmental contamination and comply with the environmental regulations.

**Funding Source**

100% State Water Quality Initiative Funds

**Commitment**

The contract cost is fixed based on competitive bids. The amount of the contract is within the authorized budget.

**Risk Assessment**

Failure to approve this contract will result in not getting the professional assistance needed to operate the remediation system and clean up the environmental contamination at this site.

**Zip Code**

49445

## **LEASE FOR PRIVATE PROPERTY**

5. DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, Lansing – Renewal of Lease No. 10892 with Holiday Park Realty, LLC, a Michigan Limited Liability Company, 150 Great Neck Road, Suite 304, Great Neck, NY 11021, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Licensing and Regulatory Affairs, as Lessee, for 16,560 square feet of office space located at 1048 Pierpont, Suites 1, 5 and 7 Lansing, MI 48911. Purpose of this Lease is to extend the lease term at the current location, add two 5-year renewal options, remove tax adjustment language and lower the rental payments. The Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning February 1, 2012 or upon substantial completion is \$10.45 (\$14,421.00 per month). Effective February 1, 2017, the annual per square foot rental rate for this space increases to \$11.75 (\$16,215.00 per month). This rate does not include payment for electrical heat. This Lease contains two 5-year renewal options with an annual per square foot rental rate of \$12.50 (\$17,250.00 per month) and \$13.25 (\$18,285.00 per month) respectively. This Lease contains a Standard cancellation clause with 90 days notice. The Attorney General has approved this Lease as to legal form.

### **Purpose/Business Case:**

To extend the lease at the current location and add two 5-year renewal options while lowering the rental payments and removing the tax adjustment language.

### **Benefit:**

This will allow Michigan Rehabilitation Services to continue servicing their clients in the same location while saving over \$540,000 in rental payments over the term of the lease. The lease rate is within the market rate for this area.

### **Funding Source:**

100% Federal Funds

### **Commitment Level:**

10 year lease with two 5-year renewal options; however, this Lease contains a Standard cancellation clause with 90 days notice.

### **Risk Assessment:**

Non-approval of this Lease will hinder the Department from servicing their clients in a familiar and satisfactory location at a lease savings.

### **Zip Code:**

48911

6. DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, Lansing – Renewal of Lease No. 2432 with Holiday Park Realty, LLC, a Michigan Limited Liability Company, 150 Great Neck Road, Suite 304, Great Neck, NY 11021, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Licensing and Regulatory Affairs (LARA), as Lessee, for 18,144 square feet of office space located at 6546

Mercantile Way, Lansing, MI 48911. Purpose of this lease is to extend the lease at the current location, add two 5-year renewal options, remove real estate tax adjustment language, add an additional 6,967 square feet and lower the rental payments. This Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning February 1, 2012, or upon substantial completion, is \$10.45 (\$15,800.40 per month). Effective February 1, 2017, the annual per square foot rental rate for this space is \$11.75 (\$17,766.00 per month). This rate does not include electricity. This Lease contains two 5-year renewal options with an annual per square foot rental rate of \$12.50 (\$18,900.00 per month) and \$13.25 (\$20,034.00 per month) respectively. This Lease contains a Standard cancellation clause with 90 days notice. The Attorney General has approved this Lease as to legal form.

**Purpose/Business Case:**

To extend the lease at the current location and add two 5-year renewal options while lowering the rental payments, expanding the space to accommodate the “Compliance Section” for LARA and removing the tax adjustment language.

**Benefit:**

This will allow the ‘Health Investigation Division’ of LARA to continue operating at the current location and add the ‘Compliance Section’ for the Marijuana Registry Program. The rental rate is being reduced by 20% and is within market for this area.

**Funding Source:**

100% Restricted Funds

**Commitment Level:**

10 year lease with two 5-year options; however, this Lease contains a Standard cancellation clause with 90 days notice.

**Risk Assessment:**

Non-approval of this Lease will hinder the Department from experiencing lease savings and not allow the Compliance Section to move into the additional space.

**Zip Code:**

48911

**LEASE FOR STATE OWNED PROPERTY**

7. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET – New Lease #11568 effective March 1, 2012, through February 28, 2017, with Turning Heads Boutique, a Limited Liability Company, 14908 E. 8 Mile Road, Eastpointe, Michigan, 48021, as Lessee, and the State of Michigan by the Department of Technology, Management and Budget for the Department of Technology, Management and Budget as Lessor, for 832 square feet of retail space located at 3044 W. Grand Boulevard, Detroit, Michigan, 48202. The annual rental rate for this Lease is \$13,844.00 (\$1,153.71 per month). This Lease contains a standard cancellation clause with a 90 day notice. The Attorney General has approved this Lease as to legal form.

**Purpose/Business Case:**

This Lease provides revenue to the State and allows for a clothing and accessories retail outlet on the first floor of Cadillac Place in Detroit.

**Benefit:**

This Lease allows for the use of otherwise vacant retail space and generates revenue.

**Funding Source:**

N/A

**Commitment Level:**

Five years beginning 3/1/2012 through 2/28/2017; however, this Lease contains a Standard Cancellation clause with 90 days notice.

**Risk Assessment:**

Non-approval of this Lease will hinder the Department from its goal of fully utilizing State space.

**Zip Code:**

48021

**RECOMMENDATION FOR CONVEYANCE OF SURPLUS STATE REAL PROPERTY**

8. THE DEPARTMENTS OF TECHNOLOGY, MANAGEMENT & BUDGET (DTMB) AND MICHIGAN STATE POLICE (MSP), recommends the conveyance of the Property described below (the "Property"), located in the Leonidas Township, St. Joseph County, MI to William Bontrager, a married man, of Leonidas, MI for consideration of \$60,000.00 (Sixty Thousand dollars).

**Legislative Background**

Public Act 363 of 2008 (the "Act") authorizes the State Administrative Board to convey the Property using any of various methods, including competitive bidding, a negotiated sale or a value for value conveyance designed to realize the best value to the state.

The Property is described as:

Legal:

A parcel of land in the Southwest one-quarter (SW ¼) of Section 23, T5S, R9W, Leonidas Township, St. Joseph County, Michigan, and more particularly described as commencing at the West one-quarter (W ¼) of said Section 23; thence S00°-32'-52"W, 1,208.91 feet, along the West line of said Section 23 to the Point of Beginning of this description; thence S89°-28'-12"E, 834.77 feet; thence N00°-32'-52"E, 780.00 feet; thence S89°-28'-12"E, 1,300.00 feet; thence S00°-32'-52"W, 900.00 feet; thence N89°-28'-12"W, 2,134.77 feet to said West line of said Section; thence N00°-32'-52"E, along said West line 120.00 feet to the Point of Beginning.

The above described parcel contains 29.16 acres more or less and is subject to any rights, restrictions, easements, and prior conveyances of record.

The Property description is approximate and is subject to adjustment as the State Administrative Board or Attorney General considers necessary by survey or other legal description.

The State has not reserved mineral rights to the conveyed property. The State does reserve the right to receive ½ of any revenue generated in the event a subsequent owner develops any minerals from the Property.

**Purpose/Business Case**

The Property has been declared surplus. The Property is not being utilized and the recommended conveyance will return the Property to productive use. The recommended conveyance satisfies the criteria set forth in the Act.

**Benefit**

The approval of this recommendation releases vacant surplus property into full utilization and relieves the State of further ownership responsibilities.

**Funding Source**

N/A

**Risk Assessment**

Failure to approve this sale would result in the loss of revenue to the general fund.

**Zip Code**

49066

**SALE OF STATE-OWNED PROPERTY – DEPARTMENT OF MILITARY AND VETERANS AFFAIRS – CITY OF LANSING, MICHIGAN ARMY NATIONAL GUARD**

9. 1992 PA 307 authorizes The Department of Military and Veterans Affairs, with State Administrative Board approval, to convey property located on 15483 South Dixie Highway, Monroe MI, 48161 pursuant to the terms of a written agreement entitled “Offer to Purchase Real Property” between the Michigan Department of Military and Veterans Affairs and Grice’s Hometown Properties, a Michigan Limited Liability Company, for the consideration of \$171,500.00. The property to be conveyed is located in the City of Monroe, County of Monroe, and State of Michigan. The property was appraised at \$171,500.00 by County to County Appraisals, 24794 Strewing Road, Brownstown, MI 48134 on November 16<sup>th</sup>, 2010.

**RECOMMENDATION:** That in consideration of \$171,500.00, the property identified below, under the jurisdiction of the Department of Military and Veterans Affairs, is conveyed to Grice’s Hometown Properties, New Era, Michigan. The property is located in the City of Monroe, County of Monroe, State of Michigan, and is further described as:

Lot 1, 2, 3, 20, 21, 22, Block B, of the south Monroe Subdivision, being a part of Private Claims 540, 400, 413, 398, 414, 425, Monroe Township, Monroe County, Michigan

**SALE OF STATE-OWNED PROPERTY – DEPARTMENT OF MILITARY AND VETERANS AFFAIRS – CITY OF LANSING, MICHIGAN ARMY NATIONAL GUARD**

10. 1992 PA 307 authorizes The Department of Military and Veterans Affairs, with State Administrative Board approval, to convey property located on Portage Heights, Township of Grayling, County of Crawford, State of Michigan pursuant to the terms of a written agreement entitled “Offer to Purchase Real Property” between the Michigan Department of Military and Veterans Affairs and Thomas H. and Janis I. Joyce, husband and wife, Grantee who’s address is 1302 Warner Creek, Saline, Michigan 48176, for the consideration of \$2,850.00. The property to be conveyed is located in the Township of Grayling, County of Crawford, and State of Michigan. The property was appraised at \$2,850.00 by Kenneth R. Arndt & Associates, Inc P.O. Box 1235 Gaylord, MI on November 14<sup>th</sup>, 2011.

**RECOMMENDATION:** That in consideration of \$2,850.00, the property identified below, under the jurisdiction of the Department of Military and Veterans Affairs, is conveyed to Thomas H. and Janis I. Joyce, husband and wife, Grantee who’s address is 1302 Warner Creek, Saline, Michigan 48176. The property is located in the Township of Grayling, County of Crawford, State of Michigan, and is further described as:

A parcel of land in Section 9, T26N, R4W, Grayling (SW) Township, Crawford County, Michigan being Lots 1-3 and Lots 41-44, Block 4, as shown in accordance with the plat of the First Addition to Portage Lake Park, as recorded in Liber 1 of plats, page 18, Crawford County Records; and

A parcel of land in Section 9, T26N, R4W, Grayling (SW) Township, Crawford County, Michigan being Lots 1-4 and Lots 39-44, Block 6, as shown in accordance with the plat of the First Addition to Portage Lake Park, as recorded in Liber 1 of plats, page 18, Crawford County Records.

# RECOVERY ACT FUNDS AGENDA

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

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11:00 A.M. Lake Superior Room, 1<sup>st</sup> Floor  
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### **MODIFICATION TO PROFESSIONAL SERVICES CONTRACT**

DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET, DIMONDALE –  
Energy Center, State Secondary Governmental Complex – Cogeneration Project  
File No. 071/10222.DCS - Index No. 02034  
That the contract for professional services with The Christman Company,  
Lansing, be increased \$90,954.00

#### **Purpose/Business Case**

The purpose of this modification is to provide for the addition of a reverse osmosis water treatment system, additional ASME welding on the Heat Recovery Boilers, natural gas system filters and extend the existing catwalk to access the steam valves. These additional services and construction items are required to resolve and reduce long term maintenance cost issues, provide increased operator access and complete the planned Cogeneration Project.

#### **Benefit**

The State will benefit by ensuring proper operation of the system resulting in increased energy efficiency.

#### **Funding Source**

91% ARRA Funds  
9% Agency Operating Funds

#### **Commitment**

The professional services contract modification will be paid on a lump sum fee basis plus reimbursables. The amount of the contract is within the authorized budget.

#### **Risk Assessment**

Failure to approve this modification will result in the State not obtaining a cogeneration system that operates at peak efficiency.

#### **Zip Code**

48821