



Request for Proposal (RFP)
Michigan Department of Technology, Management and Budget (DTMB)
for
DEPARTMENT OF TRANSPORTATION (MDOT) – Livonia, MI
SR # 2013- 0299

RFP Summary, Submission Requirements and Checklist

SUMMARY

Agency:	Michigan Department of Transportation (MDOT)
Location:	Livonia, MI
Square Footage/Use:	14,734 / office
Floor(s):	TBD
Parking Requirement:	75 common spaces
Occupancy Date:	October 1, 2013
Broker:	n/a
Rental Agreement:	Standard form of state rental agreement is attached to this RFP.
Note:	The attached RFP and rental agreement contains energy efficiency requirements.
Other:	An additional occupancy time of up to one year may be required

SUBMISSION DOCUMENT CHECKLIST

- Written summary of proposal
- Complete Space Available Proposal (SAP) form
- Proof of ownership of property
- Proof of legal authority to enter into agreement (see attached "legal documentation and signature requirements checklist")
- Proposed floor plan
- Proposed site plan
- Proposed time line from executed date of agreement
- Proposed rendering
- Signed bidder's acknowledgement

SUBMISSION DUE DATE / PROCEDURES

Two (2) copies of each proposal, clearly indicating the appropriate proposal number SR #2013-0299, must be received by 3:00 p.m. E.S.T. on Friday, June 28, 2013 to: Robert M. Burns, Director, Real Estate Division, Michigan Department of Technology, Management and Budget, **c/o** Marchan Darby, Mason Bldg 1st Fl, 530 W Allegan St, Lansing, Michigan 48933.

Please be advised that proposals MUST be received by the date and time stated herein or they will not be accepted. There will be NO exceptions.

An electronic version of the proposal is also requested and should be submitted to dtmb-realestate@michigan.gov within 24 hours of the due date defined herein and please indicate the appropriate proposal number SR# 2013-0299 in the subject line.



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Introduction and Overview

The State of Michigan, by the Department of Technology, Management and Budget (DTMB/State or Tenant), for the Department of Transportation (MDOT) is evaluating their space alternatives in Livonia, Michigan. Please respond to the Request for Proposal (RFP) if you (Landlord or Bidder) have a potential location in the geographic boundaries set forth in this RFP. If you have more than one potential location, submit separate proposals for each location.

Please review and read this package thoroughly. Your proposal should be based on the sample documents and the requirements as detailed in this package.

Please be advised that State tax credits and incentives are administered by the Michigan Economic Development Corporation (MEDC), who is the appropriate contact for resources and program information. The DTMB will not accept proposals contingent upon receiving credits, incentives or other project cost inducements.

The State reserves the right to waive any irregularities or defects in any submission; to request clarifications or additional information regarding proposals; to conduct a Best and Final Offer (BAFO); and to reject any and all proposals at its sole discretion. The submission of this RFP does not constitute an agreement to rent with the State. The State shall assume no liability whatsoever for any expense incurred by a Bidder in replying to this RFP, or any development risk of a successful bidder. An agreement, if completed, shall be with the proposal deemed to have offered the best value to the State of Michigan.

Pursuant to 1984 PA 431, as amended, ("The DMB Act"), the Department of Technology, Management and Budget is the only agency authorized to enter into rental agreements on behalf of the State of Michigan. No individual, employee or agent of the State of Michigan has authority to bind the State without proper authorization. Bidders are directed to section VI.4. Proposal Submission of this RFP for correct information on proposal submission. Bidders are hereby notified that communications during the RFP process non-compliant with the Proposal Submission guidelines may result in disqualification of a proposal.

Any release to the public of information relating in any respect to the contemplated rental agreement or any other matters set forth (i.e. advertisement, ground breaking, press releases, etc.) must have prior written approval and be made only in the form approved by the DTMB Real Estate Division Director.

I. Space Requirements

- I.1. Location:** The space shall be located within the boundaries of 1 mile to the North of I-96, M-39 to the East, 1 mile to the South of I-96 and I-275 to the West. This includes properties on either side of the street delineating the boundaries. Please identify the location of the space by street and mailing address.
- I.2. Space (Premises):** The State requires approximately 14,734 usable square feet of office space. The State reserves the right to increase or decrease the size of this requirement by up to 10%. Special circumstances may require more extensive program size changes.

Please verify that the Premises square footage is based upon the A.N.S.I. Z65.1 – 1996 method for calculating space.

- I.3. Parking:** The State requires seventy five (75) common parking spaces. Please describe the parking provided at the site, including the total number of spaces available and provide detail as to how you will meet this parking requirement.

- I.4. **Occupancy/Commencement:** The Occupancy/Commencement Date is the latest date on which the improvements to the Premises are substantially complete and the Landlord secures a Certificate of Occupancy, or the Tenant begins beneficial use of the Premises. The Landlord will deliver the Premises to the Lessee no later than October 1, 2013. Please provide an estimated time frame to build out the Premises, if applicable.

II. Rental Term

- II.1. **Initial Rental Term:** The Initial Agreement Term is one (1) year.

Please propose a fixed, or flat, rental rate for a Gross Rental Agreement: including all expenses – taxes, insurance, janitorial services, maintenance, etc.

The State may elect to pay for utilities separately so please include a cost per square foot to reduce the rental rate if such occurs.

- II.2. **Adjustments/Escalations:** There will be no adjustments made to the rental consideration.
- II.3. **Allowances and Contributions:** Please include all allowances and contributions proposed with respect to design costs, construction, moving, and any allowance items (indicate a per square foot moving allowance in the space provided on the Space Available Proposal (SAP) form).
- II.4. **Concessions:** Given current market conditions, the State is very interested in acquiring market concessions for this transaction. Any concessions, especially the timing of such, will be a major factor in assessing proposals received. Concessions may include reduced rent, free rent, moving allowances or any other item you are willing to incorporate into the proposal. Clearly a combination of these items may be included also.
- II.5. **Cancellation:** Standard cancellation requiring 60-days written notice. All State rental agreements for real property are required to contain a cancellation provision as established within the framework of the Michigan Constitution. The attached SAP form and sample rental agreement contain this provision.
- II.6. **Security Deposit:** The State will not provide a security deposit.
- II.7. **Alternative Terms:** The State may consider proposals with alternative rental terms and conditions if such are determined to be in the best financial interest of the State; however, bidders are encouraged to respond to the specific requirements listed in this RFP, as alternative proposals may or may not be considered. All proposed alterations from the standard form of rental agreement attached to this RFP must be clearly identified. The State must receive sufficient information to accurately assess all proposals. The State reserves the sole and exclusive right to consider alternative proposals, to seek proposal clarification, and to reject any and all proposals.

III. Building Standards and Systems

- III.1. **Building and Tenant Improvements:** The Tenant is requesting space that requires little or no renovations as they will use modular furniture within the floor to ceiling office. Space must be a typical/standard office setting, clean and ready for occupancy. The Landlord will be responsible for providing the Premises in turnkey condition.

If your proposal is a new build requiring site approval, the final approved plan of the Premises must comply with your response to this RFP, including parking requirements.

Please provide a detailed description of the building and other material descriptions; for example, explain the HVAC system, the type of access and security system and procedures, and the telecommunications services available, barrier free design, etc. that will allow the State to understand the quality and appearance of the building.

Please include a proposed floor plan for the Premises.

- III.2. **Construction Taxes, Permits and Fees:** The Landlord is responsible for all taxes, permits, fees, etc., required for any construction and/or remodeling. The Landlord is responsible for all necessary inspections by the architect/engineer during the construction and/or remodeling.

III.3. Environmental Disclosure: The Landlord covenants that he/she has undertaken a due diligence inquiry of the Premises. The Premises, and property on which the Premises are located, are free of any toxic, hazardous or injurious substances as defined under Federal and State laws and regulations. The attached sample rental agreement contains environmental provisions that must be adhered to when entering into an agreement with the State of Michigan. These provisions, as recited in the rental agreement, will not be altered. Proposers are directed to the attached agreement to review all environmental requirements.

III.4. Energy Efficiency and Conservation: The following sections apply to space rented by State Departments or Agencies, pursuant to Executive Directive 2007-22: *Enhanced Energy Efficiency and Conservation by State Departments and Agencies:*

V. C – when the state is entering into a rental agreement for a state department or agency to occupy a portion or all of a building leased by this state at a new location, the building qualifies for Energy Star® designation whenever feasible.

VI. B – all newly constructed buildings rented by the state are designed and constructed in accordance with the Leadership in Energy and Environmental Design (LEED) Green Building Rating System developed by the United States Green Building Council.

IV. Forms, Documents, and Overview

IV.1. Enclosed Documents: The enclosed documents (electronic copies only) are provided to assist you in establishing your rental rate:

- Sample Rental Agreement
- State of Michigan Minimum Building Design Standards and Additional Standards, if applicable. These standards are to be used in determining the cost of remodeling and/or construction.
- Floor plans, if applicable
- Janitorial and Recycling Standards
- Legal Documentation and Signature Requirements
- Executive Directive 2003-22 "Locating in Urban Areas"
- Executive Directive 2007-22 "Enhanced Energy Efficiency and Conservation"
- Excerpt from PA 295 of 2008
- ANSI Standards
- Bidder's Acknowledgment

IV.2. Space Available Proposal form(s): To be considered, your proposal shall be made on the enclosed Space Available Proposal form(s) and all blank spaces on the form(s) shall be filled in. Please note: Proposal forms not completely filled in may be rejected.

Your signature shall be in longhand, and no part of the proposal form shall be altered (except for your alternate proposals, if any).

IV.3. Standard Agreement Form: All Agreements entered into by the State of Michigan are based on the Standard Agreement form pre-approved by the Attorney General's office, which is enclosed with this RFP. Any requested exceptions or alterations to this Standard Agreement form must accompany your proposal. However, the Attorney General's office must approve as to legal form any proposed revisions. Exceptions to the Standard Agreement form may have an impact on the recommendation. The State of Michigan reserves the right to make further modifications to the Agreement document to accurately reflect final business terms.

V. Required Approvals for State Rental Agreements

V.1. Requirements for State Rental Agreements: The proposed Rental Agreement shall not be binding or effective on either party until approved as to legal form by the Department of Attorney General; signed and notarized by the Lessor and the Lessee; approved by the State Administrative Board, and signed and notarized by the Department of Technology, Management and Budget. If the Agreement or any subsequent amendments to it fall within the requirements of 1984 PA 431, as amended, MCL 18.1101 et seq. ("The DMB Act"), the Agreement and any subsequent amendments to it shall also require approval

of the Joint Capital Outlay Subcommittee of the Legislature. The effective date of the proposed Rental Agreement is the date the last State governmental approval is obtained as set forth on the signature page. At any time prior to the last State governmental approval, the State reserves the right to reject the proposal and terminate the approval process.

- V.2. Legal Documentation:** Pursuant to The DMB Act (Public Act 431, as amended) all lease agreements must be approved as to legal form by the Attorney General's office, which includes the submission of documentation necessary to evidence legal authority of Bidder to enter into the lease agreement, including the signatory's authority to bind. For your convenience, a guideline indicating necessary legal documentation is included with this RFP. Failure to provide appropriate legal documentation may result in your proposal being rejected.

VI. Selection Criteria and Submission

- VI.1. Selection Criteria:** The selection of the recommended proposal is based on, but is not limited to, the following criteria:
- A clear and concise proposal, particularly in terms of dates, numbers, dollars, and any other information requested in this RFP. Vague and/or general proposals may be rejected.
 - The ability to comply with Barrier Free Design
 - The ability to comply with Executive Directive 2003-22 "Locating in Urban Areas" and Executive Directive 2007-22 "Enhancing Energy Efficiency and Conservation"
 - The ability to meet any build out specifications and timelines, and special needs of the Lessee
 - The overall condition of the building, including infrastructure, HVAC, property, etc. (existing space)
 - The overall cost, which is deemed in the best interest of the State
 - The type of accessibility (e.g. roads, public transportation, etc.)
 - The type of utilities available
- VI.2. Required Documents:** Please return the following documents for our review and consideration. Please note: Failure to provide the following may result in your proposal being rejected.
- Written Summary of Proposal
 - Completed Space Available Proposal form(s)
 - Proof of ownership of Property
 - Proof of legal authority to enter into the proposed agreement
 - Proposed Floor Plan (you must show how the State's requirements, using State standards, will fit in your proposed site)
 - Proposed Site Plan
 - Project timeline from date of executed agreement
 - Proposed Rendering
 - Signed Bidder's Acknowledgement
- VI.3. Questions and Answers:** Questions concerning clarifications or standards contained in this RFP are to be submitted by e-mail only (please indicate the appropriate proposal number in the subject line) no later than 5:00 p.m. on Tuesday, June 17, 2013 to dtmb-realestate@michigan.gov.

All questions and answers will be posted to the website at www.michigan.gov/dtmb-realestate no later than Monday, June 21, 2013. Prospective Bidders should check the website for any updates, questions and answers.

The State will not respond to telephone inquiries or visits by Bidders or their representatives, or respond to questions after the due date.

- VI.4. Proposal Due Date:** Two (2) copies of each proposal, clearly indicating the appropriate proposal number SR# 2013-0299, must be received by 3:00 p.m. Eastern Standard Time on Friday, June 28, 2013 to:

Robert M. Burns, Director, DTMB Real Estate Division
c/o Marchan Darby, Property Specialist
Mason Building 1st Floor
530 West Allegan Street
Lansing MI 48933

Please be advised that proposals MUST be received by the date and time stated herein or they will not be accepted. There will be NO exceptions.

An electronic version of the proposal is also requested and should be submitted to dtmb-realestate@michigan.gov within 24 hours of the due date defined herein and please indicate the appropriate proposal number SR# 2013-0299 in the subject line.

All proposals shall be valid for one-hundred and twenty (120) days from the submission due date, unless mutually agreed to in writing by both parties.

- VI.5. Best and Final Offer (BAFO):** A BAFO may be requested at the sole and exclusive discretion of the DTMB or its agent. A BAFO or other alteration to original proposals submitted after the Proposal Due Date will not be accepted unless requested in writing by the DTMB or its agent.

A BAFO may be requested from one or more proposers during the review and evaluation process. If the evaluation process does not lead to a viable recommendation and there are alterations to the original RFP requirements, the requirements will be presented to all Bidders with a due date for submission.

Bidders will not be provided any information about other proposals, or where a Bidder stands in relation to others, at any time during the evaluation process.

- VI.6. State Acceptance and Authority:** After all proposals have been analyzed and the recommendation is made to and accepted by the Department, DTMB will notify all Bidders accordingly. Any proposals not meeting the minimum requirements of the enclosed sample lease and instructions may be rejected.

It is the State's practice to select the lowest most responsive bid in consideration of all factors set forth in this RFP. The lowest bid does not necessarily mean it will be selected.

The DMB Act (1984 Public Act 431, as amended) specifies that the DTMB is the only department authorized to enter into rental agreements, subject to obtaining all necessary approvals. No individual, employee or agent of the State of Michigan has authority to bind the State without proper authorization.

In accordance with the above, oral and written promises or representations made regarding a rental agreement, existing or proposed, or transmittal of written documents that have not been approved by the State Administrative Board, shall not be binding on the State. You must receive a fully executed document, signed by an authorized representative of the DTMB, for an agreement to be valid.

Thank you for your interest in doing business with the State of Michigan.



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Michigan Department of Technology, Management and Budget (DTMB)
for
DEPARTMENT OF TRANSPORTATION (MDOT) – Livonia, MI
SR #2013- 0299
June 11, 2013

Bidder's Acknowledgement

This Acknowledgment must be signed, dated, and returned with your Proposal

Please review and read this RFP thoroughly. Your proposal should be based on the sample documents and requirements as presented in this RFP. The Bidder acknowledges and certifies that they are authorized to submit the proposal; that they have read and fully understand all terms and conditions of this RFP; that the proposal complies with the requirements of this RFP; and that they shall be responsible for any errors or omissions in the proposal.

Signature of Authorized Bidder/Representative

Date

Printed Name

GROSS SPACE AVAILABLE PROPOSAL SR# 2013-0299
 State of Michigan - Department of Technology, Management & Budget - Real Estate Division

This form is a **proposal only** to serve notification that the property noted below, with the building construction/remodeling, as per prints and specifications, is available for lease to the State of Michigan. NOTE: The State reserves the right to accept any proposal, to reject any or all proposals, and/or to waive any defects in proposal. Establishment of a lease agreement, if made, shall be with the Proposer whose proposal is in the best interest of the State of Michigan.

NAME OF PROPOSER (LANDLORD): CONTACT PERSON:		ADDRESS OF PROPOSER (STREET) TBD		
CURRENT LEGAL ENTITY (i. e., HUSBAND/WIFE, LLC, CORP., PARTNERSHIP):		CITY	STATE	ZIP CODE
TELEPHONE NUMBER: FAX NUMBER:		EMAIL ADDRESS (Print Clearly)		
BUILDING ADDRESS AND/OR LEGAL DESCRIPTION OF RENTAL PREMISES TBD Zip Code: _____		TOTAL BUILDING SQ. FT. (PROVIDE DOCUMENTATION) TBD	PERCENT OF BUILDING LEASED TO THE STATE ___%	
		SQ. FT. OF LEASED PREMISES TBD	CURRENT STATE EQUALIZED VALUE (SEV) \$ DATE OF SEV _____	
INITIAL RENTAL TERM: 1-year		CANCELLATION: 60 -day notice		
(A) MONTHLY BASE RENT \$	(B) MONTHLY OPERATING COST \$	(C) (A + B = C) MONTHLY RENT \$	ANNUAL RENT \$	SQ FT RATE \$
RENEWAL OPTION: n/a -		CANCELLATION: -day notice		
(A) MONTHLY BASE RENT \$	(B) MONTHLY OPERATING COST \$	(C) (A + B = C) MONTHLY RENT \$	ANNUAL RENT \$	SQ FT RATE \$
TOTAL DEVELOPMENT COST OR REMODELING COST: \$	LUMP SUM COST INCLUDED IN FIRST MONTH RENT: \$	NO. OF ON-SITE PARKING SPACES:		
If applicable, indicate any of the following: <input type="checkbox"/> Moving Allowance \$ _____ <input type="checkbox"/> Free Rent for _____ months/years (circle one)				
SERVICES TO BE PROVIDED BY LANDLORD AND/OR STATE:		Telephone System	State	
Heat and Air Conditioning Utilities	Landlord	Alarm System	State	
Electricity	Landlord	Grounds Maintenance	Landlord	
Water and Sewer	Landlord	Snow Removal	Landlord	
Janitorial Services and Supplies	Landlord	Trash Removal (leased premises and dumpster)	Landlord	
Restroom Supplies	Landlord	Parking Lot Maintenance	Landlord	
Water Well and/or Septic System Maintenance	Landlord	Maintenance of Portable Fire Extinguishers	Landlord	
Maintenance of Sidewalks, Curbs, and Gutter	Landlord	Replacement of Tubes and Bulbs	Landlord	
Pest Control	Landlord	Building Maintenance (including Physical Plant)	Landlord	
FAILURE TO RETURN THIS FORM WILL EXCLUDE YOU FROM CONSIDERATION AS A PROPOSER ON THIS PROJECT. YOUR NAME WILL REMAIN ON THE BIDDERS LIST FOR FUTURE PROJECTS.				
I/We have confirmed financing arrangements if I/we are selected by the State of Michigan to construct and/or remodel and rent to the State this Building for possession by the Michigan Department of Transportation and are prepared to submit written evidence of such funding arrangements within 15 days of being selected as the successful Proposer.				
THIS FORM MUST BE COMPLETELY FILLED OUT, SIGNED AND RETURNED TO THE FOLLOWING ADDRESS: Bob Burns—c/o Marchan Darby State of Michigan DTMB, Real Estate Division Mason Bldg 1st Floor PO Box 30026 Lansing, Michigan 48909		PROPOSAL TO BE RECEIVED IN THIS OFFICE ON OR BEFORE: June 28, 2013		
		POSSESSION TO TAKE PLACE ON OR BEFORE: October 1, 2013		
		WHAT IS THE CURRENT ZONING?		
		DO YOU HAVE LEGAL TITLE TO PROPERTY?		
SIGNATURE(S)		DATE		

SQUARE FOOTAGE (Leased Premises) - The amount of square footage using inside dimensions that can be used by the State for which rent is charged (based upon the A.N.S.I. Z65.1 - 1996 method for calculating space).

MONTHLY BASE RENTAL RATE – For example: The portion of the monthly rental payment, which is attributable to debt service and return on equity (excluding operating costs).

MONTHLY OPERATING COST – For example: The portion of the monthly rental payment, which is attributable to operation expenses, such as utilities, maintenance, real estate taxes and/or insurance.

Monthly Base Rental Rate + Monthly Operating Cost = Total Monthly Rent

POSSESSION - Lawful availability and physical access to install the State's furnishings and compliance with submitting a certificate of occupancy and completion of remodeling standards and specifications.

RENEWAL OPTION - A covenant giving the State the right to extend an agreement for an additional period on specified terms.

TOTAL DEVELOPMENT COST - The total cost of the project, including the construction of the building and purchase of the land.

LUMP SUM COST - Predetermined dollar amount based on a percentage of the total development cost, payment of which shall be made to the Landlord upon submission of proper invoices concurrently with the first month's rent consideration for satisfactory completion of the remodeling or construction work.