

## REQUEST FOR PROPOSALS

### DEPARTMENT OF CORRECTIONS – IRON RIVER TOWNSHIP, IRON COUNTY

SR #2009-0423 APRIL 7, 2010

#### **I. Introduction**

The State of Michigan, by its Department of Technology, Management and Budget (DTMB), for its Department of Corrections (DOC) seeks proposals for leasing its Camp Ottawa sawmill property located in Iron River Township, Iron County, Michigan. The State seeks to initially make the subject property available via a Month-to-Month Agreement for up to twelve (12) months as a trial. If, at any point during the trial period, the parties agree that their experience in that Month-to-Month Agreement has been mutually rewarding and successful, the State may offer the Tenant a longer term Lease with similar initial rent and similar (but not identical) other terms, and subject to the added approvals for longer term Leases described herein.

Details on the sawmill property available for leasing and the terms of the initial Month-to-Month Agreement are included in this Request for Proposals (RFP) and its attachments. Please review and read this RFP package thoroughly. Potential Tenants that could operate the DOC sawmill site as a private for-profit or non-profit business operation within the terms and parameters specified herein, are strongly encouraged to respond. Proposals must be based on the sample documents and requirements as detailed herein. Instructions for how to properly submit proposals and questions on this RFP are also included herein. Proposers are hereby notified that communications during the RFP process other than those called for herein may result in a proposal's rejection.

Note that State tax credits and other business incentives are administered by the Michigan Economic Development Corporation (MEDC), which is the appropriate contact for related resources and program information. 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) run-off competition between leading proposers; and to reject any and all proposals at the State's sole discretion. The submission of this RFP does not constitute an agreement to lease with the State. The State shall assume no liability whatsoever for any expense incurred by a Proposer in replying to this RFP, or any development risk of a successful proposer. A Month-to-Month Agreement for leasing the subject premises, if completed, shall be with the proposer deemed to have offered the best overall value to the State of Michigan.

#### **II. Forms and Documents**

**II.1 - Lease of State-Owned Space Proposal Form:** To be considered, your proposal shall be made on the enclosed Lease of State-Owned Space Proposal Form and all blank spaces on that form are to be filled in. Incomplete proposal forms may be rejected. Your signature on the form must be in longhand, and no part of the form shall be altered (except to document alternate terms proposed, if any, in the manner provided on the form).

**II.2 - Proposed Form of Month-to-Month Agreement:** A proposed Month-to-Month Agreement designed to govern this specific leasing opportunity is enclosed. Exceptions or alterations to that Month-to-Month Agreement may have an impact on the recommendation. The State of Michigan reserves the right to make further modifications to the leasing document to accurately reflect final business terms agreed to by the parties.

#### **III. Required Approvals, Legal Documentation and Disclosures**

**III.1 - Required Approvals For State Month-to-Month Agreements and Leases:** No Month-to-Month Agreement shall be binding or effective on either party until it is approved and executed by the Department of Technology, Management and Budget and the date of execution by the Department of Technology, Management and Budget shall be the effective date of the Month-to-Month Agreement. At any time prior to execution by the Department of Technology, Management and Budget, the State reserves the right to reject the proposal and terminate the Agreement approval process. If the parties subsequently endeavor to enter into a longer term Lease to succeed the Month-to-Month Agreement, that Lease will also require approval as to legal form by the Department

of Attorney General; implementation approval by the State Administrative Board and execution by the Department of Corrections and the Department of Technology, Management and Budget and it shall not be effective or binding without those approvals.

**III.2 - Required Documentation From Proposers:** A complete and proper proposal will, at a minimum, contain the following documents:

1. A completed "Bidder's Acknowledgement" form.
2. A completed "Lease of State-Owned Space Proposal" form (specifically for SR# 2009-0423) and any attachments thereto as called for on that form.
3. Documentation as necessary to confirm a proposer's legal entity status and their legal authority to enter into a leasing agreement, including the signatory's authority to bind an entity contractually.

Failure to provide the foregoing documentation may result in a proposal's rejection.

**III.3 - Disclosures:** All materials submitted by proposers may be subject to public disclosure, once unsealed and after the proposal evaluation process, under the Michigan Freedom of Information Act (FOIA) (P.A. 442 of 1976, as amended.) However, no such disclosures will be made about proposals or about where a given proposal "stands" in relation to others, at any time during the evaluation process. All proposal-related materials submitted by proposers become the property of the State of Michigan and cannot be returned.

#### **IV. Selection Criteria and Submission**

**IV.1 - Selection Criteria:** The selection of the recommended proposal is based on, but is not limited to, the following criteria:

- A. 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.
- B. The best overall economic return (net rental income) for the Department of Corrections. Proposers are expected to submit their best and highest offer for rent and all other selection criteria in response to this RFP.
- C. Number of new full-time and part-time jobs pledged to be created in Michigan as a result of this Lease (if any).
- D. Proven successful experience operating a commercial sawmill safely, responsibly, efficiently and effectively for at least three (3) years.
- E. Demonstrated financial viability via annual financial reports from the past three (3) years which may be supplemented by current letters of credit.
- F. Demonstrated ability to honor a commercial leasing agreement via positive references from past Lessors/Landlords.
- G. Ability to partner with and/or serve as a vendor to Michigan State Industries or other Department of Corrections programs as a result of this Agreement in support of stated official DOC program goals.
- H. Other tangible or intangible specific benefits to the State not listed here that the prospective Tenant may care to offer.

**IV.2 - Questions and Answers:** Questions concerning clarifications or standards contained in this RFP are to be submitted by e-mail only (please indicate proposal number SR 2009-0423 in the subject line) no later than **5:00 p.m. Eastern Standard Time on April 14, 2010** to: [DMB-realestate@michigan.gov](mailto:DMB-realestate@michigan.gov)

All questions and answers will be posted to the website at [www.michigan.gov/DMB-realestate](http://www.michigan.gov/DMB-realestate) no later than **Wednesday, April 21, 2010**. Prospective proposers should check the website for any updates, questions and answers.

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

**IV.3 - Proposal Submission:** Two (2) printed copies of each proposal, clearly indicating the appropriate proposal number SR 2009-0423, must be received by **3:00 p.m. Eastern Standard Time on Friday, May 7, 2010** to the address below:

For delivery by USPS:  
Terri L. Fitzpatrick, Director  
DTMB Real Estate Division  
c/o H. David Arking  
P.O. Box 30026  
Lansing, MI 48909

For delivery by hand or private carrier:  
Terri L. Fitzpatrick, Director  
DTMB Real Estate Division  
c/o H. David Arking  
1<sup>st</sup> Floor, Stevens T. Mason Bldg.  
530 West Allegan Street  
Lansing, MI 48933

An electronic version of the complete proposal is also required to be submitted by e-mail to [DMB-realestate@michigan.gov](mailto:DMB-realestate@michigan.gov) by the same deadline as the printed copies. That electronic submission must indicate the appropriate proposal number, SR 2009-0423, in the e-mail subject line.

**Printed and electronic copies of proposals MUST be received by the date and time stated herein or they will not be accepted. There will be no exceptions.**

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

**IV.4 - State Acceptance and Authority:** After all proposals have been analyzed and the recommendation is made to and accepted by the State, DTMB will notify all proposers accordingly. Any proposals not meeting the minimum requirements of the enclosed Month-to-Month Agreement and this RFP may be rejected.

Proposers are expected to submit their highest and best offer for rent and all other selection criteria in response to this RFP. However, it is the State's practice to seek out the best and most responsive OVERALL proposal for the Department of Corrections across all selection criteria set forth in this RFP. Accordingly, a proposal may not be selected just because it offers the highest rent alone.

The DMB Act (1984 Public Act 431, as amended) specifies that the Department of Technology, Management and Budget is the only department authorized to enter into leasing 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. Further, you must receive a fully executed leasing agreement document, signed by an authorized representative of the Michigan Department of Technology, Management and Budget for it to be valid.

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

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

**BIDDER'S ACKNOWLEDGMENT**

**Request for Proposal**

**DEPARTMENT OF CORRECTIONS - IRON RIVER TOWNSHIP, IRON COUNTY**

**SR #2009-0423 APRIL 7, 2010**

**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**

# LEASE OF STATE-OWNED SPACE PROPOSAL SR# 2009-0423

State of Michigan - Department of Technology, Management and Budget - Real Estate Division

This proposal is to lease the subject premises described below for an initial month-to-month term lasting up to twelve (12) months with an "either party" thirty (30) day cancellation option and with the other terms contained in the State's request for Proposals (RFP) and attachments thereto. This initial term is designed as a trial period. If, at any time during that trial, the parties agree that their experience in this leasing agreement has been mutually rewarding and successful, the State may offer the Lessee/Tenant a longer term lease for the subject premises with similar terms and minimum rent, subject to the same approvals as described in the initial Request for Proposals

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 leasing agreement, if made, shall be with the proposer whose proposal is in the best interest of the State of Michigan. By signing this proposal form, signatories represent that they are duly authorized to submit this proposal on proposer's behalf and that all the information supplied thereon by proposer is accurate and that the proposal is effective for 120 days from the date below by which proposals are to be received by the Department of Technology, Management and Budget, Real Estate Division (DTMB/RED).

|   |                              |       |     |
|---|------------------------------|-------|-----|
| NAME OF PROPOSER (LESSEE/TENANT):   | ADDRESS OF PROPOSER (STREET) |       |     |
| CONTACT PERSON:   |                              |       |     |
| <b>CURRENT</b> LEGAL ENTITY (i. e., HUSBAND/WIFE, LLC, CORP., PARTNERSHIP, ETC.): | CITY<br>CODE                 | STATE | ZIP |
| TELEPHONE NUMBER:   | EMAIL ADDRESS                |       |     |
| FAX NUMBER:   |                              |       |     |

|   |
|---|
| ADDRESS OF SUBJECT PREMISES: Camp Ottawa, 216 Gendron Road, Iron River, MI, 49935-9466                            |
| LEGAL DESCRIPTION OF SUBJECT PREMISES (Camp Ottawa): As given in the draft leasing agreement attached to the RFP. |

|  |   |   |
|--|---|---|
| MONTHLY RENT OFFERED:<br><br>_____       | NUMBER OF NEW FULL-TIME JOBS PROMISED TO BE CREATED BY PROPOSER FOR DURATION OF LEASE (IF ANY): | NUMBER OF NEW PART-TIME JOBS PROMISED TO BE CREATED BY PROPOSER FOR DURATION OF LEASE (IF ANY): |
| (Minimum rent accepted \$3,200.00/month) |   |   |

|   |
|---|
| Describe previous experience operating a commercial sawmill safely, responsibly, efficiently and effectively for at least three (3) years. (Attach additional pages as needed): |
|---|

Describe any opportunities your proposed use of the Camp Ottawa property will present for partnering with and/or serving as a vendor to Michigan State Industries or other Department of Corrections programs as a result of this Lease in support of stated official DOC program goals available on DOC's Michigan State Industries website at <http://www.michigan.gov/msi> . (Attach additional pages as needed):

Describe any other tangible or intangible specific benefits to the State that the prospective lessee/tenant may care to offer if awarded a leasing agreement for the subject space. (Attach additional pages as needed):

Describe any proposed specific exceptions or alterations to the terms and conditions offered in the State's RFP and attachments thereto. Note that such exception may detract from the competitiveness of your proposal: (Attach additional pages as needed):

THIS FORM MUST BE COMPLETELY FILLED OUT,  
SIGNED AND RETURNED TO THE FOLLOWING  
ADDRESS:

Terri L. Fitzpatrick, Director  
DTMB Real Estate Division  
c/o H. David Arking  
1<sup>st</sup> Floor, Stevens T. Mason Bldg.  
P.O. Box 30026  
Lansing, MI 48909

PROPOSAL TO BE RECEIVED IN THIS OFFICE ON  
OR BEFORE: \_\_\_\_\_ **2010**

DATE RECEIVED:

SIGNATURE OF PROPOSER

\_\_\_\_\_  
\_\_\_\_\_  
Printed name:

DATE: