



STATE OF MICHIGAN

DEPARTMENT OF MANAGEMENT & BUDGET

LANSING

JENNIFER M. GRANHOLM
GOVERNOR

LISA WEBB SHARPE
DIRECTOR

October 11, 2007

Dear Sir or Madam:

Subject: State of Michigan Seeks Office Space (SR #2007-0147)

Wanted To Lease

The State of Michigan is seeking 120-200 square feet of existing office space (floor to ceiling office on ground floor). Anyone interested in offering space or seeking additional information should visit <http://www.michigan.gov/dmb-realestate> and select Current Projects & RFPs for more information and respond accordingly.

Thank you,

Judy Bobo
Property Specialist, Real Estate Division

REQUEST FOR PROPOSAL

DEPARTMENT OF LABOR AND ECONOMIC GROWTH, ESCANABA

2007-0147

Introduction

The State of Michigan (State or Tenant) by the Department of Management and Budget (DMB) for the Department of Labor and Economic Growth, Michigan Rehabilitation Services, is evaluating its space alternatives in Escanaba, Michigan. Please respond to the Request for Proposal (RFP) if you (Landlord or Proposer) have a potential location in the geographic boundaries detailed below. If you have more than one potential location, submit separate proposals for each location. Each proposal should be submitted in a sealed envelope with the proposed location clearly written on the envelope.

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

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 lease with the State. The State shall assume no liability whatsoever for any expense incurred by a Proposer in replying to this RFP. A Month-to-Month (Agreement), if completed, shall be with the Proposer/proposal deemed to be in the best interest of the State of Michigan.

I. Space and Occupancy Requirements

1. **Space and Location (Premises):** The State requires approximately 120-200 usable square feet of existing typical/standard floor to ceiling office space (ground floor) located within the boundaries of Escanaba City limits and on a Public Transportation route. Please identify the location of the space.

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

2. **Parking:** The State requires three standard and one handicap (4) 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.

3. **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 Tenant no later than 30

days of receipt of an executed Agreement. Please provide an estimated time frame to build out the Premises, if applicable.

II. Agreement Terms

1. **Initial Term:** The initial Term is month-to-month not to exceed 12 months.

Please propose a fixed, or flat, rental rate for a:

- **Gross Rate:** including all expenses -- taxes, insurance, janitorial, maintenance, and etc.
- **Net Rate: Not applicable**

2. **Renewal Option(s):** Not applicable

3. **Adjustments/Escalation:** There will be no adjustments made to the rental consideration for operating costs, real estate taxes, etc. If necessary, please state any incremental increases in fixed amounts as opposed to using an index or percentage as the basis for changes.

4. **Operating Expenses:** For comparison purposes, please provide actual operating expenses and real estate taxes (for an existing building) for the past three years.

5. **Allowances and Contributions:** Please include all allowances or 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(s)).

6. **Free Rent:** Please indicate any free rent in the space provided on the SAP form(s). Although free rent is not required, any proposed free rent will be considered in the overall financial evaluation of the proposal.

7. **Cancellation:** All State government leases for real property, for a term in excess of one (1) year, are required to contain a cancellation provision as established within the framework of the 1963 Michigan Constitution. The SAP form(s) attached in this RFP contains a Standard cancellation provision requiring a thirty (30) day written notice.

8. **Security Deposit:** The State will not provide a security deposit.

III. Building Specifications and Systems

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 a turnkey condition.

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, as well as an electronic version of Auto Cad drawings, if available.

2. **Taxes, Permits and Fees:** The Landlord is responsible for all taxes, permits, fees, etc., required for any construction and/or remodeling. It is the responsibility of the Proposer to acquire and pay for the necessary plans and specifications from their architect/engineer. The Landlord is responsible for all necessary inspections by the architect/engineer during the construction and/or remodeling.
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.

IV. Forms, Documents, and Overview

1. **Enclosed Documents:** The enclosed documents (electronic copies only) are provided to assist you in establishing your rental rate:
 - Sample Rental Agreement
 - Janitorial and Recycling Standards
 - Legal Document Checklist
 - Executive Directive 2003-22
 - Environmental Assessment Checklist
 - ANSI Standards
2. **Space Available Proposal form(s) for a Gross and/or Net rate:** To be entitled for consideration, 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**).

Both the **monthly base** rental rate and the **monthly operating** rate must be provided. For example, the base rental rate refers to such things as amortized debt and renovation costs, depreciation, return on investment, etc, and monthly operating rate refers to such things as real estate taxes, utilities, and other operating expenses (trash removal, snow plowing, etc.) paid by you as the Landlord. The monthly rent figure should represent 1/12 of the annual rent rounded to the nearest whole dollar. The annual rent figure should include the cost for both base rent and operating rent on a per annum basis. Numbers shall be clearly hand printed or typed. Where there is a discrepancy, typed numbers shall prevail.

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

3. **Standard Agreement Form:** 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.
4. **Proposal Agreement Process Overview:** The proposed Agreement shall not be binding or effective on either party until signed and witnessed by the Landlord, the Tenant, and by the Department of Management and Budget. At any time prior to the last State governmental approval, the State reserves the right to reject the proposal and terminate the Agreement approval process.
5. **Legal Documentation:** Submission of legal documentation is necessary to evidence legal authority of Proposer to enter into the 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

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 as 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
 - The ability to meet any build out specifications and timelines, and special needs of the Tenant
 - The ability to meet space and parking requirements
 - 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
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 – include descriptions and information requested
 - Completed Space Available Proposal form(s) (Gross)
 - Proof of Ownership of Property and Legal Authority to enter into the Agreement
 - Environmental Assessment Checklist

- Proposed Floor Plan (You must show how the State's requirements, using State standards, will fit your proposed site)

3. **Questions and Answers:** Questions concerning clarifications or specifications contained in this RFP are to be submitted by email only (please indicate the appropriate proposal in your subject line) no later than **October 18, 2007**, to: DMB-RealEstate@michigan.gov.

Answers to questions will be prepared and posted on the website at www.michigan.gov/dmb-realestate no later than **October 25, 2007**. Prospective Proposers should check the website for any updates, questions and answers.

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

4. **Proposal Submission:** Proposals are due **on or before November 8, 2007**, to Judy Bobo, State of Michigan, DMB Real Estate Division, Cohodas Building, Room 408, 1401 Presque Isle, Marquette, Michigan 49855.

Please submit three (3) copies of your proposal following the above format and providing the requested information, and simultaneously emailing a copy of your proposal to DMB-RealEstate@michigan.gov, indicating the appropriate proposal in the subject line.

THE ABOVE DATES WILL BE STRICTLY ADHERED TO

All proposals shall be valid for ninety (90) days from the submission of the due date.

5. **Best and Final Offer (BAFO):** Proposers are advised to propose their best possible offer(s) at the outset of the process, as there is no guarantee that any Proposer will be allowed an opportunity to submit a best and final offer.

If the selection process described in the RFP does not lead to a viable recommendation, the Department of Management and Budget (DMB), at its discretion, may request a BAFO. The BAFO may include any changes to the original cost proposal.

After reviewing the BAFOs, DMB will evaluate the revised proposals using the original method. If an alteration to the original published evaluation criteria is to be made, such changes in the criteria will be published to all Proposers.

Proposers will NOT be provided any information about other proposals or fees or where the Proposer stands in relation to others at any time during the evaluation process.

6. **State Acceptance and Authority:** After all proposals have been analyzed and the recommendation is made to and accepted by the Department, DMB will notify all

Proposers accordingly. Any proposals not meeting the minimum requirements of the enclosed sample Agreement and instructions may be rejected.

The DMB Act (Public Act 431, as amended) specifies that the DMB is the only department authorized to enter into 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 or written promises or representations made regarding an agreement, existing or proposed, or transmittal of written documents that have not been approved by the State, shall not be binding on the State. You must receive a fully executed document, signed by an authorized representative of the DMB, for an agreement to be valid.

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

GROSS SPACE AVAILABLE PROPOSAL SR# 2007-0147
 State of Michigan - Department of Management and 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 (LESSOR) CONTACT PERSON:		ADDRESS OF PROPOSER (STREET)		
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 LEASED PREMISES Zip Code: _____		TOTAL BUILDING SQ. FT. (PROVIDE DOCUMENTATION)	PERCENT OF BUILDING LEASED TO THE STATE ___%	
		SQ. FT. OF LEASED PREMISES	CURRENT STATE EQUALIZED VALUE (SEV) \$ DATE OF SEV _____	
INITIAL TERM: Month-to-Month not to exceed 12 months		CANCELLATION: Standard 30-day notice		
(A) MONTHLY BASE RENT \$	(B) MONTHLY OPERATING COST \$	(C) (A + B = C) MONTHLY RENT \$	ANNUAL RENT \$	SQ FT RATE \$
RENEWAL OPTION TERM: N/A -year		CANCELLATION: Standard -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 LESSOR AND/OR STATE:		Telephone System	State	
Heat and Air Conditioning Utilities	LESSOR	Alarm System	LESSOR	
Electricity	LESSOR	Grounds Maintenance	LESSOR	
Water and Sewer	LESSOR	Snow Removal	LESSOR	
Janitorial Services and Supplies	LESSOR	Trash Removal (leased premises and dumpster)	LESSOR	
Restroom Supplies	LESSOR	Parking Lot Maintenance	LESSOR	
Water Well and/or Septic System Maintenance	LESSOR	Maintenance of Portable Fire Extinguishers	LESSOR	
Maintenance of Sidewalks, Curbs, and Gutter	LESSOR	Replacement of Tubes and Bulbs	LESSOR	
Pest Control	LESSOR	Building Maintenance (including Physical Plant)	LESSOR	
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 lease to the State this Building for possession by the Michigan Department of Labor and Economic Growth 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: Judy Bobo State of Michigan DMB, Real Estate Division 1401 Presque Isle Cohodas Building, Room 408 Marquette, Michigan 49855		PROPOSAL TO BE RECEIVED IN THIS OFFICE ON OR BEFORE: November 8, 2007		
		POSSESSION TO TAKE PLACE ON OR BEFORE: Within 30 days of receipt of executed document		
		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 lease covenant giving the State the right to extend a lease 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 Lessor upon submission of proper invoices concurrently with the first month's rent consideration for satisfactory completion of the remodeling or construction work.