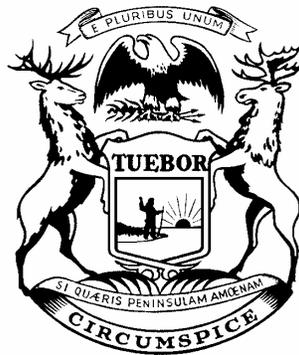


**Request for Proposals**  
**For**  
**Professional Real Estate Services**



**State of Michigan**  
**Department of Management and Budget**  
**Real Estate Division**

**February 27, 2009**

**STATE OF MICHIGAN**

**Department of Management and Budget  
Real Estate Division**

**Due 03/27/09 -5:00 P.M. EST  
TABLE OF CONTENTS**

**INTRODUCTION..... 3**

**SECTION I - CONTRACTUAL SERVICES TERMS AND CONDITIONS..... 4**

I-A PURPOSE..... 4

I-B TERM OF CONTRACT ..... 4

I-C ISSUING OFFICE ..... 4

I-D CONTRACT ADMINISTRATOR ..... 5

I-E COST LIABILITY ..... 5

I-F CONTRACTOR RESPONSIBILITIES ..... 5

I-G NEWS RELEASES ..... 5

I-H DISCLOSURE ..... 5

I-I ACCOUNTING RECORDS ..... 5

I-J INDEMNIFICATION..... 6

I-K LIMITATION OF LIABILITY ..... 7

I-L NON INFRINGEMENT/COMPLIANCE WITH LAWS ..... 7

I-M WARRANTIES AND REPRESENTATIONS ..... 7

I-N TIME IS OF THE ESSENCE ..... 8

I-O STAFFING OBLIGATIONS ..... 8

I-P WORK PRODUCT AND OWNERSHIP..... 9

I-Q CONFIDENTIALITY OF DATA AND INFORMATION..... 9

I-R REMEDIES FOR BREACH OF CONFIDENTIALITY ..... 10

I-S CONTRACTOR'S LIABILITY INSURANCE ..... 10

I-T NOTICE AND RIGHT TO CURE..... 11

I-U CANCELLATION..... 11

I-V RIGHTS AND OBLIGATIONS UPON CANCELLATION..... 12

I-W EXCUSABLE FAILURE ..... 13

I-X ASSIGNMENT ..... 13

I-Y DELEGATION ..... 14

I-Z NON-DISCRIMINATION CLAUSE ..... 14

I-AA WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT ..... 14

I-BB MODIFICATION OF SERVICE ..... 14

I-CC NOTICES ..... 15

I-DD ENTIRE AGREEMENT ..... 16

I-EE NO WAIVER OF DEFAULT ..... 16

I-FF SEVERABILITY ..... 16

I-GG HEADINGS..... 16

I-HH RELATIONSHIP OF THE PARTIES ..... 16

I-II UNFAIR LABOR PRACTICES ..... 16

I-JJ SURVIVOR ..... 16

I-KK GOVERNING LAW ..... 17

I-LL CONTRACT DISTRIBUTION ..... 17

I-MM TRANSITION ASSISTANCE ..... 17

I-NN DISCLOSURE OF LITIGATION ..... 17

I-OO STOP WORK..... 18

**SECTION II - WORK STATEMENT ..... 20**

II – A BACKGROUND/PROBLEM STATEMENT..... 20

II – B OVERALL OBJECTIVES ..... 21

II – C TASKS ..... 22

II-D PROJECT CONTROL AND REPORTS ..... 25

II-E FEE PROPOSAL..... 26

**SECTION III - BIDDING INFORMATION ..... 27**

III-A PRE-BID MEETING/QUESTIONS..... 27

III-B	PROPOSALS .....	27
III-C	ORAL PRESENTATION.....	27
III-D	ECONOMY OF PREPARATION.....	28
III-E	SELECTION CRITERIA.....	28
III-F	PAST PERFORMANCE .....	30
III-G	PROPOSAL SUBMITTAL.....	30
III-H	INDEPENDENT FEE DETERMINATION.....	30
III-I	AWARD .....	31
III-J	STATE ADMINISTRATIVE BOARD .....	31
<b>SECTION IV</b>	<b>- INFORMATION REQUIRED FROM BIDDERS .....</b>	<b>32</b>
IV-A	BUSINESS ORGANIZATION.....	32
IV-B	STATEMENT OF THE PROBLEM .....	32
IV-C	MANAGEMENT SUMMARY .....	32
IV-D	BIDDER'S AUTHORIZED EXPEDITOR .....	33
IV-E	ADDITIONAL INFORMATION AND COMMENTS .....	33
IV-F	FEE PROPOSAL.....	33
IV-G	PROPOSAL SUBMITTAL.....	33

## **INTRODUCTION**

This Request For Proposals ("RFP") is issued by the State of Michigan (the "State"), Department of Management and Budget ("DMB"), Real Estate Division ("RED"). The document contains four sections:

**Section I, Contractual Terms and Conditions.** This section describes the general contractual terms and conditions that will be a part of any Contract that results from the RFP. By submitting a proposal, each bidder acknowledges its acceptance of these provisions without change.

**Section II, Work Statement.** This section is a detailed description of the services to be contracted for, including the background and objectives of the work.

The Contract will include the general terms and conditions in Section I and the Work Statement in Section II. The Contract may include additional provisions or revisions to the Work Statement to reflect agreements with the selected Contractor based on proposal submissions and subsequent discussions.

**Section III, Bidding Information.** This section is used to inform bidders of the general procurement conditions under which the RFP is issued.

**Section IV, Information Required From Bidders.** This section provides bidders with instructions regarding the format and nature of the detailed information that must be provided in their RFP response.

## **SECTION I - CONTRACTUAL SERVICES TERMS AND CONDITIONS**

### **I-A PURPOSE**

The purpose of this RFP is to obtain quotations for real estate professional services that include tenant representation services, conducting space utilization studies, preparation of reports, space programming, portfolio analysis, strategic planning, asset management, property dispositions and services in support of a variety of department missions.

### **I-B TERM OF CONTRACT**

The State of Michigan is not liable for any cost incurred by any bidder in preparation of this response or prior to signing of a Contract by all parties. The activities of Real Estate professional services in the proposed Contract is anticipated to cover the period May, 2009 – December 2011 with the option of three one-year renewals.

### **I-C ISSUING OFFICE**

This RFP is issued by the State of Michigan, Department of Management and Budget, Real Estate Division, hereafter known as RED.

**RED is the sole point of contact at the State with regard to this RFP.** All communications concerning this RFP must be addressed to:

Terri L. Fitzpatrick  
Director, Real Estate Division  
[dmb-realestate@michigan.gov](mailto:dmb-realestate@michigan.gov)

**I-D CONTRACT ADMINISTRATOR**

Terri L. Fitzpatrick  
Director, Real Estate Division  
517-335-6877

Delivery Address:  
1<sup>st</sup> Floor, Stevens T. Mason Bldg  
530 W. Allegan Street  
Lansing, MI 48933

Mailing Address:  
1<sup>st</sup> Floor, Stevens T. Mason Bldg  
PO Box 30026  
Lansing, MI 48909

**I-E COST LIABILITY**

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of any Contract resulting from this RFP. Total liability of the State is limited to the terms and conditions of any resulting Contract.

**I-F CONTRACTOR RESPONSIBILITIES**

The Contractor will be required to assume responsibility for all contractual activities offered, whether or not the Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contractor must notify the State and identify the subcontractor(s), including firm name and address, contact person, a complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. No subcontractor will be retained for this project without the prior written consent of the State. The State reserves the right to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

**I-G NEWS RELEASES**

News releases pertaining to this document or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior approval of the State and then only to persons designated.

**I-H DISCLOSURE**

All information in a bidder's proposal and any Contract resulting from this RFP is subject to the provisions of the Freedom of Information Act ("FOIA"), 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.* The Contractor must disclose any conflict of interest in compliance with [Executive Directive 2003-01 - Procurement of Goods and Services](#).

**I-I ACCOUNTING RECORDS**

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State. Financial and accounting records shall be made available, upon request, to the State, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

## **I-J INDEMNIFICATION**

### **1. General Indemnification**

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- a. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract.
- b. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
- c. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
- d. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
- e. any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

### **2. Patent/Copyright Infringement Indemnification**

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to

the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

3. Indemnification Obligation Not Limited

In any and all claims against the State, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in sub-clauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other sub-clause.

4. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

**I-K LIMITATION OF LIABILITY**

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. Such limitation as to indirect or consequential damages shall not be applicable for claims arising out of gross negligence, willful misconduct, or Contractor's indemnification responsibilities to the State as set forth in Section I-J with respect to third party claims, action and proceeding brought against the State.

**I-L NON INFRINGEMENT/COMPLIANCE WITH LAWS**

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

**I-M WARRANTIES AND REPRESENTATIONS**

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services (as deemed acceptable by the Contract Administrator);
3. The Contractor will use its best efforts to efficiently use any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;

7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State;

**I-N TIME IS OF THE ESSENCE**

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

**I-O STAFFING OBLIGATIONS**

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

The State will provide a workstation in the RED office for the on-site contractor, which may or may not be an enclosed office. A computer will be provided along with a State issued email address. A phone will be provided for local calls, the contractor will be expected to reimburse the State for any long distance calls made from this line. The contractor will have access to the RED copy machine/fax/scanner for daily office activities. Large volume projects are to be produced offsite and at the contractors expense. The contractor is expected to provide his/her own office supplies.

The State and the Contractor agree that the following personnel are Key Personnel for purposes of this Contract:

Name \_\_\_\_\_ Title \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

Responsibility \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

Responsibility \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

Responsibility \_\_\_\_\_

Attach additional sheets if necessary.

## **I-P WORK PRODUCT AND OWNERSHIP**

1. All work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual written agreement of the Contractor and the State. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.
2. Notwithstanding any provision of this Contract to the contrary, any pre-existing work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.
3. The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

## **I-Q CONFIDENTIALITY OF DATA AND INFORMATION**

1. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.
2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

**I-R REMEDIES FOR BREACH OF CONFIDENTIALITY**

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-Q of this Contract shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.

**I-S CONTRACTOR'S LIABILITY INSURANCE**

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its Departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

All insurance coverages provided relative to this Contract are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

Before the contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish certificate(s) of insurance verifying insurance coverage. The certificate(s) must be on the standard "Accord" form. The contract or purchase order number must be shown on the certificate of insurance to assure correct filing. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies will not be cancelled, materially changed, or not renewed without thirty (30) days prior written notice, except for 10 days for non-payment of premium. Such notice must include the contract number affected and be mailed to:

Terri L. Fitzpatrick  
Director, Real Estate Division

Delivery Address:  
1<sup>st</sup> Floor, Stevens T. Mason Bldg  
530 W. Allegan Street  
Lansing, MI 48933

Mailing Address:  
1<sup>st</sup> Floor, Stevens T. Mason Bldg  
PO Box 30026  
Lansing, MI 48909

The Contractor is required to provide the type and amount of insurance listed below:

1. Commercial General Liability with the following minimum coverages:

\$1,000,000 General Aggregate Limit other than Products/Completed Operations  
\$1,000,000 Products/Completed Operations Aggregate Limit  
\$500,000 Personal & Advertising Injury Limit  
\$500,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its Departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.
3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the states where that policy's coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:

\$100,000 each accident  
\$100,000 each employee by disease  
\$500,000 aggregate disease

5. Professional Liability Insurance (Errors and Omissions coverage) with the following minimum coverage:

\$1,000,000 each occurrence and \$2,000,000 annual aggregate

#### **I-T NOTICE AND RIGHT TO CURE**

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property. The time period to cure shall be decided by the State in its sole discretion.

#### **I-U CANCELLATION**

The State may cancel this Contract without further liability or penalty to the State, its Departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the

State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess reprocurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause, specific charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable fees for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
4. Approvals Rescinded. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Article 11, Section 5 of the Michigan Constitution of 1963, and Chapter 7 of the Civil Service Rules. Notwithstanding any other provision of this Contract to the contrary, the State Personnel Director is authorized to disapprove contractual disbursements for personal services if the Director determines that the Contract of the disbursements under the Contract violate Article 11, Section 5 of the Constitution or violate applicable Civil Service rules or regulations. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

## **I-V RIGHTS AND OBLIGATIONS UPON CANCELLATION**

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting

from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or authorized designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.

2. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

#### **I-W EXCUSABLE FAILURE**

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another Contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable thereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

#### **I-X ASSIGNMENT**

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Contract Administrator.

## **I-Y DELEGATION**

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the Contract Administrator has given written consent to the delegation.

## **I-Z NON-DISCRIMINATION CLAUSE**

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

## **I-AA WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs).

## **I-BB MODIFICATION OF SERVICE**

The Contract Administrator reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks that this service shall encompass and/or any other modifications deemed necessary.

Any Contract resulting from this RFP may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of Key Personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated fee adjustment. The fee adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request. The Contractor's proposal shall

describe in reasonable detail the basis for the Contractor's proposed fee adjustment, including the estimated number of hours by task by labor category required to implement the change request.

2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.
3. If the State does not accept the Contractor's proposal, the State may:
  - a. withdraw its change request; or
  - b. modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State prior to commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

**IN THE EVENT FEES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS. Also see Section I-U CANCELLATION.**

## **I-CC NOTICES**

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

For the Contractor:

For the State:

Terri L. Fitzpatrick  
Director, Real Estate Division  
(517) 373-9299 (Fax)

Delivery Address:  
1<sup>st</sup> Floor, Stevens T. Mason Bldg  
530 W. Allegan Street  
Lansing, MI 48933

Mailing Address:  
1<sup>st</sup> Floor, Stevens T. Mason Bldg  
PO Box 30026  
Lansing, MI 48909

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

#### **I-DD ENTIRE AGREEMENT**

The contents of this document and the contractor's proposal will become contractual obligations, if a Contract ensues. Failure of the successful bidder to accept these obligations may result in cancellation of the award.

The Contract resulting from this RFP shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

#### **I-EE NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of a Contract resulting from this RFP shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

#### **I-FF SEVERABILITY**

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

#### **I-GG HEADINGS**

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

#### **I-HH RELATIONSHIP OF THE PARTIES**

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

#### **I-II UNFAIR LABOR PRACTICES**

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

#### **I-JJ SURVIVOR**

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

## **I-KK GOVERNING LAW**

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

## **I-LL CONTRACT DISTRIBUTION**

RED shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by RED.

## **I-MM TRANSITION ASSISTANCE**

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to six (6) months after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

## **I-NN DISCLOSURE OF LITIGATION**

1. The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractor, or any of the foregoing entities' then current officers or directors during the term of this contract and three years thereafter.
2. The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years preceding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of \$250,000 or which otherwise may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any an amount less than \$250,000 shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.
3. The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, if it, or any of its subcontractors are recognized for any citation or breach of ethics for unprofessional conduct by a court, administrative agency, professional association, disciplinary committee or other professional group.
4. All notices under subsection 1, 2 and 3 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements, which are prevented from disclosure by the terms of the settlement, shall be annotated as such. Semi-annually, during the term of the Contract, and

thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.

5. Assurances - In the event that such investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:
  - a) the ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
  - b) whether the Contractor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of Michigan or Federal law, regulation or public policy, then

The Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, (b) the Contractor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

6. The Contractor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of this Contract.

#### **I-00 STOP WORK**

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:
  - a) Cancel the stop work order; or
  - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract fee, or both, and the Contract shall be modified, in writing, accordingly, if:
  - a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
  - b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.

4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.
5. An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

## SECTION II - WORK STATEMENT

### SCOPE OF SERVICES

This section represents the services the Contractor will provide to the State. If during the Term of this Contract the State and the Contractor determine that the services are not fully responsive to the State's real estate requirements, the State and the Contractor will make appropriate adjustments to the services to ensure that the State's requirements are satisfied. The right to make adjustments to the services does not preclude the State's right to cancel the Contract pursuant to applicable provisions contained herein.

The territory included within the Scope of Services includes the Lower Peninsula of the State of Michigan and out of state leases. The Upper Peninsula has been excluded from the territory, but Contractor services for special projects and other purposes shall be made available at the request of the State and included within the response as a service provided by Contractor, under the same terms and conditions as the covered territory.

The State reserves the right to determine project assignment to Contractor, currently following the general guidelines as follows: 1) all new leases; 2) lease addendums that add or release square footage, extend lease term, change rate, or a combination thereof; 3) special projects. Leases with local units of government/municipalities are excluded from the above general guidelines.

**This is a no-cost contract to the State of Michigan.**

### STATEMENT OF WORK

#### II – A BACKGROUND/PROBLEM STATEMENT

The State of Michigan, Department of Management and Budget (DMB), manages a portfolio of 578 leases, 7,732,024 square feet of space, and an annual rental of \$105,627,000 million. In addition, the State's Department of Management and Budget owns or manages approximately 7,000,000 million square feet of space. (Note that 1,200,000+/- square feet of the "owns/ managed" space is leased space.)

[State Lease Portfolio](#)  
[State Owned/Managed Buildings](#)

The lease portfolio can be generally described as follows:

- Leased spaces ranging from approximately 56 square feet to 1.3 million square feet
- Leases in every county of Michigan and five other States
- Use type is 85% office space, 15% warehouse and other
- 54% of leases are less than 5,000 square feet
- Southeast Michigan has the most leased space at approximately 2,868,000 square feet
- Tri-County Lansing area has the second most leased space at 1,975,000+/- square feet
- 17% of the portfolio is with municipalities, schools or universities
- Approximately 15-20% of the portfolio turns over annually

Pursuant to Public Act 431 of 1984, as amended ("the DMB Act"), the Department of Management and Budget is the only agency authorized to enter into lease agreements on behalf of the State, subject to obtaining all necessary approvals. The DMB Real Estate Division is charged with all leasing activities, including procurement, management, and state-wide strategic real estate planning. The RED is also charged with acquisition and disposition of State lands; land management (easements, licenses) and consulting related projects.

The Department has led an aggressive effort to both reduce costs related to space for State operations and generate revenue through the disposition of surplus real property since 2003. In

January, 2004 a professional real estate service provider was selected through a competitively bid process, to enhance the State's real estate services. The contract has now expired.

These initiatives have resulted in a reduction of number of leases from 700 to 578; of leased square footage from 9,029,000 to 7,732,000; and of annual rent from \$126,000,000 to \$105,627,000. Approximately one-half of the original lease portfolio has been canceled or renegotiated. Revenue generated from the disposition of surplus real property is \$71,000,000, with another \$2,600,000 realized in cost avoidance related to maintenance and security costs. In 2006, RED won the prestigious *Innovations Award* from the National Association of State Facility Administrators, for its many achievements resulting from the public-private partnership.

The Real Estate Division (RED) is currently focused on creating efficiencies in state-owned buildings and existing leases, developing regional office centers, and addressing evolving agency needs for modernized service delivery methods. In addition, the division continues to concentrate on disposition of surplus real property, as well as offering consulting services to all agencies related to asset and property management and planning.

Contractor should take into consideration the various Executive Orders/Directives/Initiatives that guide State leasing practices:

[Executive Directive 2003-22 - Locating State Offices in Urban Areas](#)  
[Executive Directive 2007-09 Reduction of Expenditures for State Space](#)  
[Executive Directive 2007-22 Enhanced Energy Efficiency](#)  
[2008 Public Act 295 \(applicable excerpt\) - Energy Efficiency and Conservation](#)  
[Cool Cities and Cities of Promise Initiatives](#)

## **II – B OVERALL OBJECTIVES**

### **General**

RED will partner with a single or multiple service provider(s) to enhance staff resources in lease negotiations/procurement, portfolio management, strategic planning, disposal of surplus real property, and implementation of industry best practices.

The following are some, but not all, of the services to be provided as part of this Contract, as requested at the discretion of RED:

1. State-wide strategic real estate planning including leased and state-owned space and surplus real property
2. [Lease procurement from start to completion](#)
3. Perform market analysis
4. Tenant representation, including landlord negotiations, through the life of the lease
5. Represent the State in disposal of surplus property, as requested
6. Recommend portfolio strategies to create greater space efficiencies
7. Recommend the implementation of industry best practices – organizational and operational improvements, including reducing time frames for lease procurement and finalization – and facilitate implementation through development of detailed plans, policies, documentation, etc.
8. Develop performance metrics comparable to both market data and other states
9. Perform lease/data auditing
10. Assist with lease cost reimbursements and auditing
11. Conduct space audits of existing leased and owned space
12. Work directly with agencies to achieve the above listed items

## II – C TASKS

### **Task 1 – State-Wide Strategic Real Estate Planning**

#### **Strategic Planning Goals**

The strategic real estate planning goals for the State of Michigan include, but are not limited to the following: 1) lease cost savings/avoidance and cost containment; 2) increased/modernized space efficiencies, which may include conducting site visits of existing leases and state-owned space to determine space efficiency, standardized criteria for determining efficiency and reporting mechanisms, and recommendations for and implementation of greater space efficiencies for delivering State services to Michigan citizens; 3) coordination of agency specific plans with prioritization of overall State needs; 4) process improvement recommendations, including implementation of industry best practices; 5) recommendations and planning for expedited/streamlined disposition of surplus real property; and 6) incorporation of administrative directives, executive orders and applicable rules and law.

Contractor will, among other things, evaluate the agency specific space, identify areas of under-utilization and opportunities for the reduction of leased space, make recommendations for consolidation and lease renegotiation or cancellation, evaluate programmatic requirements for agency (including multi-agencies) needs, identify suitable sites, analyze and supply market data to support any proposed transaction and provide market data for all transactions requested by RED, conduct procurement in accordance with State requirements, negotiate and finalize lease terms, and prepare business case documentation to support the contemplated transaction.

Note that the State's, or individual agency's, budgetary position will dictate the total funds available for each individual transaction. The State, through RED, may withdraw any assignment, at any time prior to execution of a contract, at its sole discretion.

#### **Specific Tasks**

Analysis of Department reports: RED will provide the Contractor with a report of all property both leased and State owned, within DMB's portfolio. Rent and other costs of occupancy will be provided, as available. RED will also provide any available reports regarding agency needs and their status as well any available reports describing an agency's occupancy of State-owned space or land, including existing strategic and capital outlay plans.

Lease Research: The Contractor will have access to RED's lease files on site. The Contractor will need to examine these files whenever there is reason to believe, based on DMB reports and agency contact interviews, that additional information is required to establish actual costs to the State (e.g., un-amortized lease costs, landlord's rights under the lease, etc.).

Office Space Efficiency Profile: The Contractor will physically walk through all agencies' prioritized locations in a systematic manner to establish relative compliance with any applicable space standards, to document building conditions, and to determine organizational efficiencies that could be accomplished by consolidation or reconfiguration. The Contractor should develop space audit reports by location to highlight under-utilization and target leases requiring backfill, renegotiation or cancellation.

Identification of Opportunities: The Contractor must review market factors and determine which locations/leases are above market rates. A space utilization profile must be developed for every agency by prioritized locations as determined by the RED. The Contractor will identify industry best practices related to real estate portfolio management that could be beneficial to DMB in the management of its real estate assets.

Strategic Plan: The State currently has a five-year strategic real estate plan, which has been updated annually since 2005. It is expected that the Contractor will synthesize the information gathered under the aforementioned Specific Tasks regarding existing leases and property and produce a plan that addresses each agency's long-term goals and the DMB's objectives as described in Sections II-A and II-B.

The results of an audit of every lease, must be summarized and the leases prioritized, by the opportunities they present for cost savings. These opportunities for cost savings should take into account:

1. Consolidation of two or more functions into existing space.
2. Reconfiguration of existing space to increase efficiency.
3. Lease cancellation or renegotiation to allow agencies to relocate into less costly space.
4. Consolidation into State-owned space.

The Contractor is expected to produce an interim strategic plan report, including a recommendation for each agency to review, by no later than one hundred twenty (120) days after the commencement of the Contract.

The report should summarize the true costs of each property, identifying the space and its utilization, stating the goals as it relates to space of the agency as identified by the agency contact, prioritize the properties which present an opportunity as they are determined to be over-market, under-utilized or are otherwise less than optimal for agency needs, and present a specific plan of action over the next five years to meet DMB and agency goals. The final report should reflect DMB comments and be produced within one hundred eighty (180) days of commencement of contract. Recommendations made by the Contractor at any time during the creation of the strategic plan may be brought to the DMB and, if approved, be assigned as a project. Such projects should be identified within, and will count toward, the fulfillment of the goals of the strategic plan.

## **Task 2 - Site Location, Market Analysis and Lease Procurement Services**

RED, at its option, may request the following services:

1. Prepare programming requirements for leased space in accordance with DMB space standards.
2. Prepare requests for lease proposals in accordance with current DMB policy and procedures.
3. Review availability of existing space and new space.
4. Review and analyze proposals for best value to the State.
5. Research the market for appropriate space alternatives.
6. Locate and address small space needs as well as large space needs across the State for all types of uses (e. g. office, warehouse, etc.) and procure the pertinent leases.
7. Prepare a market survey that addresses the following:
  - a. Asking price and business terms of the lease for the site(s) selected and prepare an abstract of all the business terms of the recommended site.
  - b. List of all the comparable sites evaluated and their asking terms.

- c. Appropriate market data to justify the recommended transaction (including the negotiated terms of actual leases in similar properties whenever possible).
  - d. Schedule of non-economic indicators – i.e., compliance with executive and administrative directives and initiatives, etc.
  - e. A report on the existence and condition at the recommended site of any known asbestos, building or fire code violations, engineering, structural or any other potentially hazardous conditions which may be determined to be of concern by the DMB.
  - f. Prepare discounted cash flow analysis of projected rents and other costs of each site.
  - g. If more than one site satisfies the agencies requirements, a recommendation of the most appropriate alternative based upon a comparative financial analysis and best values.
8. Arrange inspections of appropriate sites for DMB and the client agency.
  9. Determine whether the site is suitable for the agency's need (e.g. that it has adequate electrical power, HVAC, floor load, meets structural and parking requirements, etc.).
  10. Provide information on Lessor performance and related compliance.
  11. Negotiate new leases and renewals for best value to State.
  12. Manage execution of lease agreements.
  13. Provide emergency lease support in case of a catastrophic event that requires immediate relocation.

No later than 90 days prior to the expiration of the Contract, DMB and the Contractor will develop a list of pending assignments on which the Contractor will continue its effort to finalize a pending lease. The final determination of those assignments will be in the sole discretion of DMB.

With each proposed lease transaction the Contractor must provide an affidavit disclosing any conflicts of interest or indicating that no conflict exists. The affidavit shall further state that they are in compliance with [Executive Directive 2003-01 - Procurement of Goods and Services](#).

THE CONTRACTOR SHALL BE PROHIBITED FROM RECOMMENDING LEASE SPACE TO THE STATE, IN A BUILDING WHERE THE CONTRACTOR MAY HAVE OWNERSHIP INTEREST, FOR THE LENGTH OF ITS CONTRACTUAL RELATIONSHIP WITH THE STATE.

The Contractor will be required to collect documentation and prepare a report to evaluate program performance measures.

**Task 3 - Tenant Representation Through Term of the Lease as Requested by RED**

Provide tenant representation through the term of the lease to ensure Lessor is fully complying with lease requirements, confirmation of allowance expense reimbursements, agency payments auditing, agency requirements, and responding to agency complaints.

**Task 4 - Strategic Planning for the Identification and Disposal of Surplus Property**

1. Analysis of RED reports: RED will provide the Contractor with a report of all identified surplus property and property identified as surplus but not yet authorized by the legislature for sale.
2. The Contractor will identify best practices related to real estate portfolio management that would be beneficial for the State in the management of their real estate assets.

3. The Contractor will prioritize properties, which have the greatest opportunity to maximize revenue to the State in the shortest period of time.
4. The Contractor may be selected to exclusively represent the State, during the sale of certain parcels of surplus property.
5. Representation may include, but is not limited to preparation and review of bid documents, communication with potential and actual bidders. Specifics will be unique to each sale, and will be determined accordingly, in accordance with the authorizing legislation and administrative guidelines.
6. The Contractor will identify opportunities for public-private partnerships that may leverage State assets in the development of surplus property.

**Task 5 - Represent State In Disposal Of Property**

Contractor will represent the State, as may be requested and authorized, during the sale of surplus property. Representation may include, but is not limited to preparation and review of bid documents, communication with prospective bidders, and communication with bidders. Specifics will be unique to each sale, and will be determined accordingly, in accordance with the authorizing legislation and administrative guidelines.

**Task 6 - Recommend Additional Portfolio Strategies**

Bidders, as part of their RFP response should recommend at least two additional innovative strategies that would, if implemented by the State, result in significant increases in revenue or cost savings.

**Task 7 – Other Services**

Other real estate related professional services such as energy efficiency expertise, property and asset management, project management, capital improvements planning, etc., that may be requested from time-to-time by the State in conjunction with this Contract.

**II-D PROJECT CONTROL AND REPORTS**

1. Project Control
  - a. The Contractor will carry out this project under the direction and control of the RED.
  - b. Although there will be continuous liaison with the Contractor team, the Contract Administrator will meet monthly as a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
  - c. The Contractor will submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Contract Administrator; and notification of any significant deviation from previously agreed-upon work plans. A copy of this report will be forwarded to the Contract Administrator.
  - d. Within five (5) working days of the award of the Contract, the Contractor will submit to the Contract Administrator, for final, approval a work plan. This final implementation plan must be in agreement with section IV-C subsection 2 as proposed by the bidder and accepted by the State for Contract, and must include the following:

- (1) The Contractor's project organizational structure.
- (2) The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
- (3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
- (4) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

2. Reports

- a. Strategic Plan report(s), both interim and final
- b. Monthly Project Report
  - (1) Completed projects
  - (2) Status of open projects
  - (3) Estimated completion of open projects
  - (4) Earned Fees

**II-E FEE PROPOSAL**

1. **THIS IS A NO COST CONTRACT.** In all matters concerning this Contract, compensation for work performed shall be performance based. Specifically, compensation shall be derived from either commissions paid by landlords entering into contracts with the State or funded through transaction proceeds or be based upon a percentage of lease savings generated for the State. Proposals for other methods of compensation may be submitted for consideration. However, the Contract must remain at no cost to the State.
2. All fees/rates quoted in bidder's response to this RFP will be firm for the duration of the Contract. No increase in fees will be permitted.
3. Indicate specific services to be provided to the State at no cost to the State.
4. Optional services that are available to the State at a cost to the State should be detailed.
5. When it is in the State's best interest, at the sole discretion of DMB, to relocate an agency into State owned space, then DMB will pay no fee to the Contractor.
6. In all matters concerning the awarded contracts, the Contractor's sole and absolute loyalty and fiduciary duty is to the State of Michigan.

## SECTION III - BIDDING INFORMATION

### III-A PRE-BID MEETING/QUESTIONS

A pre-bid meeting will be held on the date and at the place specified here:

**9:00 a.m., Monday, March 16, 2009**

**Constitution Hall, Conference Room A/B**

**525 W. Allegan, Lansing, MI 48933**

[Map to Constitution Hall](#)

Please R.S.V.P. your attendance to e-mail box: [dmb-realestate@michigan.gov](mailto:dmb-realestate@michigan.gov). The purpose of this meeting will be to discuss with prospective bidders the work to be performed and to allow them to ask questions arising from their review of the RFP. The pre-bid meeting is for information only. Any answers furnished during the meeting will not be official until verified in writing by RED. Answers to questions or clarifications will be prepared, posted on the DMB website at [www.michigan.gov/dmb-realestate](http://www.michigan.gov/dmb-realestate). **RED will not respond to telephone inquiries or visitation by bidders or their representatives.** The pre-bid meeting will be the bidders' only opportunity to personally address questions concerning this RFP.

#### **QUESTIONS**

Additional questions concerning the specifications contained herein are to be submitted, by e-mail only, no later than **5:00 p.m. on March 20, 2009** to:

Email box: [dmb-realestate@michigan.gov](mailto:dmb-realestate@michigan.gov)

The State will not respond to telephone inquiries or visitation by bidders or their representatives. All questions are to be put in writing and must be submitted electronically via e-mail to box: [dmb-realestate@michigan.gov](mailto:dmb-realestate@michigan.gov) and sent as an attachment in MS Word or pdf document. Answers to questions will be prepared and posted on the website at [www.michigan.gov/dmb-realestate](http://www.michigan.gov/dmb-realestate).

### III-B PROPOSALS

To be considered, each bidder must submit a COMPLETE response to this RFP, using the format provided in Section IV. No other distribution of proposals is to be made by the bidder. The proposal itself must include a statement as to the period during which the Proposal itself remains valid. This period must be at least ninety days from the due date for responses to this RFP. However, the rates quoted in the FEE PROPOSAL remain firm for the period indicated in sections I-B and IV-F.

### III-C ORAL PRESENTATION

Bidders who submit proposals may be required to make oral presentations of their proposals to the State. These presentations provide an opportunity for the bidders to clarify the proposals through mutual understanding. RED will schedule these presentations, if required.

### **III-D ECONOMY OF PREPARATION**

Each proposal should be prepared simply and economically, providing a straightforward, concise description of the bidder's ability to meet the requirements of the RFP. Fancy bindings, colored displays, promotional material, etc., will receive no evaluation credit. Emphasis should be on completeness and clarity of content.

### **III-E SELECTION CRITERIA**

Responses to this RFP will be evaluated based upon the bidders current ability to provide the highest level of quality services that meets the requirements and goals of this RFP and the needs of the State Departments and provides the best value to the State. The following factors will be evaluated:

#### **1. Capability and Qualifications of Organization**

The written proposal should indicate the ability of the Contractor to meet the terms of the project/program, quality, and recent projects similar to that described in the RFP, understanding of the problem and completeness of the response to Section IV - INFORMATION REQUIRED FROM BIDDERS.

#### **2. Work Plan**

The written proposal should indicate the bidder's ability to provide a plan using known methods for accomplishing the work. The plan should include a detailed narrative description of how the bidder will accomplish the objectives and tasks, including a display, time related, showing events i.e., specific tasks and timetable. Also indicate the estimated time required of State resources.

#### **3. Qualified Personnel**

The written proposal should indicate the competencies of key personnel whom the bidder intends to assign to the project. Qualifications will be measured by education and experience, with particular reference to experience on projects similar to that described in the RFP. Emphasis will be placed upon the qualifications of bidder's Project Manager, on-site representative, and the Project Manager's dedicated management time as well as that of other key personnel working on this project.

Resumes shall include detailed, chronological work experience, including name and phone number of person or persons who may contact from each project or work assignment. Proposals containing false or misleading statements, or which provide references that do not support an attribute or condition claimed by the bidder, may be rejected. If in the opinion of the State, such statements mislead the State in its evaluation of the proposal, and the attribute, condition of capability as a requirement of this proposal, the proposal shall be rejected.

#### **4. Other**

- a. Experience working with units of government, including understanding of Constitutional, statutory and administrative requirements
- b. Experience working in Michigan / Michigan based company
- c. Service delivery model - i.e., how your company will provide real estate services in markets throughout the State of Michigan
- d. Primary focus of company representation – i.e., tenant, landlord, or tenant and landlord by percentage

- e. Any perceived or real conflicts of interest including ownership or representation of an owner of a current state leased space
- f. Contractor capabilities beyond the primary objectives and tasks listed, i.e. – asset management, facilities management, capital improvement planning, capital structuring, energy efficiency and green building expertise, construction/project management
- g. Commission cap (% and applicable lease term – i.e., initial terms ranging from 5 to 20+ years) and the Contractor's position on considering non-traditional commission structure in consideration of most State leases containing a 90-day cancellation provision in favor of the State. (Note that this is a no-cost contract to the State.)
- h. Experience and/or willingness of Contractor to provide training to State staff
- i. Any other information that may be beneficial to the State in achieving the goals of this RFP

## 5. Fee Analysis

- A. **THIS IS A NO COST CONTRACT.** In all matters concerning this Contract, compensation for work performed shall be performance based. Specifically, compensation shall be derived from either commissions paid by landlords entering into contracts with the State or funded through transaction proceeds or be based upon a percentage of the lease savings generated for the State. Proposals for other methods of compensation may be submitted for consideration. However, the Contract must remain at no cost to the State.

The State may engage other processes in order to make a final award decision:

### 1. Clarifications

If it is determined that a bidder's proposal is unclear, the State may request from one or all bidders whose proposals have been opened, a clarification. The State will document, in writing, any clarification being requested and forward to the bidders affected. This process does not allow for material changes, rather to simply clarify the proposal submitted. This step may include oral presentations, sample evaluation, fee clarifications, and/or site visits.

### 2. BAFO

If the selection process described in the RFP does not lead to a viable award recommendation, or significant deficiencies are identified, DMB, at its discretion, may prepare a Deficiency Report and 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 any changes to the original proposal to address the listed deficiencies, including alterations to the original cost proposal to address correction of such deficiencies. The BAFO must be submitted by the deadline established by RED.

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

RED may conduct a cost benefit analysis of the proposals in order to determine which of the bidders represents the best possible coordination of performance and cost to meet the needs of the State.

Bidders will NOT be provided any information about other proposals or fees, 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 stated evaluation process and the requesting bidder may be eliminated from further consideration. Successful requests for proposal information by a bidder, its subcontractor, or an affiliated party before contract award may also result in disqualification.

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

### **Other Provisions**

- A. The State reserves the right to award by item, a part or portion of an item, group of items or total proposal, to reject any and all proposals in whole or in part, if, in RED judgment, the best interest of the State will be so served.
- B. The State reserves the right to evaluate the financial stability of any bidder. The State may seek financial information from the bidder and from third parties. If the State determines in its sole discretion that contracting with a bidder presents an unacceptable risk to the State, the State reserves the right to not award a contract to that bidder.
- C. The State may convene a Joint Evaluation Committee chaired by RED to review proposals received.

### **III-F PAST PERFORMANCE**

The State reserves the right to evaluate the bidder's prior performance with the State, and the prior performance information may be a factor in the award decision.

### **III-G PROPOSAL SUBMITTAL**

**PROPOSALS MUST BE RECEIVED ON OR BEFORE THE DUE DATE AND TIME SPECIFIED ON THE COVER PAGE OF THE RFP. PROPOSALS WHICH ARE RECEIVED AFTER THE SPECIFIED DUE DATE AND TIME MAY NOT BE CONSIDERED AT THE STATE'S SOLE DISCRETION.**

### **III-H INDEPENDENT FEE DETERMINATION**

1. By submission of a proposal, the bidder certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:
  - a. The fees in the proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such fees with any other bidder or with any competitor; and
  - b. Unless otherwise required by law, the fees which have been quoted in the proposal have not been knowingly disclosed by the bidder and will not knowingly be disclosed by the bidder prior to award directly or indirectly to any other bidder or to any competitor; and
  - c. No attempt has been made or will be made by the bidder to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition; and
  - d. The person submitting the Proposal on behalf of the bidder's organization is the person responsible within that organization for the decision as to the fees being offered in the proposal and has not participated (and will not participate) in any action contrary to a., b., and c. above; or

The person submitting the Proposal on behalf of the bidder's organization is not the person in the bidder's organization responsible for the decision as to the fees being offered in the proposal but has been authorized, in writing, to act as the agent for the

- persons responsible for such decision in certifying that such persons have not participated (and will not participate) in any action contrary to a., b., and c. above.
2. Should a bidder be awarded a Contract resulting from this RFP, and be found to have failed to abide by the provisions set forth in this section, said bidder will be in default of the Contract. Consequences may include cancellation of the Contract (see Section I-U CANCELLATION).

### **III-I AWARD**

The Contract award will be made to the most responsive and responsible bidder or bidders, in whole or in part, who offers the best value to the State. Best value is represented by the bidder that best meets the selection criteria described in III-E.

### **III-J STATE ADMINISTRATIVE BOARD**

Bidders are advised that this contract may require approval by the State Administrative Board, prior to final award. The decision of this Board is final.

## SECTION IV - INFORMATION REQUIRED FROM BIDDERS

Bidder's proposal to be submitted in the format outlined below. There should be no attachments, enclosures, or exhibits other than those considered by the contractor to be essential to a complete understanding of the proposal submitted. Each section of the proposal should be clearly identified with appropriate headings:

### IV-A BUSINESS ORGANIZATION

State the full name and address of your organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, corporation, or limited liability company; if as a corporation or limited liability company, include the state in which it is incorporated or organized. If appropriate, state whether it is licensed to operate in the State of Michigan. List all subcontractors including firm name and address, contact person, complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities.

### IV-B STATEMENT OF THE PROBLEM

State in succinct terms your understanding of the problem(s) presented by this RFP.

### IV-C MANAGEMENT SUMMARY

1. Narrative  
Include a narrative summary description of the proposed effort and of the service(s) that will be delivered. Include the recommended additional strategies that could result in significant increases in revenue or cost savings. See Section II-C, Task 6. If any support is to be provided by a subcontractor, said subcontractors are to indicate their capability and willingness to carry out the work. In addition, the information requested in IV-A above, and IV-D below, should be provided for each potential subcontractor.
2. Work Plans  
Provide a plan for accomplishing the work. Indicate the number of work-hours allocated each task and the estimated State resources necessary for each task. A MS Project Schedule, time related, showing each event, task, and decision point in your work plan must also be provided.
3. Prior Experience  
Indicate here prior experience that you consider relevant to the successful accomplishment of the project defined by this RFP. Include sufficient detail to demonstrate the relevance of such experience. Proposals submitted should include, in this section, descriptions of qualifying experience to include project descriptions, costs, and starting and completion dates of projects successfully completed. Also for references, include the name, address, and phone number of the responsible official of the client organization who may be contacted.
4. Project Staffing  
The successful bidder(s) must be able to staff a project team, which possesses talent and expertise in the fields of lease acquisition, negotiation and strategic planning. Include the number of executive and professional personnel by skill and qualification that will be employed in the work. Show where these personnel will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the performance of the Contract. Identify key individuals by name and title. Indicate the amount of dedicated management time for the bidders' project manager and other key individuals. Resumes of qualifications are required for said personnel.

5. Subcontractors

List here all subcontractors; include firm name and address, contact person, complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities.

**IV-D BIDDER'S AUTHORIZED EXPEDITOR**

Include the name and telephone number of person(s) in your organization authorized to execute the Contract with the State.

**IV-E ADDITIONAL INFORMATION AND COMMENTS**

Include any other information that is believed to be pertinent but not specifically asked for elsewhere. Identify your expectations with regard to performance of this Contract.

The State strongly supports and encourages programs that provide opportunities to businesses owned and operated by women, minorities and persons with disabilities. Bidders should include in their proposal information regarding such programs offered by their company.

**IV-F FEE PROPOSAL**

1. THIS IS A NO COST CONTRACT. In all matters concerning this Contract, compensation for work performed shall be performance based. Specifically, compensation shall be derived from either commissions paid by landlords entering into contracts with the State or funded through transaction proceeds or be based upon a percentage of the lease savings generated for the State. Proposals for other methods of compensation may be submitted for consideration. However, the Contract must remain at no cost to the State.

2. All fees/rates quoted in bidder's response to this RFP will be firm for the duration of the Contract. No fee changes will be permitted.

3. Independent Fee Determination. Include a statement substantially as follows:

"This cost and fee analysis is submitted in full compliance with the provisions of the paragraph titled 'INDEPENDENT FEE DETERMINATION' in Part III-H of the RFP to which this proposal is a response."

**IV-G PROPOSAL SUBMITTAL**

Bidders must submit a letter of submission signed by the authorized company representative(s), an original, three photocopies and one electronic copy of their Proposal, in Microsoft Word or PDF format. The original and photocopies must be received in one envelope or box, clearly marked "PROPOSAL – PROFESSIONAL REAL ESTATE SERVICES" and are to be delivered to:

Terri L. Fitzpatrick  
Director, Real Estate Division

Delivery Address:  
1<sup>st</sup> Floor, Stevens T. Mason Bldg  
530 W. Allegan Street  
Lansing, MI 48933

Mailing Address:  
1<sup>st</sup> Floor, Stevens T. Mason Bldg  
PO Box 30026  
Lansing, MI 48909

The electronic version should be sent via e-mail to: [dmb-realestate@michigan.gov](mailto:dmb-realestate@michigan.gov)