

BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

April 25, 2007 / May 1, 2007
11:00 A.M. Lake Superior Room 1st Floor
Michigan Library and Historical Center

.....
This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

AWARD OF CONTRACT FOR PROFESSIONAL SERVICES

1. DEPARTMENT OF ENVIRONMENTAL QUALITY, SOUTH HAVEN – Belgravia Site – Professional Environmental Consulting Services
File No. 761/07073.SAR – Index No. 47918
Low Responsive Proposal: Global Remediation Technologies, Inc., Traverse City; \$364,009.02

Purpose/Business Case

The purpose of the contract is to provide professional environmental services for a period of three years to assist the Michigan Department of Environmental Quality in cleaning up the contamination at the Belgravia site. The site is a former metal plating facility that operated from about 1916 until 1979. During the operations, floor drain and plating sludge wastes were discharged to a septic tank and drain field behind building. Solvent degreasers were reportedly dumped in the back yard. Subsequent environmental investigations identified very high levels of trichloroethylene (TCE) and vinyl chloride on site and off site on neighboring properties. These contaminants are carcinogens and may subject families living in homes in the area to an unacceptable risk. The professional will be required to operate and maintain the existing free product recovery system, design an in-situ thermal remediation system and oversee the construction and implementation of the remediation system. The Michigan Department of Environmental Quality has requested these services.

Benefit

The project will assist the agency to comply with the environmental regulations and protect the environment.

Funding Source

100% Clean Michigan Initiative (CMI)

Commitment

The contract cost is fixed based on competitive bids.

Risk Assessment

Failure to continue operating the existing remediation system will harm the environment and violate the environmental regulations.

Zip Code

49090

REVISIONS TO CONSTRUCTION CONTRACTS

2. COLLEGES AND UNIVERSITIES, IRON MOUNTAIN – Bay de Noc Community College – Construction of Building and Related Site Work at Bay West Campus
File No. 332/05226.RAA – Index No. 52321
Gundlach Champion, Inc., Houghton; CCO No. 5, Incr. \$53,430.30

Purpose/Business Case

The purpose of this change order is to provide power to the cooling tower; modify supports to the footbridge; relocate the fire alarm panel and electrical system modifications; modify light controls, and relocate variable frequency drives in Room L 63. These changes will also provide elements required to complete the operating system not included in the original construction document as requested by the facility. Additionally, the electrical changes are necessary to comply with the State Electrical Code.

Benefit

This change order provides proper operation of building operation systems, structural integrity at footbridge, and additional power requirements for facility operations.

Funding Source

100% State Building Authority Funds

Commitment Level

The change order costs are fixed actual costs provided by the construction contractor in response to a bulletin provided by the PSC.

Risk Assessment

Failure to approve this change order will result in inefficient building system operations, potential security/safety issues, and failure to meet State Electrical Code requirements.

Zip Code

49801

3. DEPARTMENT OF ENVIRONMENTAL QUALITY, JACKSON – State Prison of Southern Michigan Credit Union – Environmental Remedial Design Services
File No. 761/01068.TJM – Index No. 29600
Natural Systems, Inc., Spring Lake; CCO No. 9, Incr. \$89,225.58

Purpose/Business Case

The purpose of this change order is to provide operation and maintenance of the groundwater treatment system for an additional six months due to required cleanup levels not yet being achieved.

Benefit

As a result of the successful operation of this system, the environmental contamination that has occurred at this facility will be remediated to current regulatory standards.

Funding Source

100% State Sites Cleanup Program

Commitment

The change order costs are fixed actual costs provided by the construction contractor.

Risk Assessment

Failure to approve this change order will result in the shut down of the current operating treatment system prior to full remediation being completed.

Zip Code

49201

4. DEPARTMENT OF ENVIRONMENTAL QUALITY, GREGORY – Main Street
Gregory Site – Groundwater Remediation System
File No. 761/03495.RRD – Index No. 47968
ASI Environmental Technologies, Inc., Ludington; CCO No. 3, Incr. \$45,351.00

Purpose/Business Case

The purpose of this contract change order is to provide operation and maintenance services for an additional 720 calendar days. The system operation is necessary to remediate the existing contamination and comply with the environmental regulations.

Benefit

As a result of the successful operation of this system, the environmental contamination that has occurred at this site will be remediated to current regulatory standards.

Funding Source

100% Environmental Protection Fund

Commitment

The change order costs are fixed actual costs provided by the construction contractor.

Risk Assessment

Failure to approve this change order will result in the shut down of the current operating treatment system prior to full remediation being completed.

Zip Code

48137

NEW LEASE FOR PRIVATE PROPERTY

5. DEPARTMENT OF MILITARY & VETERAN AFFAIRS, HOLLAND - New Lease #10885-2006 effective June 1, 2007, through May 31, 2010, with Swaney Properties, L.L.C., a Limited Liability Company, 30 East Ninth Street, Holland, MI 49423, as Lessor, and the State of Michigan for the Department of Military and Veterans Affairs, as Lessee, for 850 square feet of office space located at 24 East Ninth Street, Holland, Michigan 49423. The per square foot rental rate for this space is \$15.00 (\$1,062.50 per month). Effective June 1, 2008, through May 31, 2009, the per square foot rental rate for this space is \$15.60 (\$1,105.00 per month). Effective June 1, 2009, through May 31, 2010, the per square foot rental rate for this space is \$16.22 (\$1,149.20 per month). This rate does not include janitorial services. This Lease contains no renewal options. This Lease contains a Standard cancellation clause requiring 60-days notice. The Attorney General has approved this Lease as to legal form.

Purpose/Business Case

The purpose of this new Lease is to provide a recruiting office for the Michigan National Guard.

Benefit

The benefit is the new office will meet the National Guard's need for a highly visible location in a targeted recruiting area. The rental rate is within current market rate for comparable space.

Funding Source

100% Federal Fund

Commitment Level

Three years

Risk Assessment

Non-approval of this Lease will hinder the Department from reaching their recruitment goals.

Zip Code

49423

- 6. DEPARTMENT OF STATE POLICE, LANSING – New Lease #11319 effective for a period of 25 years from the date of Substantial Completion and Possession, with River Street Triangle, LLC, a Limited Liability Company, 309 N Washington Square, Suite 115, Lansing, Michigan 48933, as Lessor, and the State of Michigan for the Department of State Police, as Lessee, for 148,000 square feet of space located at the intersection of the Ionia and East Tenth streets, Lansing, Michigan. The rental rate for this space is \$3,605,200.00 annually (\$307,100.00 per month). This Lease contains a Legislative Restrictive cancellation clause requiring written notice. The State has the option to purchase the building for \$1.00 at the end of the lease term or anytime following twelve months after substantial completion. The Attorney General has approved this Lease as to legal form. This Joint Capital Outlay Subcommittee approved this Lease on March 16, 2007.

Purpose/Business Case

The purpose of this Lease is to relocate approximately 560 employees to downtown Lansing from multiple locations into one location. Approval of this Lease will allow the cancellation of Lease #286 located at 714 South Harrison Road, East Lansing and Lease #10261 located at 4000 Collins Road, Lansing. The South Harrison Road property is owned by Michigan State University who desires it back for university use. The proposed lease represents a decrease from the original proposal of 490,000 square feet with annual rent estimated at \$8.67 million. The estimated total project cost is \$45,000,000 including a \$6,000,000 allowance for technology, furniture, fixtures, and equipment, to be determined by the State. The estimated project time for completion is 21 months from the effective date of the Lease. The fiscal impact does not occur until the building is available for occupancy in 2009. The rental rate has been verified as being at market rates by two independent real estate firms.

Benefit

The State Police have been at their current location on Harrison Road for over 70 years. It is in poor condition, inefficiently organized throughout several different buildings and has deferred maintenance. The proposed lease will result in vacating the university property and returning it for their use. The relocation to the City of Lansing will allow the Department of State Police to meet the constitutional requirement to be headquartered at the seat of government (Const 1963, art 4, sec 9).

Funding Source

General Fund/General Purpose

Commitment Level

Twenty-five years

Risk Assessment

Non-approval of this Lease will hinder the Department from relocating and consolidating staff to a central location in accordance with Executive Directive 2003-22 and complying with the constitutional requirement to be located at the seat of government.

Zip Code

48933

NEW SUBLEASE FOR PRIVATE PROPERTY

7. DEPARTMENT OF LABOR AND ECONOMIC GROWTH, MIDLAND - New Sublease #10609-2006 effective July 1, 2006, through January 31, 2008, with the County of Saginaw, A Governmental Unit, 111 South Michigan Avenue, Saginaw, Michigan 48602, as Lessor, and the State of Michigan for the Department of Labor and Economic Growth as Lessee, for 1,702 square feet of office space located at 1409 Washington, Midland, Michigan 48640. The per square foot rental rate for this space is \$12.87 (\$1,824.99 per month). This Sublease contains a Standard cancellation clause requiring 90-days notice. The Attorney General has approved this Sub-lease as to legal form.

Purpose/Business Case

The space is utilized by the Department of Labor and Economic Growth and continues to meet their needs.

Benefit

This Sublease will allow the Agency to continue to provide Michigan Rehabilitation Services and Employee Services Agency in a co-location with the Michigan Works! Agency.

Funding Source

100% Federal Funds

Commitment Level

One year and seven months

Risk Assessment

Non-approval of this Lease will hinder the Department from continuing to provide uninterrupted services and could bring about increased costs if they are forced to relocate.

Zip Code
48640