Request for Proposal (RFP)
Michigan Department of Technology, Management & Budget (DTMB)
for
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET (DTMB) – Detroit, MI
SR #2015-0387
July 19, 2016

RFP Summary, Submission Requirements and Checklist

SUMMARY

Agency:	Technology, Management & Budget
Location:	Detroit, Michigan
Square Footage/Use:	parking spaces
Floor(s):	Random reserve parking
Parking Requirement:	100 spaces
Occupancy Date:	October 1, 2016
Lease Agreement:	Standard form of state lease agreement is attached to this RFP.
Note:	The Lessee is permitted to park in the common area of a parking lot/structure, but is not assigned a specific parking space.
Commission:	I/we acknowledge that there is no broker for this transaction and no commission will be paid. The attached proposal and pricing is reflective of this acknowledgement.
Other:	**Proposals must be received by 4:30 p.m. on Thursday, August 4, 2016.**

SUBMISSION DOCUMENT CHECKLIST

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

SUBMISSION DUE DATE / PROCEDURES

Two (2) copies of each proposal, clearly indicating the appropriate proposal number SR **#2015-0387**, must be received by 4:30 p.m. E.S.T. on August 4, 2016 to: Robert M. Burns, Director, Real Estate Division, Michigan Department of Technology, Management & Budget, c/o Eric Yope, 3111 W. St. Joseph Street, Lansing, MI 48917(*for hand carried or overnight delivery service*) **or** P.O. BOX 30026, Lansing, MI 48909 (*for regular U.S. Postal mail*).

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

An electronic version of the proposal is also required and should be submitted to dtmb-realestate@michigan.gov within 24 hours of the due date defined herein; please indicate the appropriate proposal number SR# 2015-0387 in the subject line.

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

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

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

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

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

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

I. Space Requirements

I.1. **Location:** The space shall be located within the boundaries of Bethune Street W to the North, Woodward Avenue to the East, W. Baltimore Avenue to the South, and Third Street to the West, including up to ¾ mile outside of these boundaries, but with preference given to properties located within these boundaries. This includes properties on either side of the street delineating the boundaries. Please identify the location of the space by street and mailing address.

I.2. **Space (Premises):** The State requires 100 parking spaces. The Lessee would be permitted to park in the common area of a parking lot/structure, but not assigned a specific parking space. Special circumstances may require more extensive program size changes.

I.3. **Parking:** The State requires one hundred (100) random reserved parking spaces. Please describe the parking provided at the site, including the total number of spaces available and provide detail as to how you will meet this parking requirement.

I.4. **Occupancy/Commencement:** The Occupancy/Commencement Date is the latest date on which the improvements to the Premises (if needed) are substantially complete and the Lessee begins beneficial use of the Premises. The Lessor will deliver the Premises to the Lessee no later than October 1, 2016.

II. Lease Term

II.1. **Initial Lease Term:** The Initial Lease Term is for a minimum of five (5) years; however, the State will consider a longer lease term if economic benefits are deemed to be in the State's best interest.

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

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

II.2. **Renewal Option(s):** The State requires two (2) five (5) year options to renew with thirty (30) days advance written notice to the Lessor to exercise such option based on the terms and conditions defined in the Initial Lease. Please outline the rental rate for said option periods.

II.3. **Adjustments/Escalations:** There will be no adjustments made to the rental consideration.

II.4. **Allowances and Contributions:** Please include all allowances and contributions proposed with respect to design costs, construction, moving, and any allowance items (indicate a per square foot moving allowance in the space provided on the Space Available Proposal (SAP) form).

II.5. **Concessions:** Given current market conditions, the State is very interested in acquiring market concessions for this transaction. Any concessions, especially the timing of such, will be a major factor in assessing proposals received. Concessions may include reduced rent, free rent, moving allowances or any other item you are willing to incorporate into the proposal. Clearly a combination of these items may be included also.

II.6. **Cancellation:** Standard cancellation requiring 60 days written notice for the initial term and for the renewal options, if exercised. All State leases for real property are required to contain a cancellation provision as established within the framework of the Michigan Constitution. The attached SAP form and sample lease contain this provision.

II.7. **Security Deposit:** The State will not provide a security deposit.

II.8. **Alternative Terms:** The State may consider proposals with alternative lease terms and conditions if such are determined to be in the best financial interest of the State; however, bidders are encouraged to respond to the specific requirements listed in this RFP, as alternative proposals may or may not be considered. All proposed alterations from the standard form of lease agreement attached to this RFP must be clearly identified. The State must receive sufficient information to accurately assess all proposals. The State reserves the sole and exclusive right to consider alternative proposals, to seek proposal clarification, and to reject any and all proposals.

III. Building Standards and Systems

III.1. **Building and Tenant Improvements:** The Lessor will be responsible for providing the Premises in a turnkey condition.

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

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

IV. Forms and Documents

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

- Sample Lease
- Legal Documentation and Signature Requirements
- Bidder's Acknowledgment

IV.2. **Space Available Proposal Form(s):** To be considered, your proposal shall be made on the enclosed Space Available Proposal form(s) and all blank spaces on the form(s) shall be filled in.

Please note: Proposal forms not completely filled in may be rejected.

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

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

V. Required Approvals for State Leases

V.1. **Requirements for State Leases:** The proposed Lease shall not be binding or effective on either party until approved as to legal form by the Department of Attorney General; signed and notarized by the Lessor and the Lessee; approved by the State Administrative Board, and signed and notarized by the Department of Management and Budget. If the Lease or any subsequent amendments to it fall within the requirements of 1984 PA 431, as amended, MCL 18.1101 et seq. ("The DMB Act"), the Lease and any subsequent amendments to it shall also require approval of the Joint Capital Outlay Subcommittee of the Legislature. The effective date of the proposed Lease is the date the last State governmental approval is obtained as set forth on the signature page. At any time prior to the last State governmental approval, the State reserves the right to reject the proposal and terminate the Lease approval process.

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

VI. Selection Criteria and Submission

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

- A clear and concise proposal, particularly in terms of dates, numbers, dollars, and any other information requested in this RFP. Vague and/or general proposals may be rejected.
- The ability to comply with Barrier Free Design
- The ability to meet any build out specifications and timelines, and special needs of the Lessee
- The overall condition of the building, including infrastructure, HVAC, property, etc. (existing space)
- The overall cost, which is deemed in the best interest of the State
- The type of accessibility (e.g. roads, public transportation, etc.)

VI.2. **Required Documents:** Please return the following documents for our review and consideration. Please note: Failure to provide the following may result in your proposal being rejected.

- Written Summary of Proposal
- Completed Space Available Proposal form(s)
- Proof of ownership of Property

- Proof of Legal authority to enter into the proposed agreement
- Proposed Site Plan
- Signed Bidder's Acknowledgement

VI.3. **Lease Questions and Answers:** Questions concerning clarifications or standards contained in this RFP are to be submitted by e-mail only (please indicate the appropriate proposal number in the subject line) no later than 5:00 p.m. on July 22, 2016, to dtmb-realestate@michigan.gov

All questions and answers will be posted to the website at www.michigan.gov/dtmb-realestate no later than July 26, 2016. Prospective Bidders should check the website for any updates, questions and answers.

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

VI.4. **Proposal Due Date:** Two (2) copies of each proposal, clearly indicating the appropriate proposal number SR #2015-0387, **must be received by 4:30 p.m. Eastern Standard Time on Thursday, August 4, 2016** to:

DTMB - Real Estate Division
Bid Response for SR #2015-0387

For regular U.S. Postal mail:
P.O. BOX 30026
Lansing, MI 48909

OR

For hand-carried or overnight delivery services:
3111 W. St. Joseph Street
Lansing, MI 48917

Please be advised that two (2) hard copies of your proposal MUST be received by the date and time stated herein or your proposal will NOT be accepted. There will be NO exceptions.

An electronic version of the proposal is also **required** and should be submitted to dtmb-realestate@michigan.gov within 24 hours of the due date defined herein; please indicate the appropriate proposal number SR #2015-0387 in the subject line.

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

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

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

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

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

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

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

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

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

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Bidder's Acknowledgement

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

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

_____ _____
Signature of Authorized Bidder/Representative Date

_____
Printed Name

SPACE AVAILABLE PROPOSAL SR# 2015-0387

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

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

PROPOSER INFORMATION

NAME OF PROPOSER (LESSOR): ADDRESS OF PROPOSER (STREET):	CURRENT LEGAL ENTITY (i. e., HUSBAND/WIFE, LLC, CORP., PARTNERSHIP):
CONTACT PERSON: TELEPHONE NUMBER: FAX NUMBER: EMAIL ADDRESS:	ADDRESS OF LEGAL ENTITY:

PROPOSAL

PROPERTY INFORMATION BUILDING ADDRESS AND/OR LEGAL DESCRIPTION OF LEASED PREMISES:	TOTAL BUILDING SQ. FT. : (PROVIDE DOCUMENTATION)	*SQUARE FOOT OF LEASED PREMISES: 1
DO YOU HAVE LEGAL TITLE TO PROPERTY: Y☐ N☐ WHAT IS THE CURRENT ZONING??	CURRENT STATE EQUALIZED VALUE (SEV): DATE OF SEV:	% LEASED TO STATE: %

INITIAL LEASE TERM: Five (5) - Years		CANCELLATION: Standard	60 -day notice	
MONTHLY BASE RENT:	MONTHLY OPERATING COST:	MONTHLY RENT: $ 0.00	ANNUAL RENT: $ 0.00	SQ FT RATE: $ 0.00
RENEWAL OPTION: Five (5) - Years		CANCELLATION: Standard	60 -day notice	
MONTHLY BASE RENT:	MONTHLY OPERATING COST:	MONTHLY RENT: $ 0.00	ANNUAL RENT: $ 0.00	SQ FT RATE: $ 0.00
RENEWAL OPTION: Five (5) - Years		CANCELLATION: Standard	60 -day notice	
MONTHLY BASE RENT:	MONTHLY OPERATING COST:	MONTHLY RENT: $ 0.00	ANNUAL RENT: $ 0.00	SQ FT RATE: $ 0.00

TOTAL DEVELOPMENT COST OR REMODELING COST:	LUMP SUM COST INCLUDED IN FIRST MONTH RENT:	TOTAL NUMBER OF ON-SITE PARKING SPACES: NUMBER OF ON-SITE PARKING SPACES FOR STATE: 100

If applicable, indicate any of the following:

☐ **Moving Allowance:** _____ ☐ **Free Rent for** _____ Year(s)

SERVICES TO BE PROVIDED BY LESSOR AND/OR STATE:

		Telephone System	Lessor
Heat and Air Conditioning Utilities	Lessor	Alarm System	Lessor
Electricity	Lessor	Grounds Maintenance	Lessor
Water and Sewer	Lessor	Snow Removal	Lessor
Janitorial Services and Supplies *(including waste baskets)*	Lessor	Dumpster Services	Lessor
Restroom Supplies	Lessor	Parking Lot Maintenance	Lessor
Water Well and/or Septic System Maintenance	Lessor	Maintenance of Portable Fire Extinguishers	Lessor
Maintenance of Sidewalks, Curbs, and Gutter	Lessor	Replacement of Tubes and Bulbs	Lessor
Pest Control	Lessor	Building Maintenance (including Physical Plant)	Lessor

Failure to return this form will exclude you from consideration for this project. However, your name will remain on the notification list for future projects.

By signing this proposal, I/we certify that I/we have confirmed financing arrangements to construct and/or remodel and lease this building for possession by the Michigan Department of Technology, Management & Budget.
If selected as the successful proposal, it is agreed that written evidence of funding arrangements will be submitted within 15 days of successful proposal notification.

PROPOSAL TO BE RECEIVED IN THIS OFFICE ON OR BEFORE: August 4, 2016

This form must be completely filled in, signed, and returned to:

DTMB - Real Estate Divison
ATTN: Eric M. Yope
3111 W. St. Joseph Street
Lansing, MI 48917

OR

DTMB - Real Estate Divison
ATTN: Eric M. Yope
P.O. BOX 30026
Lansing, MI 48909

SIGNATURE(S): DATE:

DEFINITIONS/ INSTRUCTIONS ON NEXT PAGE

DEFINITIONS

Lump Sum Cost - Predetermined dollar amount based on a percentage of the total development cost; payment of which shall be made to the Lessor upon submission of proper invoices concurrently with the first month's rent consideration for satisfactory completion of the remodeling or construction work.

Monthly Base Rental Rate – The portion of the monthly rental payment, which is attributable to debt service and return on equity (excluding operating costs).

Monthly Operating Cost – The portion of the monthly rental payment, which is attributable to operation expenses, such as utilities, maintenance, real estate taxes and/or insurance.

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

Renewal Option - A lease covenant giving the State the right to extend a lease for an additional period on specified terms.

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

Total Development Cost And Remodeling Cost - The total cost of the project, including the construction of the building and purchase of the land.

INSTRUCTIONS

Proposer Information – Provide the name, address, and type of legal entity of the Proposer. Entity papers, if applicable, are needed if your proposal is selected. Provide contact information for the person responsible for submitting and answering any questions related to this proposal on the Proposer's behalf.

Property Information – Provide the complete address and legal description (if available) of the premises offered for lease. Complete all property information fields.

Initial Term and Renewal Options – Provide the proposed monthly base rent and operating costs (see definitions above) for the initial term and any renewal options. The monthly rent, annual rent, and square foot rates will automatically calculate if the property information has been provided.

Total Development Cost or Remodeling Cost - Provide an estimate for any development or remodeling costs. Additional documentation may be requested. If any up-front costs are requested it must be noted, and may be included in the first monthly rental payment.

Total Number of on-site parking spaces – Provide the TOTAL number of parking spaces on-site.

Number of on-site parking spaces for State - Provide the total number of parking spaces to be included in the lease terms guaranteed for State.

Services to be provided by Lessor / State – Select the proposed responsible party from the drop down menu for each service listed.

The proposal must be received by our office by the due date listed; ***late proposals are not accepted***.

CALCULATIONS

*** - the number "1" is used as a place holder only (for purposes of auto calculations).**

Square Foot of Leased Premises / Total Building Sq. Ft. = % Leased to State

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

Monthly Rent x 12 = Annual Rent

Annual Rent / Sq. Ft. of Lease Premises = Sq. Ft. Rate