

# APPROVED

AUG 07 2012

MICHIGAN STATE  
ADMINISTRATIVE BOARD

Lansing, Michigan

July 31, 2012

A special meeting of the State Administrative Board was held in the Lake Superior Room, 1st Floor, Michigan Library and Historical Center, on Tuesday, July 31, 2012, at 11:00 a.m.

Present: Elizabeth Clement, Deputy Legal Counsel, representing Rick Snyder, Governor, Chairperson  
Jenell Leonard, Executive Assistant, representing Brian Calley, Lt. Governor  
Rose Jarois, Director, Department Services Administration, representing Ruth Johnson, Secretary of State  
Michael Reilly, Assistant Attorney General, representing Bill Schuette, Attorney General  
Brom Stibitz, Senior Policy Advisor, representing Andy Dillon, State Treasurer  
Carol Easlick, State Assistant Administrator, representing Michael P. Flanagan, Superintendent of Public Instruction  
Demetrius Parker, Administrator, Contract Services Division, representing Kirk T. Steudle, Director, Department of Transportation  
Sherry Bond, Secretary

Others Present:

Patrick Mullen, Janet Rouse, Department of Technology, Management and Budget; Bill Rottiers, Department of Transportation

1. CALL TO ORDER:

Ms. Clement called the meeting to order and led the Pledge of Allegiance to the Flag.

2. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

NONE

3. REPORTS AND RECOMMENDATIONS OF COMMITTEES:  
(Please see the following pages)

# APPROVED

July 31, 2012

Michigan State  
Administrative Board

July 31, 2012, No. 2

## COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

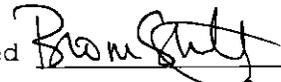
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The Honorable Rick Snyder, Governor  
and  
Members of the State Administrative Board

A regular meeting of the Building Committee was held at 11:00 a.m.  
on July 31, 2012. Those present being:

Chairperson: Brom Stibitz, representing  
State Treasurer Dillon

Approved



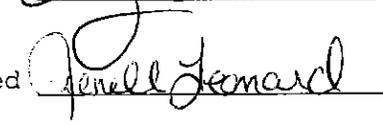
Member: Elizabeth Clement, representing  
Governor Snyder

Approved



Member: Jenell Leonard, representing  
Lt. Governor Calley

Approved



Others: Iris Lopez, Michael Reilly, Department of Attorney General; Janet Lavery, Department of Education; Rose Jarois, Secretary of State; Sherry Bond, Pat Mullen, Janet Rouse, Department of Technology, Management and Budget; Demetrius Parker, Bill Rottiers, Department of Transportation

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Mr. Stibitz called the meeting to order.

DTMB Director's Agendas were provided for the following quarters:

- 1) 2011-4<sup>th</sup> Quarter,
- 2) 2012-1<sup>st</sup> Quarter,
- 3) 2012-2<sup>nd</sup> Quarter, and
- 4) 2012-3<sup>rd</sup> Quarter.

The Building Committee Regular Agenda and Supplemental Agenda were presented.

Following discussion, Ms. Leonard moved that the Regular Agenda and Supplemental Agenda be recommended to the State Administrative Board for approval with the Items on the Supplemental Agenda contingent upon the Governor signing HB 5015. Supported by Ms. Clement, the motion was unanimously adopted.

Mr. Stibitz adjourned the meeting.

# A G E N D A

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

July 31, 2012 / July 31, 2012  
11:00 A.M. Lake Superior Room 1<sup>st</sup> Floor  
Michigan Library and Historical Center

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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 CONSTRUCTION CONTRACT**

1. DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET, LANSING  
– Ottawa Plaza – Stairs and Accessible Ramps Replacement 2012  
File No. 071/12192.JNS - Index No. 44125 - Contract No. Y 12316  
Low Responsive Bidder: Moore Trospen Construction Company, Holt;  
\$570,800.00

#### **Description and Justification**

The purpose of this contract is to replace stairs and ADA accessible ramps from Ottawa Plaza to Allegan Street and to Ottawa Street including the addition of snowmelt tubing and manifold boxes and the replacement of barrier and hand rails. The existing stairs and ramps are considered a safety issue and do not meet ADA requirements. This project will restore the steps and ramps and bring them into compliance with current ADA requirements.

#### **Funding Source**

100% Agency Operating Funds - BOC

2. DEPARTMENT OF NATURAL RESOURCES, COMMERCE TOWNSHIP –  
Proud Lake Recreation Area – New Toilet Shower Building  
File No. 751/12052.JAN - Index No. 59100 - Contract No. Y 12317  
Recommended Responsive Proposal: Antler Construction, Inc., Canton;  
\$859,371.00

#### **Description and Justification**

The purpose of this contract is to demolish two existing toilet shower buildings and replace them with one new toilet shower building centrally located. The existing buildings are old and have deteriorated beyond repair.

#### **Funding Source**

100% Park Improvement Funds

3. DEPARTMENT OF ENVIRONMENTAL QUALITY, CARSON CITY – Former Crystal Refinery – Installation of Multi-phase Extraction and Groundwater Drawdown Remediation System  
 File No. 761/12129.SAR - Index No. 44901 - Contract No. Y 12318  
 Recommended Responsive Proposal: Nova Consultants, Inc., Novi;  
 \$667,320.00

**Description and Justification**

The purpose of this contract is to install soil, groundwater and vapor remediation equipment. The site is a former crude oil refinery. Extensive environmental investigation has been conducted and revealed that the site soil and groundwater have been contaminated. A groundwater treatment system was installed to intercept the migration of contamination. However, it was concluded that an expansion of the system is needed to control and remediate the contamination. This contract will modify and expand the existing system to effectively control the migration of contamination and remediate the site. The work is needed to protect public health, safety, welfare and the environment.

**Funding Source**

100% Strategic Water Quality Initiative Funds

**MODIFICATION TO PROFESSIONAL SERVICES CONTRACTS**

4. DEPARTMENT OF ENVIRONMENTAL QUALITY, PAW PAW – Commercial Steel Industrial Site – Bioremediation Pilot Study  
 File No. 761/10146.SAR - Index No. 44501 - Contract No. Y10135  
 DLZ Michigan, Inc., Lansing; Modification No. 4, Increase \$241,324.12  
 ISID No. 00278 - Assignment No. 6

**Description and Justification**

The purpose of this modification is to provide soil vapor mitigation of residential basements. The site is a former plating plant. The soil and groundwater at the site is impacted with volatile organic compounds (VOCs). Contaminated vapors have infiltrated into the basements of several of the nearby residences. The mitigation activities are needed to protect public health, safety, welfare and the environment.

**Funding Source**

100% Strategic Water Quality Initiative Funds

Base Contract	\$178,230.00	Provide professional bioremediation pilot study services. Approved 03/05/10
Modification No. 1	\$15,214.39	Provide oversight and documentation of the residential basement venting systems installation, and the collection of twenty-one water samples from the storm sewer that serves this neighborhood.

		Approved 05/06/11
Modification No. 2	\$1,676.86	Provide well and stormwater outfall sampling. The samples will be analyzed for volatile organic compounds (VOCs), total and dissolved metals and total cyanide. Approved 09/23/11
Modification No. 3	\$2,233.98	Provide methane sampling. The sampling is needed to assess potential methane contamination within the residential area. Approved 03/16/12
Modification No. 4	\$241,324.12	See justification above
<b>Total Contract</b>	<b>\$438,869.35</b>	

### REVISIONS TO CONSTRUCTION CONTRACTS

- DEPARTMENT OF NATURAL RESOURCES, LAKE FENTON – Lake Fenton  
BAS – BAS Repaving  
File No. 751/09194.CAK - Index No. 59690 - Contract No. Y12179  
L. Zellar and Sons Excavating, Inc., Flint; CCO No. 1, Increase \$101,968.00

#### **Description and Justification**

The purpose of this change order is to expand the scope of the repaving to include the entire existing parking area. It was discovered during the construction that the existing pavement was not as thick as anticipated and has deteriorated substantially. The project engineer has recommended against paving over the damaged existing pavement since the damage will potentially show through the new surface layer in a short amount of time.

#### **Funding Source**

100% Federal Funds

Base Contract	\$262,000.00	Approved 04/17/12
Change Order No. 1	\$101,968.00	100% Field Conditions, see justification above
<b>Total Contract</b>	<b>\$363,968.00</b>	

### LEASE FOR PRIVATE PROPERTY

- DEPARTMENT OF CORRECTIONS, FLINT - New Lease No. 11507 with Genesee County, Local Unit of Government, 1101 Beach Street, Room 317, Flint, MI, 48933, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Corrections, as Lessee, for 12,682 square feet of useable office space located at 251 West Court Street, Flint, MI 48933.

The Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning September 1, 2011, or upon substantial completion, is \$9.50 (\$10,040.00 per month). This is a full service Lease. This Lease contains one 5-year renewal option with an annual per square foot rental rate of \$10.45 (\$11,044.00 per month). This Lease contains a Standard cancellation clause with 120 days notice. The Attorney General has approved this Lease as to legal form.

**Purpose/Business Case:**

To relocate the Flint Parole Office into a county owned facility that is occupied by the Department's Circuit Court Probation Office.

**Benefit:**

The Department will benefit from this co-location by offering rehabilitative services in the same location they process offenders. The support staff for both facilities has combined for more efficiency. This Lease also offers additional room to better serve the department's growing needs. This Lease is with a local unit of government and is within current market value.

**Funding Source:**

100% General Funds

**Commitment Level:**

10 years; with one 5-year renewal option, however, this Lease contains a Standard cancellation clause with 120 days notice.

**Risk Assessment:**

Non-approval of this Lease would keep the Department from cancelling their current Lease and moving to a space that is large enough to accommodate their needs. The current location is overcrowded which interferes with daily operations and adversely affects this parole office's productivity.

**Zip Code:**

48933

7. DEPARTMENT OF TRANSPORTATION, CHESTERFIELD – New Lease No. 11566 with Piera Commons, L.L.C., 50775 Richard W. Blvd, Chesterfield, MI 48051, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Transportation, as Lessee, for 10,428 square feet of office space located at 26170 21 Mile Road, Chesterfield, MI 48051. The Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning November 1, 2012, or upon substantial completion, is \$17.50 (\$15,207.50 per month). Effective November 1, 2017, the annual per square foot rental rate for this space increases to \$18.25 (\$15,859.25 per month). This rate does not include public utilities, telephone and alarm system. This Lease contains one 5-year renewal option with an annual per square foot rental rate of \$17.50 (\$15,207.50 per month). This Lease contains a Standard cancellation clause with 90 days notice. The Attorney General has approved this Lease as to legal form.

**Purpose/Business Case:**

MDOT is re-organizing their Transportation Service Centers (TSC) for Macomb and St. Clair Counties. This office is more centrally located and will allow MDOT to provide services more efficiently and economically due to shutting down two offices; Port Huron TSC (state-owned) and Macomb TSC (leased).

**Benefit:**

MDOT will be able to service the area more efficiently due to being located in a geographically central location and consolidate two facilities. The Department will also capture savings due to consolidation of two offices. The rental rate is within market and the Department receives two free months of rent as well as \$5,000 for moving allowance.

**Funding Source:**

100% Restricted Funds (State Trunkline Funds)

**Commitment Level:**

10 years; with one 5-year renewal option; however, this Lease contains a Standard cancellation clause with 90 days notice.

**Risk Assessment:**

Non-approval of this Lease will not allow the Department of Transportation to properly locate and consolidate offices.

**Zip Code:**

48051

**ADDENDUM TO LEASE FOR PRIVATE PROPERTY**

8. DEPARTMENT OF HUMAN SERVICES, WEST BRANCH - Addendum No. 1 to Lease No. 10393 approved by the State Administrative Board on July 16, 1996, between Rondel R. Bunting and Lois Bunting, Leonard J. Stephens and subsequently assigned to RL Development, whose address is c/o Leonard Stephens, 4197 South M-30, West Branch, MI 48661, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Human Services, as Lessee, for 15,000 square feet of space located at 444 E. Houghton Avenue, West Branch, MI 48661. This Addendum provides for increasing the square footage by 3,163 square feet at no additional cost, adds one 10-year renewal option that shall be exercised upon approval of this Addendum plus two additional 5-year renewal options at the current square foot rate. This Addendum is effective upon obtaining State Administrative Board approval and required signatures and continues to the termination date of the Lease, or any extension. The annual per square foot rental rate for this space beginning with the Option period December 6, 2016, is \$7.89 (\$9,864.17 per month).

This Addendum No. 1 contains two additional 5-year renewal options with an annual per square foot rental rate of \$7.89 (\$9,864.17 per month) for both. This Addendum contains a Standard cancellation clause with 90 days notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

This Addendum adds additional square footage at no extra charge and will keep the Department at the present location with a square foot rate which is within the market rate for comparable office space in the area.

**Benefit:**

This Addendum allows the Department to continue providing customers service at an established location and avoid relocation costs; upgrades include new carpet and fresh paint.

**Source of Funds:**

57% Federal Funds; 43% General Fund

**Commitment Level:**

Ten years; however, this Addendum contains a Standard cancellation clause with 90 days notice.

**Risk Assessment:**

Non-approval of this Lease will hinder the Department from providing uninterrupted services to the clients of Ogemaw County and could result in additional expenditures if forced to relocate.

**Zip Code:**

48661

- 9. DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, IRONWOOD – Addendum No. 2 to Sub-Lease No. 11275-2006 approved by the State Administrative Board on April 11, 2007, Item No. 4, between Western Upper Peninsula Manpower Consortium, a Consortium of Counties, 100 West Cloverland Drive, Ironwood, MI 49938, as Lessor, and the State of Michigan by the Department of Technology, Management & Budget for the Department of Licensing And Regulatory Affairs, as Lessee, for 128 square feet of space located at 100 West Cloverland Drive, Ironwood, MI 49938. This Addendum provides for extending the lease term five years. This Addendum is effective upon obtaining State Administrative Board approval and required signatures and continues to the termination date of the Lease, or any extension. The annual per square foot rental rate for this space beginning January 1, 2013, is \$12.19 (\$130.00 per month). This Lease contains a Standard cancellation clause with 90 days notice. The Attorney General has approved this Addendum as to legal form.

**Purpose/Business Case:**

The space is utilized by the Department of Licensing And Regulatory Affairs for its Michigan Rehabilitation Services counselor. This is in conjunction with the co-location initiative with the Michigan Works! Agencies.

**Benefit:**

This Addendum allows the Department to remain at the current location for an additional five years at the same rental rate and continue with the co-location initiative.

**Source of Funds:**

100% Federal Funds

**Commitment Level:**

Five years; however, this Lease contains a Standard cancellation clause with 90 days notice.

**Risk Assessment:**

Non-approval of this Addendum will hinder the Department from continuing to provide uninterrupted service and meeting the co-location initiative with the Michigan Works! Agency.

**Zip Code:**

49938

**JURISDICTIONAL AFFIDAVIT**

10. DEPARTMENT OF NATURAL RESOURCES – That the following property be transferred, under authority of Section 20 of the Land Bank Fast Track Act, Act 258 of the Public Acts of 2003, MCL 124.770, to the MICHIGAN LAND BANK FAST TRACK AUTHORITY, a Michigan public body corporate and politic, Grantee, whose address is Michigan Land Bank Fast Track Authority, 300 North Washington Square, Lansing, Michigan 48913. Further, the transfer shall be by jurisdictional affidavits.

The transferred lands are located in Alger, Arenac, Barry, Berrien, Branch, Calhoun, Cass, Charlevoix, Cheboygan, Chippewa, Clare, Crawford, Delta, Dickinson, Emmet, Gladwin, Gogebic, Houghton, Huron, Ingham, Iosco, Iron, Isabella, Kalamazoo, Kalkaska, Lake, Leelanau, Livingston, Mackinac, Manistee, Marquette, Midland, Monroe, Newaygo, Oakland, Oceana, Ogemaw, Ontonagon, Presque Isle, Roscommon, Saint Clair, Tuscola, Van Buren, Washtenaw, and Wexford Counties Michigan and the descriptions are on file with the State Administrative Board.

# SUPPLEMENTAL AGENDA

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

July 31, 2012 / July 31, 2012  
11:00 A.M. Lake Superior Room 1<sup>st</sup> Floor  
Michigan Library and Historical Center

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### AWARD OF CONSTRUCTION CONTRACT

1. MICHIGAN LAND BANK FAST TRACK AUTHORITY, DETROIT – Clark  
Demolition  
File No. 085/12313.IJH - Index No. TBE - Contract No. Y 12331  
Low Responsive Bidder: Able Demolition, Inc., Shelby Township, MI;  
\$365,250.00

#### **Description and Justification**

The purpose of this contract is to demolish abandoned and blighted buildings on property owned or controlled by the Michigan Land Bank Fast Track Authority, in the vicinity of the Clark Elementary School in Detroit, Michigan. Demolition will improve public safety and allow the land to be redeveloped and returned to the tax rolls. The bidding documents stated the intent of the state to award up to five (5) contracts for the required work. The contracts will be paid according to unit prices for demolition, disposal, and hazardous material abatement. Properties will be assigned to contractors per analysis of the most cost-effective package for an individual structure, accelerated schedule and contractor performance. The amount of the contract is within the authorized budget.

#### **Funding Source**

100% Homeowner Protection (foreclosure settlement) Funds

2. MICHIGAN LAND BANK FAST TRACK AUTHORITY, DETROIT – Clark  
Demolition  
File No. 085/12313.IJH - Index No. TBE - Contract No. Y 12332  
Low Responsive Bidder: Berkshire Development, Dearborn, MI; \$369,000.00

#### **Description and Justification**

The purpose of this contract is to demolish abandoned and blighted buildings on property owned or controlled by the Michigan Land Bank Fast Track Authority, in the vicinity of the Clark Elementary School in Detroit, Michigan. Demolition will improve public safety and allow the land to be redeveloped and returned to the tax rolls. The bidding documents stated the intent of the state to award up to five (5) contracts for the

required work. The contracts will be paid according to unit prices for demolition, disposal, and hazardous material abatement. Properties will be assigned to contractors per analysis of the most cost-effective package for an individual structure, accelerated schedule and contractor performance. The amount of the contract is within the authorized budget.

**Funding Source**

100% Homeowner Protection (foreclosure settlement) Funds

3. MICHIGAN LAND BANK FAST TRACK AUTHORITY, DETROIT – Clark  
Demolition  
File No. 085/12313.IJH - Index No. TBE - Contract No. Y 12333  
Low Responsive Bidder: Blue Star, Inc., Warren, MI; \$327,800.00

**Description and Justification**

The purpose of this contract is to demolish abandoned and blighted buildings on property owned or controlled by the Michigan Land Bank Fast Track Authority, in the vicinity of the Clark Elementary School in Detroit, Michigan. Demolition will improve public safety and allow the land to be redeveloped and returned to the tax rolls. The bidding documents stated the intent of the state to award up to five (5) contracts for the required work. The contracts will be paid according to unit prices for demolition, disposal, and hazardous material abatement. Properties will be assigned to contractors per analysis of the most cost-effective package for an individual structure, accelerated schedule and contractor performance. The amount of the contract is within the authorized budget.

**Funding Source**

100% Homeowner Protection (foreclosure settlement) Funds

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Mr. Stibitz presented the Building Committee Report for the regular meeting of July 31, 2012. After review of the foregoing Building Committee Report, Mr. Stibitz moved that the Report covering the regular meeting of July 31, 2012, be approved and adopted with the Items on the Supplemental Agenda contingent upon the Governor's signature on HB 5015. The motion was supported by Mr. Reilly and unanimously approved.

4. ADJOURNMENT:

Ms. Clement adjourned the meeting.

  
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SECRETARY

  
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CHAIRPERSON

required work. The contracts will be paid according to unit prices for demolition, disposal, and hazardous material abatement. Properties will be assigned to contractors per analysis of the most cost-effective package for an individual structure, accelerated schedule and contractor performance. The amount of the contract is within the authorized budget.

**Funding Source**

100% Homeowner Protection (foreclosure settlement) Funds

3. MICHIGAN LAND BANK FAST TRACK AUTHORITY, DETROIT -- Clark  
Demolition  
File No. 085/12313.IJH - Index No. TBE - Contract No. Y 12333  
Low Responsive Bidder: Blue Star, Inc., Warren, MI; \$327,800.00

**Description and Justification**

The purpose of this contract is to demolish abandoned and blighted buildings on property owned or controlled by the Michigan Land Bank Fast Track Authority, in the vicinity of the Clark Elementary School in Detroit, Michigan. Demolition will improve public safety and allow the land to be redeveloped and returned to the tax rolls. The bidding documents stated the intent of the state to award up to five (5) contracts for the required work. The contracts will be paid according to unit prices for demolition, disposal, and hazardous material abatement. Properties will be assigned to contractors per analysis of the most cost-effective package for an individual structure, accelerated schedule and contractor performance. The amount of the contract is within the authorized budget.

**Funding Source**

100% Homeowner Protection (foreclosure settlement) Funds