



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

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GOVERNOR

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RFP No. 2017-0095

REQUEST FOR PROPOSALS



Sale of Real Property located at 123 West Allegan Street and 215 South Capitol Avenue, sites of "The Billie S. Farnum Building" and it's exclusive parking lot respectively, City of Lansing, County of Ingham, State of Michigan

I. Introduction and Overview

Pursuant to Public Act 106 of 2017, the Michigan Department of Technology, Management & Budget (DTMB), acting through its Real Estate Division (the "Office"), has been authorized to sell certain real property owned by the Michigan State Senate consisting of "The Billie S. Farnum Building" located at 123 West Allegan Street (sometimes also addressed as 125 West Allegan Street) and its exclusive parking lot located at 215 South Capitol Avenue, (the "Property") in the City of Lansing, County of Ingham, State of Michigan. A brief overview of the Property and its features is given below. The Property is legally described in the attached Offer to Purchase Real Property (the "Offer").

A. Overview of the Property

The Farnum Building is a ten-story (plus basement) high rise office building containing approximately 95,000 SF of gross space of which approximately 84,000 SF is rentable space. It was originally built and known as the Stoddard Building in 1959 and was used as the main offices for Michigan National Bank until 1979 when it was acquired by the Michigan State Senate. At that time, it was renamed as the Billie S. Farnum Building and began its tenure as the Senate's principle offices until 2016. It has been vacant since 2016, but is still owned and actively maintained by the Michigan State Senate. The building features three passenger elevators (serving floors B-10) and one freight elevator (serving floors B-1). HVAC is provided by hot water radiant heating units and central air conditioning. The building enjoys water, natural gas and electricity services by the Lansing Board of Water and Light and sewer services by the City of Lansing. There is an underground pedestrian traffic tunnel linking the Farnum Building to the Boji Tower building across Allegan Street.

The parking lot is separated from the Farnum Building by an eleven-foot wide public alley. The parking lot is fenced, paved, illuminated and gated at its two narrower ends. As presently configured, it can accommodate up to 23 average sized cars.

The Farnum Bldg. lot is approximately 78 feet by 100 feet or roughly .179 acre in size. The parking lot is approximately 53.83 feet by 165 feet or roughly .204 acre in size. Both lots are included in the G-1 Business Zoning District - the official City of Lansing definition and intended uses of which can be found on-line at:

https://library.municode.com/mi/lansing/codes/code_of_ordinances?nodeId=COOR_PT12_PLZOCO_TIT6ZO_CH1270BUDI

Both lots are also included in Flood Plain Zone "X" as per FEMA Community Map Panel 26065C0131D, dated 8-16-2011.

DTMB has done its best to accurately and fully describe the Property in this RFP and its supporting documents. However, it remains incumbent upon prospective bidders to verify this information for themselves as part of their own due diligence investigations.

B. Overview of the Bid Process

The State will accept sealed Bid Proposals to acquire the Property in "as-is" condition via a quit-claim deed until **5:00 p.m. EST on Tuesday, May 15, 2018** (the "Due Date"). In the event the initial bid period does not produce a viable award recommendation, the State may, at its discretion, extend the bidding period until it receives a viable bid. Timelines will be moved to correspond to the accepted bid date. Notification of a bidding extension will be made at www.michigan.gov/farnumbuilding.

The first qualifying bid that is received and accepted will end the RFP period, unless the RFP period is extended as provided elsewhere in this RFP. It is the intention of the State to notify, no later than **Friday, June 1, 2018** the successful Bidder who is the most responsive and responsible and offers the highest price or highest value to the State. Notification will be via phone, followed in writing.

The State reserves the right to waive any irregularity or defect in any submission; request clarification or additional information regarding Bid Proposals; to conduct a Best and Final Offer (BAFO); to cancel this Request for Proposal (RFP) and to reject any and all Bids at its sole discretion. The State shall assume no liability whatsoever for any expense incurred by a Bidder in replying to this RFP.

Note that for purposes of this RFP, and of all submitted responses thereto, the State uses the terms "proposal" and "bid" interchangeably and with the same meaning. Similarly, the words "proposer" and "bidder" are also used interchangeably and with the same meaning.

C. Supporting Documents

The following supporting documents and forms are available on-line at DTMB's Real Estate Division website www.michigan.gov/dtmb-realestate under the following heading and link "Request For Proposals and Surplus Real Property for Sale":

1. This Request for Proposals (RFP)
2. Bidder's Acknowledgement Form
3. Offer to Purchase Real Property Form
4. Release of Liability Form
5. Public Act 106 of 2017
6. City of Lansing 2017 Property Information Database reports for the subject property.
7. The recorded deeds by which the State acquired the subject property and any other associated title work known to DTMB/RED.
8. Survey maps illustrating and describing the subject property, prepared by the DTMB Office of Facilities Administration and dated 8-7-2017.
9. Illustrations of the Farnum Building foot print and layout of each floor along with technical highlights of various key Property systems and infrastructures.
10. A "photo tour" collection of selected interior and exterior photos of the subject property.
11. Promotional materials for the Billie S. Farnum Building as developed by DTMB/RED.

The following additional supporting documents are currently being developed and will be included with the others on the DTMB/RED website when available:

12. Survey and Analysis of Asbestos Containing Materials at the Farnum Building as commissioned by DTMB/RED.
13. Phase I Environmental Assessment Report.

D. Summary of Key RFP Dates

1. **Monday, January 22, 2018** – RFP release date.
2. **Monday, February 12, 2018 by 5:00 p.m. EST** – Recommended date by which prospective bidders register to participate in the guided site tour #1.
3. **Friday, February 16, 2018, starting at 10:00 a.m. EST** - Date of guided site tour #1 (rain or shine) for prospective bidders.
4. **Monday, March 12, 2018 by 5:00 p.m. EST** – Recommended date by which prospective bidders register to participate in the guided site tour #2.
5. **Friday, March 16, 2018, starting at 10:00 a.m. EST** - Date of guided site tour #2 (rain or shine) for prospective bidders.
6. **Friday, April 13, 2018, by 5:00 p.m. EST** - Deadline for interested parties to submit written questions about the RFP and its attachments.
5. **Friday, April 27, 2018** - Date by which official answers to properly submitted questions about the RFP and its attachments should be posted on the DTMB Real Estate Division website.
6. **Tuesday, May 15, 2018 by 5:00 p.m. EST** - Completed proposals due to the DTMB Real Estate Division offices.
7. **Friday, June 1, 2018** - Date for announcement of an accepted winning bid. If no acceptable proposals are received, the State may extend the deadline for submitting proposals as provided in Section VI below.

II. Instructions For Bidders

A. Proposal Submission Procedures

1. Sealed Bid Proposals must be delivered as directed in Section V(D) below, on or before the Due Date of **Tuesday, May 15, 2018 at 5:00 p.m. EST**. Bid Proposals received after 5:00 p.m. on the Due Date may not be accepted. In that event, they will be marked late and returned to the sender.

2. All components of a completed Bid Proposal must be received in one envelope or box marked **"PROPOSAL – FARNUM BUILDING SALE - LANSING, MICHIGAN"** The envelope or box must also contain the Bidder's name and return address.
3. Bid Proposals may only be delivered via U.S. Mail, courier service, or hand delivery. Electronic or facsimile Bid Proposals will not be accepted.
4. All information shall be entered in ink or typewritten. Mistakes may be crossed out and all corrections inserted before submission of a Bid Proposal. The person signing the Offer to Purchase Real Property shall initial and date corrections in ink and shall also initial and date the bottom of each page of the Offer to Purchase Real Property in the spaces provided.
5. Bid documents, including the Offer to Purchase Real Property, shall be signed by the person(s) authorized to contractually bind the Bidder. Potential Bidders are encouraged to consult with legal counsel to ensure that their proposal constitutes a legally binding offer. Failure to submit a legally binding offer is grounds for rejection of a Bid Proposal. Bid Proposals must contain original signatures.
6. The winning Proposal made to the State shall be irrevocable, except as set forth in Section 6 of the Offer to Purchase with respect to Cancellation.
7. Bid documents, including the Offer to Purchase Real Property, signed by persons on behalf of entities, other than for a natural person, must be accompanied by documents evidencing authority as follows:
 - a. Submissions by corporations or limited liability companies shall be signed by a person with authority to bind the corporation or limited liability company and shall be accompanied by a current certificate of good standing and certified copies of resolutions authorizing such submission, including the Offer to Purchase Real Property.
 - b. Submissions by municipalities or municipal entities shall be signed by two officers with authority to bind the municipality or the municipal entity and shall be accompanied by certified resolution authorizing the submission, including the Offer to Purchase Real Property.
 - c. Submissions by partnerships shall be signed by the authorized partner and shall be accompanied by a certified copy of the partnership certificate on file with the appropriate county clerk and a copy of the partnership agreement and any amendments in effect as of the date of submission.
 - d. Submissions by persons doing business under an assumed name shall be accompanied by a certified copy of an assumed name certificate on file with the appropriate county clerk.

- e. Submissions by one natural person on behalf of another natural person shall be accompanied by a power of attorney which would be fully effective on the date of signature and irrevocable thereafter and which would authorize such action with regard to this specific transaction.

III. Bid Package Format

A. Bidders shall submit one clearly marked original and one photocopy of their Bid Proposal package, containing the following information, tabbed in the order below:

1. A copy of this Request for Proposal (RFP).
2. Signed Purchaser's Acknowledgement, as provided in this RFP.
3. Signed and initialed Offer to Purchase Real Property with Purchase Price completed and property legal description attached, as included in this RFP.
4. An Earnest Money deposit equal to at least ten percent (10%) of the purchase price, must be submitted with each Proposal, as security for the Offer to Purchase Real Property. The Earnest Money deposit must come in the form of a cashier's or certified check made payable to the State of Michigan and must draw on funds on the Bidder has on account with a reputable financial institution which is a member of the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). The Earnest Money will be simply held or deposited by the State in a State account at the State's discretion, and will be applied at closing as a credit against the Purchase Price of the successful Bidder. No escrowing of the Earnest Money deposit will be accepted. Treatment of Earnest Money is more specifically defined in the attached Offer to Purchase Real Property. Earnest Money deposit checks submitted by unsuccessful Bidders will be voided by hand and returned by certified mail no later than thirty (30) business days after a successful bid is selected.
5. A signed Release of Liability Form, as provided in this RFP.
6. Evidence of Bidder's financial capability to complete the purchase, such as a letter of credit or unencumbered funds on account from a reputable financial institution which is a member of the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF), as documentation of the source of funds that will be used to purchase the Property.

Failure to provide any of the above requested information may result in disqualification of proposal. The State reserves the right to request additional information pertaining to the Proposal Package, or any other matters related to the Request for Proposal.

B. Public Act 106 of 2017

The sale of this Property shall be consistent with the terms and conditions mandated in Section 1 of PA 106 of 2017.

IV. Property Inspection

- A. Two guided tours of the subject property for prospective bidders are scheduled for **Friday, February 16, 2018 and Friday, March 16, 2018, with each one starting at 10:00 a.m. EST**, rain or shine. The tours will be substantially the same and offer the same views of the Property interior and exterior spaces. Prospective bidders are strongly encouraged to participate in at least one of the two tours, but it is not required.

- B. Tour participants will need to complete and submit the accompanying "Release of Liability" form in advance of each tour of the Property. Your successful submission of a completed "Release of Liability" form doubles as your official registration to participate on one of the two tours. It is requested and recommended that interested parties each submit their completed "Release of Liability" form no later than the Monday immediately before the tour date. For the Friday, February 16, 2018 tour, the requested date to submit the form is Monday, February 12, 2018. For the Friday, March 16, 2018 tour, the requested date to submit the form is Monday, March 12, 2018. The easiest and fastest way to submit your completed "Release of Liability" form is via e-mail to the attention of the Farnum Building Sale Project Manager at dtmb-realestate@michigan.gov. However, no one who arrives on time for one or both of the tour dates and submits a properly completed copy of the Release of Liability form prior to entry will be turned away. Note that each copy of the Release of Liability form can only accommodate the release and registration of one person for one tour date.

V. Questions and Deliveries Pertaining To This RFP

- A. Questions regarding the RFP must be made in writing and submitted electronically to the attention of the Farnum Building Sale Project Manager via the DTMB Real Estate Division e-mail address dtmb-realestate@michigan.gov by **5:00 p.m. EST on Friday, April 13, 2018**.

- B. Every reasonable effort will be made to provide answers to duly submitted questions **by 5:00 p.m. EST on Friday, April 27, 2018**. All duly submitted questions from all Bidders and all answers will be made available at www.michigan.gov/farnumbuilding.

- C. The State will not respond to telephone inquiries or visitation by Bidders or their representatives with respect to this RFP.

- D. Official RFP Delivery and Contact Information:
Attn: Farnum Building Sale Project Manager
Real Estate Division
Department of Technology, Management & Budget
Option 1 - For delivery via U.S.P.S:
P.O. Box 30026
Lansing, MI 48909
Option 2 - For delivery via private carrier:
3111 West Saint Joseph Street
Lansing, MI 48917

VI. Method of Award and Selection Criteria

Complete responses to this RFP will be evaluated by DTMB, which may convene an Advisory Committee, based on the extent to which each proposal responds to the information requested in Section III. Selection criteria will include, but is not limited to, the following:

- A. Note that the State's chief motivator in selecting a winning bidder will be the degree to which the State can secure the highest and best fair market cash offer purchase price for the Property from a reputable bidder in good standing with the State of Michigan which convincingly demonstrates that it can complete a purchase of the Property as governed by the terms of this RFP and its related supporting documents.
- B. Bidders are cautioned that the State will not accept proposals which are contingent upon receiving other state contracts, tax credits, loan guarantees, public or private grants, rent rebates or other subsidies.
- C. Submit specific details in your response, particularly in terms of dates, numbers and dollars. Vague and/or overly general responses are not acceptable.
- D. Evidence of Bidder's financial capability to complete the purchase.
- E. Compliance with statutory, constitutional, and terms set forth in this RFP, including the Offer to Purchase.
- F. Proposals received by the State shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan.

VII. Best and Final Offer (BAFO)

- A. If the selection process does not lead to a viable award recommendation, or if deficiencies are identified, DTMB, at its discretion, may prepare a Deficiency Report and/or 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 changes to the original proposal, including alterations to the original price proposed. BAFO's must be submitted by the deadline established by DTMB.

- B. After reviewing the BAFO's, DTMB will reevaluate the proposals using the original evaluation method. If an alteration to the original published evaluation criteria is to be made, changes in the criteria will be published to all Bidders as part of the issuance of the DR/CR's.
- C. Bidders will NOT be provided any information about other proposals 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 evaluation process and the requesting Bidder may be eliminated from further consideration. Requests for proposal information by a Bidder, its subcontractor, or an affiliated party before bid award may also result in disqualification.
- D. Bidders are strongly encouraged to propose their best possible offer first in this RFP process, as there is no guarantee that any bidder will subsequently be allowed an opportunity to submit a BAFO.

VIII. Bid Period Extension

- A. If the initial bid period does not produce a viable award recommendation, the State may, at its discretion, extend the bidding period until it receives a viable bid. Timelines will be moved to correspond to the accepted bid date. Notification of a bidding extension will be made at www.michigan.gov/farnumbuilding. The first qualifying bid that is received and accepted will end the extension period.

IX. Freedom of Information Act (FOIA)

- A. All information in a Bidder's proposal is subject to the provisions of the Freedom of Information Act (FOIA), 1976 Public Act 442, as amended, MCL 15.231, et seq.

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