



Request for Proposal (RFP)
Michigan Department of Technology, Management and Budget (DTMB)
for
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY (LEO) – Detroit, Wayne County
SR #2021-0027
February 23, 2021

RFP Summary, Submission Requirements and Checklist

SUMMARY

Agency:	Department of Labor and Economic Opportunity
Location:	Detroit, Wayne County
Square Footage/Use:	7,275 square feet / office space for Unemployment Insurance Agency (UIA)
Floor(s):	Ground level
Parking Requirement:	42 parking spaces (30 for clients and 12 secured spaces for UIA staff)
Occupancy Date:	February 1, 2022
Lease Agreement:	Standard form of state lease agreement is attached to this RFP.
Note:	Please review this RFP in its entirety, as substantial changes have occurred.
Commission:	I/we acknowledge that there is no broker for this transaction and no commission will be paid. The attached proposal and pricing are reflective of this acknowledgement.
Other:	An electronic version of the proposal is to be submitted to dtmb-realestate@michigan.gov and must be received by 5 p.m. E.S.T. on March 31, 2021

SUBMISSION DOCUMENT CHECKLIST

- | |
|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Written summary of proposal <input type="checkbox"/> Complete Space Available Proposal (SAP) form <input type="checkbox"/> Proof of ownership of property (recorded deed or fully executed purchase agreement, purchase option, or master lease for subject property) <input type="checkbox"/> Proof of legal authority to enter into agreement (see attached "legal documentation and signature requirements checklist") <input type="checkbox"/> Proposed floor plan <input type="checkbox"/> Proposed site plan <input type="checkbox"/> Proposed time line from executed date of agreement <input type="checkbox"/> Signed bidder's acknowledgement |
|---|

SUBMISSION DUE DATE / PROCEDURES

<p>An electronic version of each proposal, clearly indicating the appropriate proposal number (SR #2021-0027) in the subject line must be received by 5:00 p.m. E.S.T. on March 31, 2021 to: dtmb-realestate@michigan.gov.</p> <p>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.</p>



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Introduction and Overview

The State of Michigan, by the Department of Technology, Management and Budget (DTMB/State or Lessee), for the Department of Labor and Economic Opportunity (LEO) 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 MB 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 city limits for the City of Detroit, **with preference given to sites located on a bus line within the city.** This includes properties only on the Detroit 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 approximately 7,275 usable square feet of office space. The State reserves the right to increase or decrease the size of this requirement by up to 10%. Special circumstances may require more extensive program size changes.

Please verify that the Premises square footage is based upon the A.N.S.I. Z65.1 – 1996 method for calculating space.

- I.3. Parking:** The State requires forty-two (42) parking spaces, 30 for clients and 12 secured spaces for LEO/UIA staff. 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 are substantially complete and the Lessor secures a Certificate of Occupancy, or the Lessee begins beneficial use of the Premises. The Lessor will deliver the Premises to the Lessee no later than February 1, 2022.

II. Lease Term

- II.1. Initial Lease Term:** The Initial Lease Term is for a maximum of ten (10) years.
- 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. The State prefers dedicated utility meters. If submitting a proposal for a space with sub-meters, please provide information on how the billing is generated from the submeters.
- 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:** 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. The State reserves the right to apply the concessions in the manner most beneficial to the Lessee.
- II.6. Cancellation:** All State leases for real property are required to contain a cancellation provision as established within the framework of the Michigan Constitution. The attached sample lease and SAP contain this provision.
- II.7. Security Deposit:** The State will not provide a security deposit.
- II.8. Alternative Terms:** 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:** If you are submitting proposal(s) for either a build to suit or an existing building requiring remodeling work, reference the attached State of Michigan Minimum Design Standards for guidelines. The Lessor will be responsible for providing the Premises in a turnkey condition.

If your proposal is a new build requiring site approval, the final approved plan of the Premises must comply with your response to this RFP, including parking requirements.

Please provide a detailed description of the building and other material descriptions; for example, explain the HVAC system, the type of access and security system and procedures, and the telecommunications services available, barrier free design, etc. that will allow the State to understand the quality and appearance of the building.

- 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 the construction and/or remodeling.
- III.3. Network and Telecommunication Services:** The State of Michigan requires state of the art infrastructure and telecommunication products to support voice, data and video systems. Telecommunication items incorporated in this building project shall adhere to ANSI/EIA/TIA and BICSI Standards. The detailed specification for telecommunications may override the ANSI/EIA/TIA and BICSI standards in some areas due to changes in technology. In addition to the ANSI/EIA/TIA and BICSI Standards, all applicable building standards and codes must be incorporated. Lease spaces shall meet or exceed current industry Standards relating to building spaces, pathways and equipment which will be required from the building owner in order to achieve compliance.
- III.4. 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.
- III.5. Recycling Services:** The Lessor shall identify recycling services for the property, if available. Recycling services shall include onsite recycling collection, removal to a processing center, a list of "acceptable materials", and access to detailed monthly reporting to include tonnage of each recyclable material, rebate/credit amounts received for each material and the cost to process each material. This information is not required for Department of State (DOS) proposals.

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
 - State of Michigan Minimum Building Design Standards and Additional Standards, if applicable. These standards are to be used in determining the cost of remodeling and/or construction.
 - Floor plans and Space Estimator
 - Janitorial and Recycling Standards
 - Legal Documentation and Signature Requirements
 - Excerpt from PA 295 of 2008
 - ANSI Standards
 - 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 Technology, 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 MB 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 MB 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.)
 - The type of utilities available
 - The type of recycling services available, if applicable - This information is not required for Department of State proposals.
- 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 (recorded deed or fully executed purchase agreement, purchase option, or master lease for subject property)
 - Proof of Legal authority to enter into the proposed agreement
 - Proposed Floor Plan (you must show how the State's requirements, using State standards, will fit in your proposed site)
 - Proposed Site Plan
 - Project timeline from date of executed agreement
 - 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 March 1, 2021 to dtmb-realestate@michigan.gov.

All questions and answers will be posted to the website at www.michigan.gov/dtmb-realestate no later than March 4, 2021. 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: An electronic version of each proposal, clearly indicating the appropriate proposal number (SR #2021-0027) in the subject line must be received by 5:00 p.m. Eastern Standard Time on March 31, 2021 to: dtmb-realestate@michigan.gov.

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

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 MB 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

SR # _____

SPACE AVAILABLE PROPOSAL

Lease # _____

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):		CURRENT LEGAL ENTITY: (i.e., TRUST, LLC, CORP, PARTNERSHIP)		
ADDRESS OF PROPOSER:		CONTACT PERSON:		
		TELEPHONE NUMBER:		
		EMAIL ADDRESS:		
PROPOSAL				
PROPERTY INFORMATION BUILDING ADDRESS AND/OR PARCEL DESCRIPTION:		TOTAL BUILDING SQ. FT.:	*SQUARE FOOT OF LEASED PREMISES:	% LEASED TO STATE:
PROPOSER HAS TITLE OR LEGAL AUTHORITY Yes No		TOTAL NUMBER OF ON-SITE PARKING SPACES:		
WHAT IS THE CURRENT ZONING?		NUMBER OF HANDICAPPED PARKING SPACES:		
		NUMBER OF ON-SITE PARKING SPACES FOR STATE:		
INITIAL LEASE TERM:		yrs. CANCELLATION TYPE:		with -days notice
ANNUAL RATE	MONTHLY RENT		SQ. FT. RATE	
RENEWAL OPTION:		yrs. CANCELLATION TYPE:		with -days notice
ANNUAL RATE	MONTHLY RENT		SQ. FT. RATE	
RENEWAL OPTION:		yrs. CANCELLATION TYPE:		with -days notice
ANNUAL RATE	MONTHLY RENT		SQ. FT. RATE	
TOTAL DEVELOPMENT COST OR REMODELING COST:		LUMP SUM COST TO BE ADDED TO FIRST MONTH RENT:		
RECYCLING AVAILABLE?		IS COST OF RECYCLING INCLUDED IN RATES?		RECYCLING COST PER SQUARE FOOT _____
None	Plastic	Glass	Metal	Paper
		Yes	No	
Indicate any of the following:		Free Rent for _____ Months		Tenant Improvement Allowance of \$ _____
SERVICES TO BE PROVIDED BY LESSOR AND/OR STATE:		Telecom / Data		
Heat and Air Conditioning Utilities		Alarm System Equipment		
Electricity		Grounds Maintenance		
Water and Sewer		Snow Removal		
Janitorial Services and Supplies (including Restroom)		Dumpster Services		
Water Well and/or Septic System Maintenance		Maintenance of Portable Fire Extinguishers		
Maintenance of Sidewalks, Curbs and Parking Lot		Replacement of Tubes, Bulbs, LEDs		
Pest Control		Building Maintenance (including Physical Plant)		
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 _____.				
PROPOSAL TO BE RECEIVED IN THIS OFFICE ON OR BEFORE:				
This form must be completely filled in, signed, and returned to:		SIGNATURE(S):		DATE:
DTMB-Real Estate Division ATTN: _____ 3111 W. St. Joseph Street Lansing, MI 48917				
		NOT VALID UNLESS SIGNED & DATED		
		PROPOSAL INCLUDES ATTACHMENTS:		YES NO

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.

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 rent 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.

Total Number of Handicapped parking spaces - Provide the current number of handicapped parking spaces available.

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.

A hard copy of the proposal must be received by our office by the due date listed; ***late proposals are not accepted.***

CALCULATIONS

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

Monthly Rent x 12 = Annual Rent

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