

# A G E N D A

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

November 24, 2009 / December 1, 2009  
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 STATE POLICE, LANSING – Michigan State Police  
Headquarters - Audio/Video Systems  
File No. 551/08017.DCS - Index No. 76502  
Low Responsive Bidder: AVI Systems, Inc., Kentwood; \$681,463.00

#### **Purpose/Business Case**

The purpose of this contract is to install closed circuit security cameras, video/audio building, and audio/sound paging systems within the new State Police Headquarters. These building systems are necessary for State Police as part of the approved \$6,000,000 Lease allowance for furniture, fixtures, and equipment (FF&E) approved by the State Administrative Board on August 7, 2007, Lease #11319.

#### **Benefit**

The State will benefit by implementing required security and video/audio systems to support the Michigan Intelligence Operation Center (MIOC) and State Police functions.

#### **Funding**

100% paid out of Lessor's \$6,000,000 FF&E allowance as previously approved.

#### **Commitment**

The contract cost is fixed based on competitive bids. The amount of the contract is within the authorized budget.

#### **Risk**

Failure to approve this contract will result in State Police not obtaining the required building systems to perform operations.

#### **Zip Code**

48933

### **AWARD OF CONTRACT FOR PROFESSIONAL SERVICES**

2. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, GRAYLING – Camp Grayling Annual Training Site – Combined Arms Collective Training Facility  
File No. 511/10016.CAK - Index No. 21000  
Recommended Responsive Proposal: Paradigm Design, Grand Rapids;  
\$964,037.66

**Purpose/Business Case**

The purpose of this contract is to provide professional architectural and/or engineering design services to obtain contract documents for construction of a combined arms collective training facility at Camp Grayling. The training center will consist of 20 to 29 buildings to be used to train soldiers in urban operations.

**Benefit**

The State will benefit from this contract by having professionally prepared contract documents for the competitive construction bidding process.

**Funding Source**

100% Federal Funding

**Commitment**

The contract cost is fixed based on a competitive selection process. The amount of the contract is within the authorized budget.

**Risk Assessment**

Failure to approve this contract will result in the State not obtaining the documents necessary for competitive bidding and the potential loss of Federal funding for this pre-deployment training facility.

**Zip Code**

49738

**REVISIONS TO CONSTRUCTION CONTRACTS**

3. DEPARTMENT OF ENVIRONMENTAL QUALITY, MASON – Americhem Corporation Site – Free Product Recovery and Soil Vapor Extraction System Installation  
File No. 761/07139.RRD - Index No. 44801  
Job Site Services, Inc., Bay City; CCO No. 7, Incr. \$94,896.00

**Purpose/Business Case**

The purpose of this change order is to modify the flow lines, manifolds, drain fields, piping and operation and maintenance (O&M) of the existing free product recovery system. This site is still contaminated and requires more cleanup activities. It's anticipated that the treatment system will continue to operate until the soil and groundwater meet cleanup standards.

**Benefit**

The State will benefit by improving the effectiveness of the recovery system in preventing spread of contamination and abating environmental hazard.

**Funding Source**

100% Environmental Bond Fund

**Commitment**

The change order costs are fixed actual costs provided by the construction contractor in response to a bulletin provided by the PSC. The amount of the contract is within the authorized budget.

**Risk Assessment**

Failure to approve this change order may result in operating a non-efficient system, therefore risk harming the public and the environment and violating environmental regulations.

**Zip Code**

48854

- 4. DEPARTMENT OF ENVIRONMENTAL QUALITY, BALDWIN – Wash King Laundry Site – O &M Groundwater and Soil Vapor Extraction Treatment System File No. 761/06037.RRD - Index No. 44081 Lakeshore Environmental, Inc., Grand Haven; CCO No. 5, Incr. \$262,560.00

**Purpose/Business Case**

The purpose of this change order is to provide additional operation and maintenance (O&M) services of the groundwater treatment and soil vapor extraction (SVE) systems and remedial action optimization as required by the United States Environmental Protection Agency (USEPA). The contractor provides maintenance, sampling, and reporting to comply with the environmental regulations.

**Benefit**

The State will benefit by improving the effectiveness of the recovery system in abating the environmental hazards to protect the public and the environment.

**Funding Source**

90% Federal-Environmental Protection Fund; 10% State-Environmental Protection Bond

**Commitment**

The change order costs are fixed actual costs provided by the construction contractor in response to a bulletin provided by the PSC. The amount of the contract is within the authorized budget.

**Risk Assessment**

Failure to approve this change order may result in operating a non-efficient system, therefore risk harming the public and the environment and violating environmental regulations.

**Zip Code**

49304

**LEASE FOR PRIVATE PROPERTY**

- 5. DEPARTMENT OF STATE, BELLEVILLE – Renewal Lease #10670 with Belle Plaza Shopping Center, Inc., a Michigan Corporation, 901 Ridgewood Road, Bloomfield Hills, Michigan 48304, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of State, as Lessee, for 3,493 square feet of office space located at 795 Sumpter Road, Belleville, Michigan 48111. The Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning December 1, 2009, is \$11.82 (\$3,440 per month). This rate does not include utilities, janitorial service, trash removal, telecommunications system or alarm system monitoring. This Lease contains

one five-year renewal option with an annual per square foot rental rate of \$12.84 (\$3,737 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**

This space has been utilized by the Department as a branch office since 1999 and continues to meet their operational needs.

**Benefit**

Renewal of this lease allows the Department to remain at their current location and avoid relocation costs. The rental rate is below the current market rate for comparable space.

**Funding Source**

33.9% General Fund; 66.1% Restricted Funds - 1.2% Auto Repair Facilities Fees; 4.1% Driver Fees; 0.3% Expedient Service Fees; 4.1% Parking Ticket Court Fines; 56.4% Transportation Administration Collection Fund

**Commitment Level**

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

**Risk Assessment**

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

**Zip Code**

48111

**ADDENDUM TO LEASE FOR PRIVATE PROPERTY**

6. DEPARTMENT OF ENVIRONMENTAL QUALITY, GAYLORD - Addendum #1 to Lease #10706 approved by the State Administrative Board on July 6, 1999, Item #8, between Norman C. Van Wormer and subsequently assigned to Dedrick Investment, LLC, a Limited Liability Company, 3946 Traxler Court, Bay City, Michigan 48706, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of Environmental Quality, as Lessee, for 15,000 square feet of space located at 2100 West M-32, Gaylord, Michigan 49735. This Addendum provides for reducing the rental rate for the initial 10-year term, adding two years and reducing the rental rate for the first renewal option, modifying the begin and end dates of the second renewal option. The first renewal option is exercised upon execution of this Addendum. 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 November 1, 2009, is \$12.00 (\$15,000 per month). This Addendum contains one renewal option with an annual per square foot rental rate of \$12.32 (\$15,400 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**

This Addendum will allow a reduction in rent and extend the existing renewal option for two years and upgrade the base year for real estate tax adjustments. This location continues to meet the operational needs of the Department.

**Benefit**

This Addendum will allow the Department to realize an estimated savings of \$10,000 per year based on a reduced rental rate and updating the real estate tax base used for computing the annual adjustments. The rental rate is within the market rate.

**Source of Funds**

100% General Fund

**Commitment Level**

Seven years plus a five-year renewal option; 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, could possibly bring about increased costs if they are forced to relocate, and they would not realize a cost savings.

**Zip Code**

49735

7. DEPARTMENT OF STATE POLICE, GAYLORD - Addendum #1 to Lease #10777 approved by the State Administrative Board on February 15, 2000, Item #15, between Hayes and Bentz, Ent., LLC, a Michigan Limited Liability Company, 119 Fairview, Gaylord, Michigan 49735, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of State Police, as Lessee, for 5,200 square feet of space located at 123 Fairview, Gaylord, Michigan 49735. This Addendum provides for extending the lease term two years and reducing the rental 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 March 10, 2010, is \$9.23 (\$4,000 per month). This Lease contains a Standard cancellation clause with 90-days notice. The Attorney General has conditionally approved this Addendum as to legal form and those conditions have been met.

**Purpose/Business Case**

The space is utilized by the Department and continues to meet their operational needs.

**Benefit**

This Addendum allows the Department to remain in the current location for an additional two years with a rental reduction of 3.75% and avoid relocation costs. The rental rate is within the current market rate.

**Source of Funds**

100% General Fund

**Commitment Level**

Two 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 while realizing a costs savings and could bring about increased costs if they are required to relocate.

**Zip Code**

49735

8. DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH, IRONWOOD - Addendum #1 to Lease #11275 approved by the State Administrative Board on April 11, 2007, Item #4, between Western Upper Peninsula Manpower Consortium, A Consortium of Counties, 100 West Cloverland Drive, Ironwood, Michigan 49938, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of Energy, Labor and Economic Growth, as Lessee, for 80 square feet of space located at 100 West Cloverland Drive, Ironwood, Michigan 49938. This Addendum provides for extending the lease term three years and increasing the space by 48 square feet for a revised total of 128 square feet. 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, 2010, is \$12.19 (\$1,560 per year). 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 Energy, Labor & Economic Growth 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 three years and continue with the co-location initiative.

**Source of Funds**

100% Federal Funds

**Commitment Level**

Three 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

**LEASE FOR PRIVATE PROPERTY**

9. DEPARTMENT OF HUMAN SERVICES, PONTIAC – New Lease #11367 with North Bay Drywall, Inc. Profit Sharing Plan and Trust, Charles R. Stephens, Trustee, A Trust, P.O. Box 750007, Petaluma, California 94975, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of Human Services, as Lessee, for 47,200 square feet of office space located at 51111 Woodward Avenue, Pontiac, Michigan 48342. The Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning March 1, 2010, or upon substantial completion, is \$17.25 (\$67,850.00 per month). Effective March 1, 2010 through February 28, 2011 rent is provided for free. The annual per square foot rental rate will resume after the rent free period. This is a full service Lease. This Lease contains two five-year renewal options with an annual per square foot rental rate of \$20.00 (\$78,666.67 per month). This Lease contains a Standard cancellation clause with 90-days notice. The Attorney General has approved this Lease as to legal form. This Lease meets the criteria requiring approval of the Joint Capital Outlay Subcommittee of the Legislature. The Subcommittee approved this Lease on November 12, 2009.

**Purpose/Business Case**

This is a relocation to a larger office as the current building is no longer able to provide adequate or safe customer service for the Oakland County Children and Family Services, Foster Care Program. DHS received funding to hire forty new foster care workers which will more adequately manage the State's foster care caseload in Oakland County.

**Benefit**

This new Lease provides for a much larger, more efficient space at a cost lower than our current space. Based on the fifteen proposals received, we were able to secure a very cost effective deal for the State of Michigan which includes the first year rent free. The rental rate is below the current market rate for comparable space.

**Funding Source**

55% General Fund; 45% Federal Funds

**Commitment Level**

Eleven years with two five-year options; however, this Lease contains a Standard cancellation clause with 90-days notice.

**Risk Assessment**

Non-approval of this Lease will hinder the Department from housing additional foster care staff which will result in continued foster care issues with the oversized caseloads. Also, savings would not be realized as a result of not relocating to this new location.

**Zip Code**

48342