
City of Traverse City

Office of the City Manager

GOVERNMENTAL CENTER
400 Boardman Avenue
Traverse City, MI 49684
(231) 922-4440
(231) 922-4476 fax
tcmmanage@traversecitymi.gov



September 27, 2024

Bidder:

The City of Traverse City will receive sealed bids in the Office of the City Manager, Second floor, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, 49684, until **Thursday, October 17, 2024, at 10:00 a.m.**, for the following:

RFP: Property Management - Commercial Tenant Spaces
(specifications attached)

If the specifications are obtained from the City's website link at: [City of Traverse City Bids](#), it is the sole responsibility of the Bidder to check the website for updates and addenda prior to the bid being submitted. Bidder may also sign up to receive notifications when bids are posted by sending an e-mail requesting same to ksheridan@traversecitymi.gov

The City of Traverse City reserves the right to accept or reject any or all bids, waive irregularities, and to accept the bids either on an entire or individual basis that is in the best interest of the City. The City accepts no responsibility for any expense incurred by the Bidder in the preparation and presentation of a bid. Such expenses shall be borne exclusively by the Bidder. Only the successful Bidder will be notified.

You must indicate on the outside of the sealed envelope that the bid is for the **"Property Management."** You must submit **TWO (2) SEALED COPIES** of the bid to the City Manager's Office prior to the above-indicated time and date or the bid will not be accepted. Alternatively, emailed bids ***will be*** accepted. Please indicate in the subject line of your email that you are submitting a "Sealed Bid" together with the project description, **"Property Management,"** and submit your e-mailed bid to tcmmanage@traversecitymi.gov **before Thursday, October 17, 2024, at 10:00 a.m.**

Please note that if you have previously submitted an informal quote, you will still need to submit a sealed bid prior to the date and time specified above in order to be considered. Please ensure that all requirements listed in the specifications are met. If you have any questions in regard to this bid, please contact Assistant City Manager, Deborah Allen at dallen@traversecitymi.gov

PLEASE SUBMIT BID TO: City of Traverse City / City Manager's Office
400 Boardman Avenue, 2nd floor
Traverse City, MI 49684
tcmmanage@traversecitymi.gov

Property Management Commercial Tenant Spaces RFP

City of Traverse City

INTRODUCTION

The City of Traverse City owns property where commercial spaces are leased. The City is seeking proposals from qualified Property Managers to provide property management services for these commercial spaces.

Attachments A summarize the existing leases in the City Opera House

Attachment B summarizes the existing leases in the Hardy Parking Structure

Attachments C summarize the existing leases in the Carnegie Building

The Property Manager will be tasked with preserving and improving the three buildings that house these tenant spaces while maximizing revenue for the City and following any retail attraction/retention strategies the City may have adopted.

PROPERTY LOCATIONS

Property 1: City Opera House Property

Four commercial spaces

- 106 E Front Street
- 108 E Front Street
- 110 E Front Street
- 112 E Front Street

Property 2: Hardy Parking Structure

- 303 E State Street, Suite A
- 303 E State Street, Suite B
- 303 E State Street, Suite C

Property 3: Carnegie Building

- 322 Sixth Street

SCOPE OF SERVICES

The Property Manager is to attend to all aspects of leasing and managing the spaces. The City will designate a staff contact for each property to assist with internal communications and facilitate invoice payment or Purchase Order generation.

- Negotiating and executing leases on behalf of the City pursuant to Leasing Standards set forth in this Request for Proposals and subject to City Commission approval.
- Negotiating and executing any amendments, extensions, or renewals to any leases pursuant to the leasing standards set forth in this Request for Proposals and subject to City Commission approval.
 - Required to start lease extensions/amendment negotiations six (6) months prior to the end of the lease agreement term and notify the City of the intent to extend or terminate lease.
 - Required to execute lease extensions/amendments prior to lease termination.
 - Required to apply additional fees to leases that are lapsed.
- Terminating leases for the spaces and negotiating lease terminations.
- May include finding, screening and recommending new tenants.
- Ensuring that rents are kept at market levels.
- Implementing any City retail attraction/retention strategies.
- Acting as a liaison between the City and its tenants;
 - Periodically inspecting the properties and tracking needed repairs and maintenance.
 - Planned maintenance items shall be submitted to the City each year by January 1st to be included in the upcoming fiscal budget cycle or added to the Capital Improvement Plan for long-term maintenance/replacement plans.
 - City shall retain construction responsibilities.
 - Obtain Purchase Orders for repairs to the properties as needed, consistent with the City's Purchasing Policy.
 - Repairs up to \$1,000 may be performed by the contractor or their subcontractor and invoiced, Repairs over \$1,000 require prior authorization and supporting Service Order prior to work being performed.
 - Managing systems at each property that are not managed by tenants.
- Guaranteed response to tenant calls the same business day; regular issues within four hours and emergency calls within one hour.
- Submission of quarterly reports to the City, including, at a minimum:
 - Financials including a balance sheet and income statement;
 - Summary and status of leasing activity;
 - Summary of inspection findings, if any;
 - Summary of repairs, maintenance and improvements performed;
 - Summary of recommended repairs and maintenance for the future;
 - Summary of recommended capital or tenant improvements for the future;
- Establish recurring rental invoices with the City Treasurer in accordance with the lease terms.
 - Security deposit, and other funds related to the spaces collection in accordance with laws, rules or regulations;

- Treasurer will notify Contractor of delinquent payments
- Serves letters of agreement renewal, delinquency, eviction and other notices;
- Required to initiate eviction proceedings for lease payments that are sixty (60) days in arrears.
 - Notice that is delivered to tenant must be submitted to the City Manager's Office and City Treasurer's Office.
 - Eviction proceedings must be adhered to unless a written extension is granted by the City Manager's Office.
- Manages access for all repairs to the facility.

LEASING STANDARDS

The Property Manager shall serve as the liaison to execute leases or amendments to leases on behalf of the City if all the following conditions are met:

- Occupancy created by the lease must conform to City Zoning Standards and applicable building codes;
- Rental rates and other terms shall be in line with market conditions at the time;
- Lease terms shall be no shorter than six months and no longer than four years
- No conflict of interest exists between the City, tenant or Property Manager;
- The Property Manager has used best efforts to market the space to discover the tenant that best benefits the City and has received approval from the City Commission to execute the lease.

SUPPLEMENTAL INFORMATION AND REQUIREMENTS

The contents of the RFP and the proposal shall become contractual obligations if a contract ensues. The selected Property Manager will be required to enter into a contract; a draft contract is attached separately as **Attachment D**. Examination of the contents and requirements of the contract is strongly encouraged prior to proposal preparation.

The City reserves the right to waive any informality or defect in any proposal, to accept any proposal or parts thereof or to reject any or all proposals, should it deem it to be in the best-interest of the City to do so. The City reserves the right to revise the contents of the proposal and to negotiate all aspects of the proposal and any future agreement with the successful Property Manager of the City's choice. The City accepts no responsibility for expenses which may be incurred in the preparation of such proposals. The selected Property Manager shall be expected to comply with all applicable federal, state and local laws in the performance of services. Submittals to the City are considered public information and the City has the right to disclose information contained in the submittals. The City further reserves the right to photocopy, circulate or otherwise distribute any material submitted in response to the RFP. Original materials which the Property Manager may wish returned shall be clearly marked to be returned.

PRIME PROPERTY MANAGER RESPONSIBILITIES

The selected Property Manager will be required to assume responsibility for all services offered in the proposal, whether or not the Property Manager produces them. Further, the City will consider the selected Property Manager to be the sole point of contact regarding contractual matters, including payment of any and all charges resulting from the contract. If any part of the work is to be subcontracted, the selected Property Manager must provide a complete description of the work to be subcontracted and descriptive information about the subcontractor's firm and capabilities. The selected Property Manager is totally responsible for adherence by the subcontractor to all provisions of the contract.

INSURANCE

The Property Manager shall acquire and maintain commercial general liability insurance coverage in the amount of \$1,000,000 per occurrence with an endorsement which names the City of Traverse City as additionally insured. The Property Manager shall acquire and maintain Workers' Compensation Insurance, including Employers' Liability Coverage in accordance with all applicable statutes of the State of Michigan. The Property Manager agrees not to change and agrees to maintain such insurance throughout the period of performance of this Agreement. Property Manager will upon execution of this Agreement provide a certificate of insurance to the City Clerk. The policy shall contain endorsements stating that at least a 10-day notice will be given to the City prior to termination or any change in the policy. Should any required insurance be cancelled, materially reduced or expired, all activities under this Agreement shall immediately cease until substitute insurance in compliance with all requirements hereof has been procured and evidence thereof presented to the City.

PROPOSAL CONTENT

Proposals should include:

1. Cover page
 - a. Proposing company name
 - b. Contact person for RFP
 - c. Business address
 - d. Business telephone number
 - e. Email address
2. Table of contents
 - a. The table of contents should outline in sequential order the major areas of the proposal. All pages of the proposal, including enclosures, shall be clearly and consecutively numbered and correspond to the Table of Contents.
3. Executive Summary

- a. A summary of the Vendor's response to the RFP, including any exceptions to the scope of services.
 - b. It is required for the Vendor to respond to all deviations identified in the Scope of Services.**
 - c. It is required for the Vendor to completely respond to the Proposal Sheet.**
- 4. Company information, references and experience
 - a. Legal company name and location of headquarters and satellite offices that may be utilized during the project.
 - b. Qualifications of staff to be assigned to the work as described. Describe where personnel will be physically located, business hours of operation and process for after-hours communication. Statement of work breakdown by lead Property Manager and subconsultants, if any.
 - c. Qualifications of staff to be assigned to the work as described. Describe where personnel will be physically located, business hours of operation and process for after-hours communication. Statement of work breakdown by lead Property Manager and subconsultants, if any.
 - d. Examples of experience with similar size commercial property management and a statement of how many square feet of commercial space the Property Manager is managing now.
 - e. Narrative in which the Property Manager delineates their understanding of what is being requested by the City in this proposal including the items of work they will accomplish for the City, noting any work items they may feel should normally be accomplished under or related to this request, but in their opinion are beyond the scope of what is being requested and therefore not part of this proposal.
 - f. The methodology, approach, or work plan, including timelines, which would be used to complete tasks in the property management process.
 - g. Vendors must include a list of other governmental entities including points of contact (name, address and telephone numbers) to be used as references for all governmental entities work performed in the last five years. Selected organizations may be contacted to determine the quality of work performed. For providers who would be assigned to the project, their education and work experience must be described.
- 5. Cost proposal in accordance with the above specifications. All prices, costs and conditions outlined in the proposal shall remain fixed and valid for acceptance for 180 days starting on the due date of the proposals. The cost proposal shall represent all costs to be considered in making comparisons to award the contract. No

additional fees will be paid for services not itemized on the bid form. The City reserves the right to negotiate with the awarded vendor reasonable fees for services unanticipated or not existing at the time of the contract award without prior written authorization.

EVALUATION OF PROPOSALS

All proposals received shall be subject to evaluation by the City. This evaluation will be conducted in the manner appropriate, as may be deemed by the City, for the selection of a Property Manager for the purpose of entering a contract to perform this project. Price alone shall not be the basis for the award of this work but shall be only one of the components considered. The City does not intend to award a contract for this work solely based on any response made to this request. It is anticipated that several Property Managers who present acceptable proposals and who are shown to be qualified, responsible and capable of performing the work may be requested to interview with the City prior to any award of this work. The following facts, along with other items, will be considered:

1. The Property Manager's expertise and experience as related to the required work.
2. The Property Manager's understanding of the project scope and quality of the Property Manager's project approach.
3. The cost as proposed.
4. Qualifications and availability of the key staff members proposed to work on this project.
5. Involvement of the Property Manager in similar types of projects, reference responses and quality of work on previous projects.
6. Interview (if applicable).
7. Percentage of work allocation of Prime Property Manager and Subconsultants.

ALL ATTACHMENTS CAN BE LOCATED AS A SEPARATE LINK TO THE RFP:

Attachment A - City Opera House existing leases

106 E Front – City Opera House – Lease not provided

A2 - 108 E Front Lease

A3 – 110 E Front Lease

A4 – 112 E Front Lease

Attachment B - Hardy Parking Structure proposed restaurant lease

B1 – Suite A-B Lease Draft

Suite C – DDA/Parking Services – Lease not provided

Attachment C - Carnegie Building existing leases

C1 – Carnegie Lease

C2 – 1st Amendment

C3 – 2nd Amendment

Attachment D - Draft Property Management Contract

Bidder - Please complete and return

BID SUMMARY

TITLE: Property Management - Commercial Tenant Spaces

DUE DATE: Thursday, October 17, 2024 @ 10:00 a.m. (EST)

Having carefully examined the attached specifications and any other applicable information, the undersigned proposes to furnish all items necessary for and reasonably incidental to the proper completion of this bid. Bidder submits this bid and agrees to meet or exceed all requirements and specifications unless otherwise indicated in writing and attached hereto.

Bidder certifies that as of the date of this bid the Company or he/she is not in arrears to the City of Traverse City for debt or contract and is in no way a defaulter as provided in Section 152, Chapter XVI of the Charter of the City of Traverse City.

Bidder understands and agrees, if selected as the successful Bidder, to accept the City's standard Purchase Order / Service Order / Contract, the terms of which are not negotiable, and to provide proof of the required insurance.

Bidder submits this bid and agrees to meet or exceed all the City of Traverse City's requirements and specifications unless otherwise indicated in writing and attached hereto. Bidder shall comply with all applicable federal, state, local and building codes, laws, rules and regulations and obtain any required permits for this work.

The Bidder certifies that it is in compliance with the City's Nondiscrimination Policy as set forth in Administrative Order No. 47 and Chapter 605 of the City's Codified Ordinances.

The Bidder certifies that none of the following circumstances have occurred with respect to the Bidder, an officer of the Bidder, or an owner of a 25% or more share in the Bidder's business, within 3 years prior to the bid:

- (a) conviction of a criminal offense incident to the application for or performance of a contract;
- (b) conviction of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense which currently, seriously and directly reflects on the Bidder's business integrity;
- (c) conviction under state or federal antitrust statutes;
- (d) attempting to influence a public employee to breach ethical conduct standards; or
- (e) conviction of a criminal offense or other violation of other state, local, or federal law, as determined by a court of competent jurisdiction or an administrative proceeding, which in

the opinion of the City indicates that the bidder is unable to perform responsibility or which reflects a lack of integrity that could negatively impact or reflect upon the City of Traverse City, including but not limited to, any of the following offenses or violations of:

- i. The Natural Resources and Environmental Protection Act.
- ii. A persistent and knowing violation of the Michigan Consumer Protection Act.
- iii. Willful or persistent violations of the Michigan Occupational Health and Safety Act.
- iv. A violation of federal, local, or state civil rights, equal rights, or non-discrimination laws, rules, or regulations.
- v. Repeated or flagrant violations of laws related to the payment of wages and fringe benefits.

(f) the loss of a license or the right to do business or practice a profession, the loss or suspension of which indicates dishonesty, a lack of integrity, or a failure or refusal to perform in accordance with the ethical standards of the business or profession in question.

Bidder understands that the City reserves the right to accept any or all bids in whole or part and to waive irregularities in any bid in the best interest of the City. The bid will be evaluated and awarded on the basis of the best value to the City. The criteria used by the City may include, but will not be limited to: ability, qualifications, timeframe, experience, price, type and amount of equipment, accessories, options, insurance, permits, licenses, other pertinent factors and overall capability to meet the needs of the City. The City is sales tax exempt – Government.

Bidder agrees that the bid may not be withdrawn for a period of sixty (60) days from the actual date of the opening of the bid.

Scope of Services Requirements

The Property Manager will provide listing agent services to attract a new tenant. Below are the requirements of the awarded Property Manager. You must respond to the Scope of Services Requirements and include with your submission. For the proposal, please indicate whether you can 1) Meet Requirement or 2) Unable to Meet Requirement. For areas where you are unable to meet the requirements, please provide a response that would support consideration.

Section 1: Property Management Responsibilities

Item #	Requirement	Response
1	Able to execute requirements of the leases in a timely manner; not limited to notice of delinquent payments, failure to comply, and termination	

2	Able to negotiate new leases, amendments, and provide communications for City Commission approval	
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Section 2: Repairs and Purchasing Policy

Item #	Requirement	Response
1	Gather, compile and submit Capital Improvement Project to the City	
2	Gather, compile and submit planned annual repairs by January 1 st each year	
3	Abide by the City's purchasing policy	
4	Able to assess market rates	

Section 3: Report Submission

Item #	Requirement	Response
1	Able to provide quarterly reports without being requested	
2	Able to summarize tenant activity for inspections and minor repairs	
3	Able to summarize planned and capital repairs and maintenance	

Cost Summary

City Opera House Property Management Fee Four commercial spaces <ul style="list-style-type: none">• 106 E Front Street• 108 E Front Street• 110 E Front Street• 112 E Front Street	
Hardy Parking Structure Management Fee <ul style="list-style-type: none">• 303 E State Street, Suite A• 303 E State Street, Suite B• 303 E State Street, Suite C	
Carnegie Building Management Fee <ul style="list-style-type: none">• 322 Sixth Street	
Total	
Supplemental descriptions for fees or costs in addition to the management fees	

Submitted by:

Signature

Name and Title (Print)

Phone

Fax

EMAIL ADDRESS:

Company Name

Company Address

City,

State,

Zip

Sole proprietorship/partnership/corporation

If corporation, state of corporation

REFERENCES: (include name of organization, contact person, and daytime phone number).

1. _____

Contact Person: _____ Telephone: _____

2. _____

Contact Person: _____ Telephone: _____

3. _____

Contact Person: _____ Telephone: _____

SUBCONTRACTORS: (include name of organization, contact person, daytime phone number, and services to be performed).

1. _____

Contact Person: _____ Telephone: _____

Services to be Performed: _____

2. _____

Contact Person: _____ Telephone: _____

Services to be Performed: _____

3. _____

Contact Person: _____ Telephone: _____

Services to be Performed: _____