

**MICHIGAN STRATEGIC FUND
BOARD MEETING AGENDA
MAY 27, 2014
10:00 AM**

**Public Comment – [Please limit public comment to three (3) minutes]
Communications – [Information-Andrea Robach]**

A. Unfinished Business – [Action Item]

Systems in Motion – MEGA Tax Credit Amendment – Trevor Friedeberg

B. Consent Agenda – [Action Item]

Adoption of Proposed Meeting Minutes – April 22, 2014

Export Request to Issue 2015 RFPs – Deanna Richeson

Export Request to Amend Program Delegation of Authority – Deanna Richeson

Grow Michigan, LLC Reappointment of Board Member – Eric Hanna

Revocation of Tool and Die Recovery Zone: Precision Design and Manufacturing – Amy Lux

C. Business Investment – [Action Items]

1. Entrepreneurship

2014 University RFP Award Recommendation – Roselyn Zator

2. Business Growth

Pure Michigan Export Program Update – Deanna Richeson

Fairlife, LLC Infrastructure Project – Community Development Block Grant – Stacy Bowerman

Challenge Mfg. Company, LLC – Business Development Program – Marcia Gebarowski

3. Access to Capital – Christopher Cook

Kilbourn Produce, LLC – MBGF-CSP

Dominican Health Care Corporation d/b/a Lourdes Senior Community - Bond Authorizing

YMCA Detroit – Bond Authorizing

Green Box NA Michigan, LLC – Bond Inducement

Middleville Tool & Die Co. /Middleton Enterprises, LLC – Bond Inducement

D. Administrative – [Action Item]

Transition of MSF Fund Manager – Mark Morante



MEMORANDUM

Date: May 27, 2014

To: Michigan Strategic Fund (“MSF”) Board Members

From: Trevor Friedeberg, Development Finance Manager

Subject: Systems In Motion, LLC (“Company” or “Applicant”)
Standard MEGA Tax Credit Amendment

Request

This is a request from the Applicant for an amendment to its existing Standard MEGA Tax Credit. The amendment is required to accurately reflect how the Company hired its Qualified New Jobs related to the original Job Creation MBT Credit.

Background

The Company is an Informational Technology (“IT”) services company that has pioneered a pure ‘Onshore’ service model. The Company has taken some of the best practices of the global IT industry and created an alternate domestic model to deliver more innovative, flexible, and effective solutions. Its Michigan-based delivery center serves the needs of its customers nationally and compete with the best IT services companies in the world.

Following a nationwide site selection process in 2009, Systems In Motion selected Pittsfield Township, Michigan for the location of its delivery center. On September 22, 2009, the MEGA Board approved a 7 year 100 percent Standard MEGA Tax Credit (Resolution 2009-150) for the Company to locate in Pittsfield Charter Township, Washtenaw County. The MEGA Tax Credit is for a maximum of 1,085 Qualified New Jobs with an Average Weekly Wage of \$557, with a Base Employment Level of 0. The credit was contingent on the Company creating 400 jobs by the end of the fifth year of operations. Failure to do so would result in forfeiture of the remaining years of the credit.

Due to extenuating economic circumstances, the Company is below their hiring projections and will not meet their minimum of 400 Qualified New Jobs to satisfy their credit requirement for years 2014 through 2016. The Company has created approximately 150 new jobs to date and anticipates creating 981 in Michigan by 2017.

The Company is requesting the 400 job minimum requirement be changed to a minimum of 50 qualified new jobs, which is consistent with the requirement for the first 4 years of credit. A 50 job minimum is also consistent with the requirement for all Standard MEGA Credits under statute. The Company has also requested the project site be expanded to include Meridian Township, Ingham County, Michigan to support and encourage the growth of their Michigan footprint.

Business Case

The Company’s Ann Arbor facility is currently their largest location. The Company also has two locations in Indianapolis, Indiana (approximately 50 employees) and Newark, California (approximately 25 employees). The Company can add the jobs to support its growth at any of its current locations easily as

Michigan Economic Development Corporation

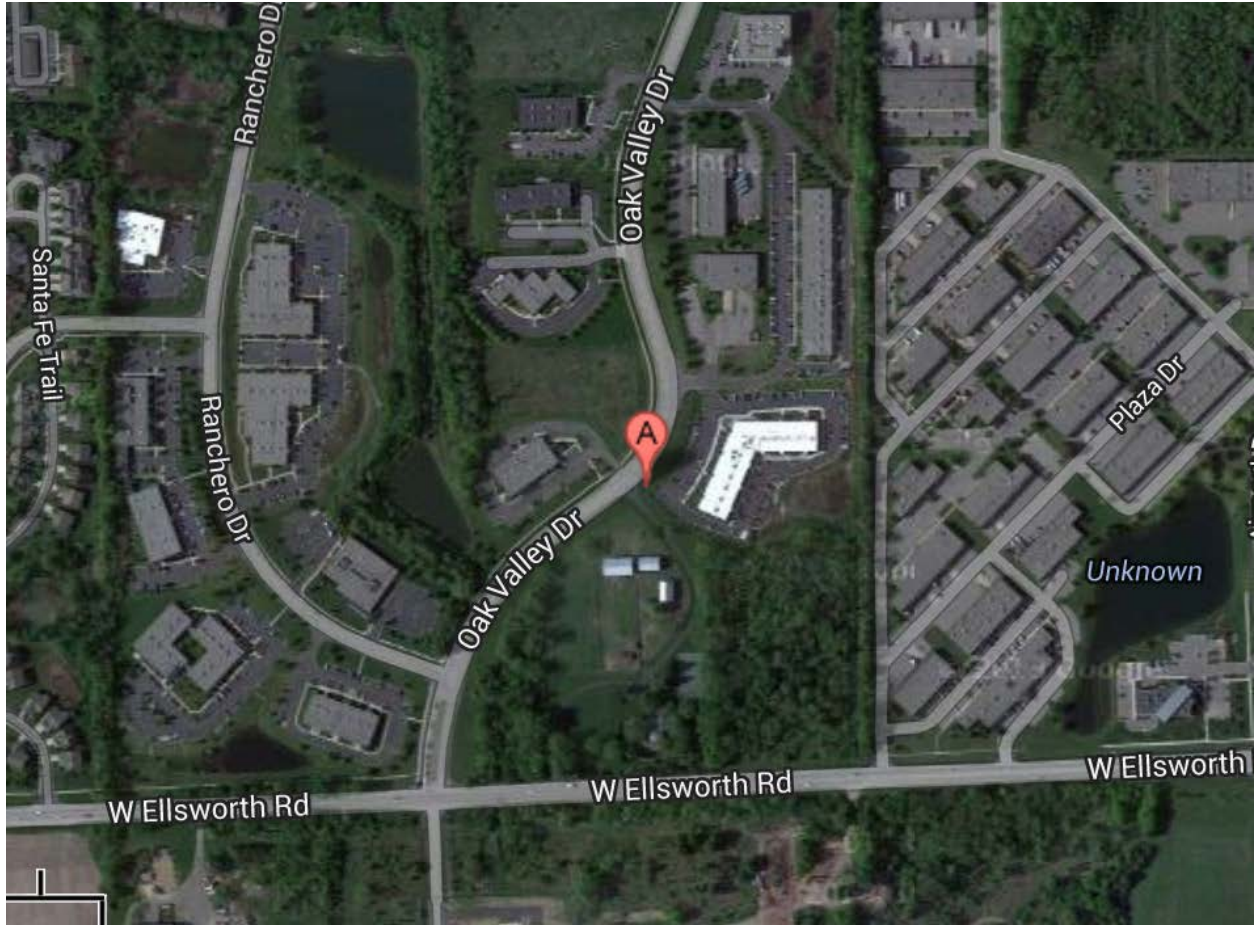
they are remote IT workers and the customer base will not be affected in any way relating to where the Company chooses to expand operations. Jobs can and will be added where it is most cost effective for the skill sets required. The Company is evaluating alternative sites for company growth, namely in Louisiana and Indiana. The Company's Chief Delivery Officer is currently visiting Louisiana to further explore what incentives the state has to offer. If the Company is able to maintain their MEGA incentive, Michigan will be the primary location for growth.

The company has far exceeded their original wage projections and is creating jobs with average annual wages in excess of \$65,000. This is nearly double what they had anticipated therefore the overall economic impact per job is much greater.

Recommendation

MEDC Staff recommends the following amendments to the Standard MEGA Tax Credit (Resolution 2009-150):

- a) Amend the minimum requirement for Qualified New Job creation of 400 to 50 in years five through seven.
- b) Reduce the maximum number of Qualified New Jobs for which the Company can claim credit in any year to 600.
- c) Amend the Project Description to include the following: The Company will build an IT service center in the City of Ann Arbor, Washtenaw County, and Meridian Township, Ingham County, and create jobs in Michigan.
- d) All other terms and conditions will remain the same.



A – 1136 Oak Valley Drive, Ann Arbor, Michigan, 48108

MICHIGAN STRATEGIC FUND

Resolution 2014-

SYSTEMS IN MOTION, LLC STANDARD TAX CREDIT (AMENDMENT #2)

WHEREAS, the Michigan Legislature created the Michigan Economic Growth Authority (“MEGA”) under the Michigan Economic Growth Authority Act, 1995 PA 24, as amended, with the authority to authorize tax credits under the Michigan Business Tax Act, 2007 PA 36, as amended;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations, or other funds of the MEGA to the Michigan Strategic Fund (“MSF”);

WHEREAS, in Resolution 2009-150, the MEGA Board authorized a Tax Credit for Systems In Motion, LLC (the “Company”) of 100 percent for a period of seven consecutive years, beginning no later than the Company’s tax year ending December 31, 2010 to build an IT service center and create jobs in the Pittsfield Charter Township, Washtenaw County (the “Project”);

WHEREAS, the Company will not be able to meet minimum job thresholds for years five through seven of the credit;

WHEREAS, the Company requests that the Tax Credit and Agreement be amended to (the following, collectively, “Amendment”):

- (i) Amend the minimum requirement for Qualified New Job creation of 400 to 50 in credit years five through seven;
- (ii) Amend the maximum number of Qualified New Jobs for which the Company can claim credit in any year to 600;
- (iii) Amend the Project Description to include the following: The Company will build an IT service center and create jobs in the City of Ann Arbor, Washtenaw County and Meridian Township, Ingham County.

WHEREAS, the Michigan Economic Development Corporation provides administrative services to the MSF, and recommends approval of the Amendment to the Standard Tax Credit by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, that the Amendment is approved; and

BE IT FURTHER RESOLVED, that all other provisions of Resolution 2009-150, are reaffirmed and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

ADOPTED

Ayes:

Nays:

Recused:

May 27, 2014
Lansing, Michigan

MICHIGAN STRATEGIC FUND

RESOLUTION 2014-

**APPROVAL OF MAY CONSENT AGENDA
BY THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, the Michigan Strategic Fund (“MSF”), at its February 2014 board meeting, approved the use of consent agendas at future board meetings pursuant to defined guidelines.

WHEREAS, the MSF, at its February, 2014 board meeting, approved Guidelines for Preparation and Approval of Consent Agendas for the MSF (“Guidelines”).

WHEREAS, pursuant to the recommendation of MSF and MEDC staff, the MSF Board desires to approve the below Consent Agenda items;

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the Consent Agenda items listed below and identified in the final Consent Agenda for this board meeting, for each of which supporting documentation is attached to this Resolution.

Consent Agenda Items:

1. Adoption of Proposed Meeting Minutes – April 22, 2014
2. Pure Michigan Export Request to Issue FY 2015 Request for Proposals
3. Pure Michigan Export Request to Amend Program Delegation of Authority
4. Grow Michigan, LLC – Reappointment of Member, Board of Managers
5. Precision Design and Manufacturing – Revocation of Tool and Die Recovery Zone

Ayes:

Nays:

Recused:

Lansing, Michigan
May 27, 2014

**MICHIGAN STRATEGIC FUND BOARD MEETING
TUESDAY, APRIL 22, 2014
MEDC OFFICE, LANSING**

MEMBERS PRESENT:

Steve Arwood
Craig DeNooyer
Michael A. Finney
Andrew Lockwood (on behalf of Treasurer Kevin Clinton)
Bill Martin
Mike Jackson
Terri Jo Umlor
Jody Vanderwel
Shaun Wilson

MEMBERS ABSENT:

None

Mr. Finney brought the meeting to order at 10:05 am.

COMMUNICATIONS

Andrea Robach, MSF Board Relations Liaison, notified the Board of the following:

- The Chief Compliance Officer's second quarter report for FY14 has been provided to the Board.

PUBLIC COMMENT

At this time Mr. Finney asked if there was any public comment from the audience, and noted that any comments should be kept to three minutes.

Mr. John Lauve came to the table to address the "Illych Arena" (referring to the Detroit Arena Project, which was not on the April meeting agenda). Mr. Lauve stated that he had submitted a Freedom of Information Act request to the Detroit Downtown Development Authority, requesting the "Master Development Agreement" for the project. He provided a copy of a letter from Art Papapanos of the DDA, stating that the requested document did not exist. He also stated that the Joe Louis Arena is not paying the water bill for the existing facility.

Julie Vogel, on behalf of State Representative Sean McCann, spoke in support of the Kalamazoo 2700 West Block project (Agenda item Bb). Mr. Finney acknowledged the project support, and thanked her for attending on behalf of Representative McCann.

Resolution 2014-052 – Approval of April 2014 Consent Agenda

Mr. Finney asked if there were any questions from the Board regarding any items listed under the consent agenda. There being none, Craig DeNooyer motioned for the approval of the following items:

- Adoption of Proposed MSF Board Meeting Minutes, March 25, 2014
- Resolution 2014-053 – Amendment of 2014 Entrepreneurial Support Specialized Services RFP

Jody Vanderwel seconded the motion. **The motion carried: 9 ayes, 0 nays; 0 recused.**

COMMUNITY VITALITY

Resolution 2014-054 & 2014-055 Lofts on Michigan, LLC – MCRP & Brownfield TIF

Julius Edwards, Community Development Incentives, provided the Board with information regarding these action items. Lofts on Michigan, LLC (“Applicant” or “Borrower”) and The Bank of Holland (“Lender”) are requesting approval of a Michigan Community Revitalization Program incentive in the amount of \$2,450,000 in the form of loan participation under other economic assistance. The Applicant anticipates that the project could result in eligible investment of \$10,258,500 and total capital investment in the amount of \$15.2 million in the City of Grand Rapids and the creation of 15 jobs.

The City of Grand Rapids Brownfield Redevelopment Authority has submitted an Act 381 Work Plan (hereinafter Work Plan) request for the approval of local and school tax capture for eligible activities in the amount of \$3,151,225. Eligible activities that will be undertaken to alleviate Brownfield conditions on the property and complete the project include demolition of existing structures, and infrastructure improvements that include improvements to public sidewalks and curbs, as well as subsurface parking and green roof elements on private property.

Staff Recommendation:

The MEDC staff recommends approval of an MCRP performance-based loan participation in the amount of \$2,450,000 and approval of local and school tax capture for the Act 381 eligible activities totaling \$3,151,225 described above. The MCRP commitment will remain valid until October 22, 2014 (180 days after approval) with approval for the MSF Fund Manager to extend the commitment an additional 60 days.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. Discussion ensued pertaining to the financing terms and existing loan payment history. There being no further questions, Steve Arwood motioned for the approval of Resolutions 2014-054 & 2014-055. Andrew Lockwood seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

Resolution 2014-056 - 600 Clancy Redevelopment, Grand Rapids – Brownfield TIF

Dan Wells, Brownfield Specialist, provided the Board with information regarding this action item. The city of Grand Rapids Brownfield Redevelopment Authority is seeking approval of local and school tax capture for MSF eligible activities in the amount of \$1,376,375. The tax increment financing will be utilized to redevelop a city block of approximately three acres of property located at 221 Trowbridge Street NE in the city of Grand Rapids. Approximately three permanent full-time jobs are anticipated to be created by the residential portion of the project at an average hourly wage of \$15. The total capital investment will be approximately \$8 million.

Staff Recommendation:

The MEDC recommends approval of the request by City of Grand Rapids Brownfield Redevelopment Authority to capture local and school taxes for MSF eligible activities totaling \$1,376,375 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$710,485.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. Discussion ensued regarding the removal of contaminated soil revealed by the environmental analysis. There being no further questions, Shaun Wilson motioned for the approval of Resolution 2014-056. Steve Arwood seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

Resolution 2014-057 - 2700 Block, Kalamazoo – Brownfield TIF

Dan Wells, Brownfield Specialist, provided the Board with information regarding this action item.

The City of Kalamazoo Brownfield Redevelopment Authority is seeking approval of local and school tax capture for MSF eligible activities in the amount of \$1,403,604. The tax increment financing will be utilized to redevelop property located within the “2700 Block of West Michigan Avenue” in the City of Kalamazoo. Approximately 100 full-time equivalent jobs are anticipated to be created by the commercial portion of the project at an average hourly wage of \$5.80, based on the restaurant tenants use of part-time student labor. The total capital investment will be approximately \$13.6 million.

Staff Recommendation

The MEDC recommends approval of the request by City of Kalamazoo Brownfield Redevelopment Authority to capture local and school taxes for the MSF eligible activities totaling \$1,403,604 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$545,300.

Board Discussion

Mr. Finney asked if there were any questions from the Board. Discussion ensued pertaining to the target market of the proposed housing, and whether or not this would be competition for student housing provided by Western Michigan University. There being no further questions, Steve Arwood motioned for the approval of Resolution 2014-057. Jody DePree Vanderwel seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ACCESS TO CAPITAL

Shaun Wilson recused

Resolution 2014-058 Dominican Health Care d/b/a Lourdes Senior Community – Bond Inducement

Eric Hanna, Director Debt Capital, provided the Board with information regarding this action item.

Dominican Health Care Corporation d/b/a Lourdes Senior Community (“Lourdes”) is requesting private activity bond financing for the conversion of all of its skilled nursing rooms to private rooms. These renovations will be made to Lourdes Nursing Home, which is located on Lourdes’ 38-acre campus in the Charter Township of Waterford, Oakland County. Lourdes is a Michigan nonprofit corporation founded in 1965 which maintains its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Lourdes owns and operates four senior living facilities in Michigan. These facilities allow Lourdes to offer independent and assisted living, Alzheimer’s care, and skilled nursing amenities to their residents.

Staff Recommendation:

After reviewing the Private Activity Bond application for Lourdes, staff recommends the adoption of an Inducement Resolution in the amount of \$14,500,000.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. There being none, Craig DeNooyer motioned for the approval of Resolution 2014-058. Steve Arwood seconded the motion. **The motion carried: 8 ayes; 0 nays; 1 recused.**

Shaun Wilson returns

Resolution 2014-059 Sunset Manor, Inc. – Bond Authorizing

Eric Hanna, Director Debt Capital, provided the Board with information regarding this action.

Sunset Manor, Inc. (“Sunset”), is requesting private activity bond financing for a project located in the Charter Township of Georgetown, Ottawa County, consisting of the construction and equipping of 40 new skilled nursing beds, 24 assisted living units and a therapy pool. The new facilities will be added to Sunset’s existing independent living facility known as Waterford Place. The project will commence in

February 2014 and is anticipated to attain substantial completion by August of 2015. The project is estimated to create a total of approximately 65 full and part-time positions.

Staff Recommendation:

Based upon a determination by Dickinson Wright PLLC, and the State of Michigan Attorney General's office that the project complies with state and federal law requirements for tax exempt financing, the staff recommends the adoption of a Bond Authorizing Resolution in the amount of not to exceed \$20,000,000.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. There being none, Jody DePree Vanderwel motioned for the approval of Resolution 2014-059. Shaun Wilson seconded the motion. **The motioned carried by roll call vote: 9 ayes; 0 nays; 0 recused.**

Resolution 2014-060 – 2014 Business Incubator RFP Award Recommendation

Rosalyn Zator and Paula Sorrel of Entrepreneurship and Innovation, provided the Board with information regarding this action item. The MEDC requests that the MSF Board approve funding of \$1,300,000 for Lakeshore Advantage, \$500,000 for Lansing Economic Area Partnership and \$450,000 for Detroit Creative Corridor Center for their 2014 Business Incubator Programs. On February 25th, 2014 the MSF Board approved:

- 1) Allocation of \$4,535,000 from funds appropriated to the MSF for innovation and entrepreneurship to the 2014 Business Incubator Program to solicit proposals from organizations that have received prior MSF funding and require additional funding to support them in reaching self-sustainability.
- 2) 2014 Business Incubator RFP
- 3) JEC to review the submissions to the RFP and,
- 4) Scoring and evaluation criteria for the review of the business incubator proposals.

The MEDC received 7 proposals totaling \$7,340,511 in response to the RFP. The JEC reviewed the proposals and decided to fund all proposals that received a consensus score of 70 or higher. In general terms, those proposals that scored less than 70 did not convincingly justify their eligibility or their sustainability plans.

Staff Recommendation:

The MEDC requests that the MSF Board approve funding of \$1,300,000 for Lakeshore Advantage, \$500,000 for Lansing Economic Area Partnership and \$450,000 for Detroit Creative Corridor Center for their 2014 Business Incubator Programs.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. Discussion pertaining to the qualified candidate pool available, and the successes of past program awardees. Chairman Finney recommended that the business unit, at a future date and time, provide the MSF Board with a brief overview presentation on "all technology pieces". There being no further questions, Bill Martin motioned for the approval of Resolution 2014-060. Jody DePree Vanderwel seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

BUSINESS INVESTMENT

Resolution 2014-061 Molina Healthcare, MBDP

Marcia Gebarowski, Business Development, provided the Board with information regarding this action item. She introduced guests Stephan Harris, President of Molina Healthcare, Richard Barr of Honigman Miller, and Mark Adams of Oakland County, and also recognized the collaborative assistance of MEDC employee Christine Roeder, who was in the audience. This is a request from the Applicant for a \$2,296,000 Performance-based grant. The project involves the creation of 462 Qualified New Jobs and a

capital investment of up to \$20,323,311 in the City of Troy, Oakland County and City of Detroit, Wayne County. The Applicant and their parent company plan to increase employment throughout Michigan as a result of Molina Healthcare's decision to consolidate Midwest operations and add new company growth into Michigan. Current employees will re-locate to a larger building in Troy which will have the required space to accommodate this new growth. The Applicant will also lease approximately 20,000 s/f of office space in downtown Detroit to house new employees for a newly created Detroit office.

Staff Recommendation:

MEDC Staff recommends approval of the MBDP Proposal as outlined in the resolution term sheet.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. Discussion ensued pertaining to the breakdown of total anticipated jobs, the potential site locations. Mr. Finney helped to explain the intention of the MEDC is not to create competitive advantages, but to solve disadvantages. He also noted the tools we have available for existing businesses, such as Pure Michigan Business Connect. There being no further questions, Andrew Lockwood motioned for the approval of Resolution 2014-061. Mike Jackson seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

Resolution 2014-062 BASF – Michigan Jobs Incentive Credit (MEGA) Amendment

Marcia Gebarowski, Business Development, provided the Board with information regarding this action item. The Company is requesting an amendment to their Standard MEGA job creation credit to add an additional project location as well as increase the maximum eligible qualified new job total beginning September 1, 2013. The Company has seen growth in the area of structural and functional polymers in North America. This industry growth will support growth in several of the Company's business units. To support this growth, the Company is proposing to invest \$3.5 million in upgrades and new equipment as well as add up to 156 additional high paying jobs at their campus in the City of Wyandotte, Wayne County as well as their R&D facility in the City of Southfield, Oakland County.

Staff Recommendation:

MEDC Staff recommends the following amendments to the Job Creation MBT Credit Tax Credit (Resolution 2006-79):

- a) Increase the number of Qualified New Jobs from 175 to 331 over the Company's Base Employment Level of 1213 beginning September 1, 2013.
- b) Amend the Project Description to include City of Southfield as a location eligible for the Company to create Qualified New Jobs.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. Discussion ensued pertaining to the details of the original MEGA credit, and the reasoning behind amending the existing versus issuing a new incentive. Karla Campbell, Fund Manager, helped to explain the details of the amendment of the Board, specifically pointing out that the original time period would still be in effect; the company has achieved their original goal with three years remaining on a ten year credit. As follow up to this discussion, Mr. Finney asked that future MEGA amendments (should there be any), spell out clearly the "but for" aspect. There being no further questions, Mike Jackson motioned for the approval of Resolution 2014-062. Bill Martin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

Resolution 2014-___ Systems in Motion – Michigan Jobs Incentive Credit (MEGA) Amendment

Trevor Friedeberg, Business Development, provided the Board with information regarding this action item. This is a request from the Applicant for an amendment to its existing Job Creation MBT Credit. The amendment is required to accurately reflect how the Company hired its Qualified New Jobs related to

the original Job Creation MBT Credit. At the time of application, the Company projected hiring 804 employees by 2014. However, due to extenuating economic circumstances, the Company is below their hiring projections and will not meet their minimum threshold of 400 Qualified New Jobs to satisfy their credit requirements for years 2014 through 2016. The Company has created 123 to date and anticipates creating 981 by 2017. The Company is requesting this threshold be removed and the project site be expanded to include Meridian Township, Ingham County, Michigan to allow them to continue to claim credit for jobs they have created and will continue to create in Michigan.

Staff Recommendation:

MEDC Staff recommends the following amendments to the Standard MEGA Tax Credit (Resolution 2009-150):

- a) Reduce the minimum threshold for Qualified New Job creation of 400 to 50 in years five through seven.
- b) Reduce the maximum number of Qualified New Jobs for which the Company can claim credit in any year to 600.
- c) Amend the Project Description to include the following: The Company will build an IT service center in the City of Ann Arbor, Washtenaw County, and Meridian Township, Ingham County, and create jobs in Michigan.
- d) All other terms and conditions will remain the same.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. Discussion ensued pertaining largely to the performance of the out of state satellite offices, and the plans for the anticipated Meridian Township facility. Due to many questions the members of the Board would like answered before proceeding with the project, Steve Arwood withdrew his original motion for approval, and instead motioned for tabling the discussion, so that staff has the opportunity to gather the requested information. Jody DePree Vanderwel seconded the motion. The **motion to table the request** by Systems in Motion carried: **9 ayes; 0 nays; 0 recused.**

ADMINISTRATIVE

Resolution 2014-063 Meditrina Pharmaceuticals, Inc. – Forbearance Request

Gabe Yancho and Christin Armstrong, Compliance, provided the Board with information regarding this action item. Meditrina Pharmaceuticals, Inc. (“Meditrina” or the “Company”) and MEDC staff have negotiated the following Forbearance Agreement to modify both the 2006 and 2007 loan awards to the Company. Forbearance Agreements will be executed between Meditrina and the MSF, granting the Company a Forbearance Period from May 1, 2014 until January 31, 2015, during which time, interest shall accrue at the established interest rates, 8.25% on the 2006 CBPC Loan and 1% on the 2007 CFGF Loan, but no interest or principal payments shall be due to the MSF during the forbearance period (the “Forbearance Request”).

Staff Recommendation:

MEDC staff recommends that the MSF Board support the Forbearance Request as detailed above and authorize the MSF Fund Manager to execute all documents necessary to effectuate the Forbearance Request. Additionally, MEDC staff recommends that the MSF Board authorize the MSF Fund Manager to execute a write-off of the loan, for accounting purposes only, if the Company cannot successfully execute, or accomplish substantial progress towards, a licensing agreement by the expiration of the Forbearance Period. The MSF Advisory Committee has indicated its support of this request.

Board Discussion:

Mr. Finney asked if there were any questions from the Board. Mr. Arwood noted that this request was originally taken to the MSF Board Advisory Committee for discussion, prior to the Board meeting. There being no further questions, Steve Arwood motioned for the approval of Resolution 2014-063. Jody DePree Vanderwel seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

Resolution 2014-064 Approval of Amended and Restated MSF Bylaws

Karla Campbell, Fund Manager, provided the Board with information regarding this action item. The MSF bylaws have not been updated since February 2007, and the principle reasons for amending the Bylaws includes the ability to utilize various telecommunication methods to meet quorum while keeping with the MSF Statute and the Open Meetings Act, add various changes that the MSF has recently approved such as the Consent Agenda, and to recommend an order of business occurring at a regular meeting.

Staff Recommendation:

MSF staff, in consultation with the Chief Compliance Officer and the Assistant Attorney General, recommends that the attached Amended and Restated MSF Bylaws be approved.

Board Discussion:

Mr. Finney asked if there were any questions for the Board. Discussion ensued pertaining to the details of the majority vote. Jarrod Smith, from the Office of the Attorney General was on site, and aided in this discussion. There being no further questions, Steve Arwood motioned for the approval of Resolution 2014-064. Mike Jackson seconded this motion. The motion carried: 9 ayes; 0 nays; 0 recused.

INFORMATIONAL

Mr. Finney mentioned that required quarterly reports were included in the Board packet for informational purposes only, requiring no action.

The meeting was adjourned at 11:15 am.



MEMORANDUM

Date: May 27, 2014
To: Michigan Strategic Fund Board
From: Deanna Richeson, Director, Export
Subject: *FY2015 Pure Michigan Export Program Request for Proposals*

Action

The MEDC requests that the MSF Board approve and issue FY2015 Pure Michigan Export Program Request for Proposals (“RFP”).

Background

The Pure Michigan Export program assists Michigan based companies to expand their customer base through a variety of international trade services that lead to international market expansion. The program focus is on small and medium-sized enterprises, which by the United States Small Business Association’s definition is less than 500 employees, but will also assist larger companies if the assistance will have a clear and identifiable economic impact. Through its strategic statewide network of export partners, the Pure Michigan Export program is able to assist companies located anywhere in Michigan and ensure they are connected with the resources to evaluate export opportunities, access existing export resources, and increase global competitiveness.

The Pure Michigan Export program supports the MEDC’s strategic goals to increase jobs and wages by increasing export sales. In FY2013, the Pure Michigan Export Program assisted 466 Michigan companies who participated in 519 export related activities, resulting in 273 companies entering 61 foreign markets. Exports which came as a direct result of Pure Michigan Export Program assistance (facilitated exports) totaled \$132.3 million, generating 662 jobs (\$200k in export sales = 1 job). This exceeded the FY2012 facilitated export sales goal by 524% and the FY2013 goal of \$81.3 million by nearly 63%.

The MEDC requests that the MSF release three FY2015 Pure Michigan Export Program Request for Proposals (“RFP”) to solicit proposals from organizations with international trade expertise to provide services to Michigan companies.

The three RFPs include:

1. Regional Export Network (REN) Host, which serve one or more of the Michigan Economic Development Corporation (MEDC) - Collaborative Development Councils (CDC) regions. The primary responsibilities of the REN hosts include: facilitation of collaborative discussion with local economic development organizations to drive regional export goals and objectives, identification of export resources, coordination of company export referral process, marketing of the Pure Michigan Export program, coordination and support for company market entry strategies, and overseeing and reporting REN export budget and expenditures

Michigan Economic Development Corporation

300 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org

2. Small Business Services to provide professional services to Michigan based companies in the areas of international trade and customized small to medium-sized business services. The objective is to assist small to medium-sized businesses in the expansion of their customer base through a variety of international trade services that lead to international market expansion.
3. International Trade Services to provide trade promotion services to Michigan based companies seeking export sales in the following target markets: Mexico, China, Canada, Brazil, UAE (to cover Middle East and North Africa (MENA) region), Germany or the United Kingdom (to cover European region), India, South Korea, Taiwan, Hong Kong, and South Africa.

The MEDC anticipates the following proposed timeline for the execution of this RFP:

Issue RFP to the Public: May 28, 2014
Questions due from the Public: June 6, 2014
Answers posted to the MEDC web page: June 13, 2014
Applications Deadline: June 27, 2014

The MEDC recommends that the MSF Board approve appointing a Joint Evaluation Committee (“JEC”) to review the proposals submitted and make recommendations to the MSF Board. The following individuals are recommended to be appointed to the JEC to review proposals:

Deanna Richeson, Director, Export, MEDC
Christine Roeder, Manager, Michigan Retention and Growth, MEDC
Toni Brownfield, Director, Business Development Services, Strategic Accounts, MEDC
Lindsay Eister, Senior Protocol Officer, Business Attraction, MEDC
MEDC Export Sales Director (TBD)
MEDC Export International Trade Manager (TBD)

The MEDC recommends that the MSF Board approve the scoring and evaluation criteria attached as Exhibit B to the resolution to be used by the JEC members in their review of proposals submitted in response to the RFP.

Recommendation

MEDC Staff recommends that the MSF Board approve the following actions.

- 1) Approval of the RFPs attached as Exhibit A to the resolution;
- 2) Appointment of the JEC listed above; and
- 3) Approval of the scoring and evaluation criteria attached as Exhibit B to the resolution appointing the JEC and approving the scoring criteria.

REQUEST FOR PROPOSALS

Michigan Strategic Fund

Pure Michigan Export – International Trade Services

RFP-CASE-93187

DRAFT

REMINDER

Please check your proposal to make sure you have included all of the specifications in the Request for Proposals. In addition, please submit an electronic version of each of the following:

- Technical Proposal (Section II-A);
- Price Proposal (Section II-B);
- Signed Independent Price Determination Certificate (Attachment B); and
- Conflicts of Interest Disclosure (if applicable) (Section II-G).

BIDDERS ARE RESPONSIBLE FOR ASSURING THAT THE FOLLOWING IDENTIFYING INFORMATION APPEARS IN THE SUBJECT LINE OF YOUR EMAIL: “RFP-CASE-93187 Technical Proposal” and RFP-CASE-93187 Price Proposal” with Company Name, and “message 1 of 3” as appropriate if the bid consists of multiple emails.

The MSF will not respond to telephone inquiries, or visitation by Bidders or their representatives. Bidder’s sole point of contact concerning the RFP is below and any communication outside of this process may result in disqualification.

Contracts and Grants
Michigan Strategic Fund
300 North Washington Square, 3rd Floor
Lansing, Michigan 48913
contractsandgrants@michigan.org

IMPORTANT DUE DATES

- **6/6/2014, at 3:00 p.m.:** Questions from potential Bidders are due via email to contractsandgrants@michigan.org. Please note: The Michigan Strategic Fund (“MSF”) will not respond to questions that are not received by the above date and time. In addition, questions that are phoned, faxed or sent through regular mail will not be accepted.
- **6/13/2014, by close of business:** Responses to all qualifying questions will be posted on the MSF’s website, www.michiganbusiness.org/2014-export-its-rfp.
- **6/27/2014, at 3:00 p.m.:** Electronic versions sent separately of each of your Technical and Price Proposals due to the MSF via email to contractsandgrants@michigan.org. **Proposals will not be accepted via U.S. mail or any other delivery method.**

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REQUEST FOR PROPOSAL
Pure Michigan Export – International Trade Services
RFP-CASE-93187

This Request for Proposals (“RFP”) is issued by the Michigan Strategic Fund (the “MSF”), Contracts and Grants Unit (“C&G”). The Michigan Economic Development Corporation (the “MEDC”) provides administrative services associated with the programs and activities of the Michigan Strategic Fund Act on behalf of the MSF. C&G is the sole point of contact with regard to all bidding and contractual matters relating to the services described in this RFP. C&G is the only office authorized to change, modify, amend, alter, clarify, etc. the specifications, terms and conditions of this RFP and any contract(s) awarded as a result of this RFP (the “Contract”). Contracts and Grants will remain the SOLE POINT OF CONTACT throughout the bidding process. ***The MSF will not respond to telephone inquiries, or visitation by Bidders or their representatives. Bidder’s sole point of contact concerning the RFP is below and any communication outside of this process may result in disqualification.***

Contracts and Grants
Michigan Strategic Fund
300 North Washington Square, 3rd Floor
Lansing, Michigan 48913
contractsandgrants@michigan.org

SECTION I
WORK STATEMENT

A) PURPOSE

MSF is seeking contractors to provide trade promotion services to Michigan based companies seeking export sales in the following target markets: Mexico, China, Canada, Brazil, UAE (to cover Middle East and North Africa (MENA) region), Germany or the United Kingdom (to cover European region), India, South Korea, Taiwan, Hong Kong, and South Africa.

B) BACKGROUND STATEMENT AND OBJECTIVES

Background:

The Pure Michigan Export program assists Michigan based companies to expand their customer base through a variety of international trade services that lead to international market expansion. The program focus is on small and medium-sized enterprises, which by the United States Small Business Association’s definition is less than 500 employees (manufacturing), but will also assist larger companies if the assistance will have a clear and identifiable economic impact. The Pure Michigan Export program will enter into a fixed fee contract for trade promotion services at a non-negotiable amount to be determined. The contract amount per country will be for a minimum of \$75,000 or maximum \$150,000 annually and the total amount will be finalized pending confirmation of final awards. Operating costs, including staff salaries, office space/rent, office equipment, office supplies, postage, printing, telephones, local transportation and all other costs unless otherwise noted, will be the sole responsibility of the Contractor and derived from the contract fee. As noted

below, the MSF will pay for pre-authorized travel expenses related to annual participating State visits, or for additional pre-authorized expenses incurred for activities outside of the scope of the Contractor's contract with the MSF.

The term of the contract shall be from October 1, 2014 through September 30, 2015, and shall be renewable subject to mutual agreement on an annual basis.

Objectives:

The Pure Michigan Export Program is designed to spur job creation by empowering Michigan based companies to export their products. The program has three primary objectives:

- Increase export sales by Michigan companies
- Increase number of new-to-export companies
- Increase entry into new markets by companies already exporting

C) Mandatory Requirements

- Contractor or its subcontractor must have an existing office in each target market that is included in the proposal as a primary business location.
- Contractor or its subcontractor must have the ability to obtain a US Visa for traveling to the United States at least once a year.
- Contractor or its subcontractor must be fully bilingual with the ability to read, write and compose business correspondence in English and official language in each target market that is included in the proposal.
- Contractor or its subcontractor and staff must be familiar with the business practices and culture of the US and in each target market that is included in the proposal.
- Contractor or its subcontractor must have an established business and at least five years of experience in consulting, marketing, sales or other areas that provide services to international, preferably US, companies.
- Contractor or its subcontractor must have experience working with small-to-medium sized companies (average annual sales less than US\$50 million).
- Exceptional research, writing, and interpersonal skills.
- A bachelor's degree. A Master's, legal or specialized degree in a relevant field is preferred, but not required.

D) DELIVERABLES

Services to be Provided:

The Contractor or its subcontractor shall serve as an authorized representative for the State of Michigan in target market(s) subject to the limitations in the agreement. MSF shall retain the Contractor or its subcontractor for the purpose of increasing the export of products and services from small-to-medium sized companies in Michigan's defined target market(s). This contract is on a non-exclusive basis and the Contractor or its subcontractor may have other clients and/or provide work for other US States or foreign governments/legislatures where no conflict of interest exists.

Trade development services to be provided by the Contractor or its subcontractor, in addition to those described below, will be determined by specific parameters submitted by MSF. Minimum services required are as follows:

(1.) Agent/Distributor Searches and Matchmaking

At MSF's request, the Contractor or its subcontractor shall conduct up to two agent/distributor searches a month for participating small-to-medium sized Michigan companies. The agent/distributor searches shall include investigating the products or services made by the companies, identifying and/or qualifying agents and distributors to represent products or services, interviewing prospective representatives and distributors, arranging appointments with agents and distributors, arranging for translators, conducting pre-and post-briefings and follow-up activities. The Contractor or its subcontractor may also be required to conduct market research and viability studies, as well as end user searches.

(2.) Trade Events

At MSF's request, the Contractor or its subcontractor shall recommend trade events for its participation. The Contractor or its subcontractor shall serve as the primary coordinator for participation in trade events. Examples of these events include trade fairs/exhibitions and catalogue shows. The Contractor or its subcontractor will be responsible for all pre- and post-event activities including but not limited to publicity, information distribution, contracting of event space, layout, interpreters, participant briefings, participation on behalf of the State of Michigan, and post-event evaluation.

The Contractor or its subcontractor will not be responsible for direct costs including exhibition space, interpreter fees, shipment of exhibition displays, preparation of printed materials, etc.

(3.) Referrals

At MSF's request, the Contractor or its subcontractor shall provide qualified referrals to Michigan firms, including but not limited to referrals for legal, translation, advertising, local employment practices, credit and other professional services.

(4.) Database of Trade Contacts

The Contractor or its subcontractor shall maintain a database of agents, distributors, manufacturers, retail outlets, international trade service providers including translating companies, advertising companies, law firms, government offices and government officials, and other organizations and individuals as necessary to perform duties as Contractor or subcontractor.

(5.) Development of Trade Contacts and Leads

The Contractor or its subcontractor shall obtain, maintain, and strengthen contacts with businesses throughout the target market(s) in order to create additional trade leads for the MSF.

(6.) Business Appointments and Assistance

At MSF's request, the Contractor or its subcontractor shall assist in arranging business appointments and itineraries for visiting business executives from the State of Michigan.

(7.) Annual State Trip

At MSF's request, the Principal Officer of the Contractor or its subcontractor shall visit Michigan annually for up to one week to attend and/or participate in conferences, programs and training sessions arranged by the MSF. The MSF will pay for pre-authorized travel expenses incurred.

(8.) Trade Missions

At MSF's request, the Contractor or its subcontractor shall help organize and participate in official Michigan trade delegations to target market(s), including governor-led missions. Expenses incurred outside the normal scope of the contract will be the responsibility of the MSF.

(9.) Information

The Contractor or its subcontractor shall maintain an in-depth knowledge of Michigan's economic structure, business interests/practices and culture. The MSF shall provide information and materials to the Contractor or its subcontractor on a continuing basis.

(10.) Monthly/Annual Reports

The Contractor or its subcontractor shall submit a monthly report to the MSF detailing content and results of work related to points (1.) through (9.). Expenses incurred at the request of the MSF that are outside of the contract, if any, and a corresponding request for reimbursement, should also be reported.

The Contractor shall also prepare and provide the MSF with an annual report summarizing all business development and other activities engaged in by the Contractor or its subcontractor in the target market(s).

SECTION II PROPOSAL FORMAT

To be considered, each Bidder must submit a COMPLETE proposal in response to this RFP using the format specified. Bidder's proposal must be submitted in the format outlined below. There should be no attachments, enclosures, or exhibits other than those required in the RFP or considered by the Bidder to be essential to a complete understanding of the proposal. **The proposal is limited to 20 pages and double-spaced.** Each section of the proposal should be clearly identified with appropriate headings:

A) TECHNICAL PROPOSAL

1. Business Organization and History – State your organization's full name, address, and phone number including country/city codes of your organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, or corporation; if as a corporation, include the state/country in which it is incorporated. If appropriate, the proposal must state whether the organization is licensed to operate in the State of Michigan.
2. Name of primary contact person, title, email address, Skype address, and web address.
3. Statement of the Problem – State in succinct terms your understanding of the need(s) presented by this RFP.
4. Narrative – Include a narrative summary description of the proposed effort and of the services(s)/products(s) that will be delivered.
5. Technical Work Plans – Provide a detailed research outline and timelines for accomplishing the work.
6. Professional and Personal Experience
 - a. Provide a brief description of the Principal Officer's or Contractor's primary qualifications along with the name(s), address and contact information for each staff person(s). Include (as attachments) one-page resumes/CVs of the individual(s) proposed to work on this contract. Include the staff's language capabilities and relevant skills.
 - b. Describe the Principal Officer's or Contractor's proficiency in reading, writing and speaking English and official language of the target market. Work or study in the US is beneficial.
 - c. Describe Principal Officer's or Contractor's experience in managing office staff and budget.
 - d. Provide a list of office locations and geographic coverage. Include exact address of office building(s) in English. Include a brief description of office administration.

- e. Provide a brief description of the office's telecommunication equipment/capabilities (such as number of phone lines, Skype, fax, copy machines, access to internet and emails, and organizational website if any).
- f. Describe knowledge and experience in the area of international trade promotion including trade mission organization, trade show participation and governor-led missions.
- g. Describe knowledge of and contact with international trade associations, chambers of commerce, government agencies and other business groups. A developed network with trade development organizations would be beneficial.
- h. Provide information on Principal Officer's or Contractor's formal education in business, international trade or related fields.
- i. Describe knowledge and experience with US and target market(s) business practices and country customs.
- j. Describe knowledge of both target market(s) and US local, State and national policies and regulations.
- k. Describe specialized knowledge or expertise in specific industry sectors or product specializations.
- l. List the total number of labor hours proposed for the contract fee.
- m. Provide additional information to be provided on the scope of services that may be offered above and beyond those detailed in this job description.

The MSF may evaluate the Bidder's prior performance with the MSF, and prior performance information may be a factor in the award decision.

7. Methodology Used for Conducting Services

- a. Describe methodology for promoting US industry and/or marketing US company products in the target market.
- b. Describe methodology for conducting agent/distributor searches.
- c. Describe methodology for conducting product market viability studies and market research.
- d. Provide a description or document an example of two recent searches completed for any of the services listed in points 12 through 14 including organization name and time taken to complete.

8. Project Staffing – The Bidder must be able to staff a project team which possesses talent and expertise in the field of the requirements of this RFP. Identify a Project Manager and staff assigned by name and title. Include biographies, experience and any other appropriate information regarding the work team’s qualification for this initiative. Indicate staff turnover rates. Show where the project team will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the successful completion of the work. Indicate the amount of dedicated management time for the Bidder’s Project Manager and other key individuals. Resumes of qualifications should be supplied for proposed project personnel.

Do not include any financials for the contemplated work within the Technical Proposal.

Please Note: The MSF further reserves the right to interview the key personnel assigned by the Contractor to this project and to recommend reassignment of personnel deemed unsatisfactory.

9. Subcontractors – List here all subcontractors that will be engaged to accomplish the project described in this RFP. Include firm name and address, contact person and complete description of work to be subcontracted. Include descriptive information concerning subcontractor’s organization and abilities. Also, the information provided in response to A-6, above, should include detailed information about each potential subcontractor.

Please note : The MSF further reserves the right to interview the subcontractors assigned.

10. Bidder’s Authorized Expediter – Include the name and telephone number of person(s) in your organization authorized to expedite any proposed contract with the MSF.
11. List three professional references with complete contact information and a brief description of your business relationship with each.
12. Additional Information and Comments – Include any other information that is believed to be pertinent, but not specifically asked for elsewhere.

B) PRICE PROPOSAL

Provide a budget estimate (outside the contract value listed above) for a State-agency- led trade mission with up to 12 delegates (including 10 companies) featuring:

- A total of 6 days in country, including travel
- Market research, match-making, agent/distributor/representative/end-user searches and 5 days of appointment setting for 10 companies
- 2 days of appointment setting for State officials
- Estimate should not include logistics, ground transportation, interpreter/ translation fees, or receptions

Provide the cost/rate/price information for all firms/persons named in your Price Proposal to demonstrate the reasonableness of your Price Proposal. Attach a schedule of all expenses covering each of the services and activities identified in your proposal.

The MSF is exempt from federal excise tax, and state and local sales taxes. The Price Proposal should not include taxes.

THE PRICE PROPOSAL MUST BE IDENTIFIED AND SENT SEPARATELY FROM THE TECHNICAL PORTION OF YOUR PROPOSAL ACCORDING TO THE INSTRUCTIONS OF THIS RFP. Separately sealed price proposals will remain sealed until the JEC has completed evaluation of the technical proposals.

Bidders Please Note: Rates quoted in response to this RFP are firm for the duration of the Contract; no price increase will be permitted.

C) PROPOSAL SUBMITTAL

Submit separately marked electronic versions of each of your Technical and Price proposals to the MSF via email to contractsandgrants@michigan.org not later than **3:00 p.m. on 6/27/2014**. The MSF has no obligation to consider any proposal that is not timely received. **Proposals will not be accepted via U.S. mail or any other delivery method.**

BIDDERS ARE RESPONSIBLE FOR ASSURING THAT THE FOLLOWING IDENTIFYING INFORMATION APPEARS IN THE SUBJECT LINE OF YOUR EMAIL: *"RFP-CASE-93187 Technical Proposal"* and *"RFP-CASE-93187 Price Proposal"* with *Company Name*, and *"message 1 of 3"* as appropriate if the bid consists of multiple emails.

**SECTION III
RFP PROCESS AND TERMS AND CONDITIONS**

B) PRE-BID MEETING/QUESTIONS

A pre-bid meeting will not be held. Questions from Bidders concerning the specifications in this RFP must be received via e-mail no later than **3:00 pm on 6/6/2014**. Questions must be submitted to:

Contracts and Grants
contractsandgrants@michigan.org

C) PROPOSALS

To be considered, Bidders must submit a complete response to this RFP, using the format provided in Section III of this RFP, by **3:00 p.m. on 6/27/2014**. No other distribution of proposals is to be made by the Bidder.

The Technical Proposal must be **signed physically or electronically** by an official of the Bidder authorized to bind the Bidder to its provisions. The proposal must include a statement as to the period during which it remains valid; this period must be at least ninety (90) days from 6/27/2014. The rates quoted in the Price Proposal must remain firm for the period indicated in Section II.

D) ECONOMY OF PREPARATION

Each proposal should be prepared simply and economically, providing a straightforward, concise description of the Bidder's ability to meet the requirements of the RFP. Emphasis should be on completeness and clarity of content.

E) SELECTION CRITERIA

Responses to this RFP will be evaluated based upon a three-step selection process. The proposal must address the requirements described in Section II of this RFP.

The first step is an evaluation of which proposals satisfactorily meet the requirements of this RFP as stated in Section II.

1) Step I – Initial evaluation for compliance

a) *Proposal Content* – Contracts and Grants will screen the proposals for technical compliance to include but not limited to:

- Timely submission of the proposal
- Technical Proposal and Price Proposal clearly identified and sent separately
- Proposal signed physically or electronically by an official of the Bidder authorized to bind the Bidder to its provisions.
- Proposals satisfy the form and content requirements of this RFP.

2) Step II – Criteria for Satisfactory Technical Proposals

- a.) During the second step of the selection process, proposals will be considered by a Joint Evaluation Committee (“JEC”) comprised of individuals selected by the MSF. Only those proposals that satisfy the requirements described in this RFP, as determined in the sole discretion of the JEC, will be considered for evaluation in Step II. The JEC reserves the right to request additional information from any Bidder.
- b.) *Competence, Experience and Staffing Capacity* – The proposal should indicate the ability of the Bidder to meet the requirements of this RFP, especially the time constraints, quality, and recent projects similar to that described in this RFP. The proposal should indicate the competence of the personnel whom the Bidder intends to assign to the project, including education and experience, with particular reference to experience on projects similar to that described in this RFP and qualifications of Bidder’s Project Manager and the Project Manager’s dedicated management time, as well as that of other key personnel working on this project.

		Weight
1.	Bidder Information	5
2.	Understanding of RFP	30
3.	Statement of Work	35
4.	Prior Experience	40
5.	Track Record of Performance	50
6.	Staffing/Capacity	20
7.	Pricing	20
	TOTAL	200

- c.) During the JEC’s review, Bidders may be required to make oral presentations of their proposals to the JEC. These presentations provide an opportunity for the Bidders to clarify the proposals. The MSF will schedule these presentations, if required by the JEC.
- d.) Only those proposals receiving a score of **160 points or more** in the technical proposal evaluation will have their price evaluated to be considered for award.
- e.) Proposals receiving a score of 160 points or more in the technical proposal evaluation will be invited to schedule interviews at a site to be determined July 16-30. Interviewed contractors must make their office(s) available for a site visit by MSF representatives during this time period. The contractor will be expected to start work under the contract October 1, 2014.

1) Step III – Criteria for Satisfactory Price Proposal

- a.) Based on what is in the best interest of the MSF, the MSF will award the Contract considering value, quality, and the ability to meet the objectives of this RFP, of proposals that were approved as a result of this two-step evaluation process.

- b.) The MSF reserves the right to consider economic impact on the State when evaluating proposal pricing. This includes, but is not limited to: job creation, job retention, tax revenue implications, and other economic considerations.

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- c.) The award recommendation will be made to the responsive and responsible Bidder who offers the best value to the MSF and the State of Michigan. Best value will be determined by the Bidder meeting the minimum point threshold and offering the *best proposal that meets the objectives of the RFP*.
- d.) The MSF reserves the right to award to another “best value” contractor in case the original Awardee does not accept the award.

F) BIDDERS COSTS

The MSF is not liable for any costs incurred by any Bidder prior to signing of the Contract by all parties.

G) TAXES

The MSF may refuse to award a contract to any Bidder who has failed to pay any applicable taxes or if the Bidder has an outstanding debt to the State or the MSF.

Except as otherwise disclosed in an exhibit to the Proposal, Bidder certifies that all applicable taxes are paid as of the date the Bidder’s Proposal was submitted to the MSF and the Bidder owes no outstanding debt to the State or the MSF.

H) CONFLICT OF INTEREST

The Bidder must disclose, in an exhibit to the proposal, any possible conflicts of interest that may result from the award of the Contract or the services provided under the Contract.

Except as otherwise disclosed in the proposal, the Bidder affirms that to the best of its knowledge there exists no actual or potential conflict between the Bidder, the Bidder’s project manager(s) or its family’s business or financial interests (“Interests”) and the services provided under the Contract. In the event of any change in either Interests or the services provided under the Contract, the Bidder will inform the MSF regarding possible conflicts of interest which may arise as a result of such change and agrees that all conflicts shall be resolved to the MSF’s satisfaction or the Bidder may be disqualified from consideration under this RFP. As used in this Section, “conflict of interest” shall include, but not be limited to, the following:

1. Giving or offering a gratuity, kickback, money, gift, or anything of value to a MSF official, officer, or employee with the intent of receiving a contract from the MSF or favorable treatment under a contract;
2. Having or acquiring at any point during the RFP process or during the term of the Contract, any contractual, financial, business or other interest, direct or indirect, that would conflict in any manner or degree with Bidder’s performance of its duties and responsibilities to the MSF under the Contract or otherwise create the appearance of impropriety with respect to the award or performance of the Contract; or
3. Currently in possession of or accepting during the RFP process or the term of the Contract anything of value based on an understanding that the actions of the Bidder or its affiliates or Interests on behalf of the MSF will be influenced.

H) BREACH OF CONTRACT

Except as otherwise disclosed in an exhibit to Bidder's proposal, Bidder is not in material default or breach of any contract or agreement that it may have with the State of Michigan or any of its departments, commissions, boards or agencies, or any other public body in the State of Michigan. Further, Bidder represents and warrants that it has not been a party to any contract with the State or any public body that was terminated within the previous five (5) years because the Bidder failed to perform or otherwise breached an obligation of such contract.

I) DISCLOSURES

Except as otherwise disclosed in an exhibit to Bidder's proposal, there is no criminal litigation, convictions, investigations or proceedings involving the Bidder (and each subcontractor, if subcontractors will be used to provide the goods/services requested under this RFP) or any of the Bidder's officers or directors or any litigation or proceedings under the Sarbanes-Oxley Act. In addition, Bidders must disclose in the exhibit requested under this Section of the RFP any civil litigation, arbitration or proceeding to which the Bidder (or, to the extent Bidder is aware, any subcontractor) is a party and which involves: (1) disputes that might reasonably be expected to adversely affect the viability or financial stability of the Bidder (or subcontractor); or (2) a claim or written allegation of fraud or breach of contract against Bidder (or, to the extent Bidder is aware, subcontractor), by a governmental or public entity arising out of their business dealings with governmental or public entities. Details of any settlements which Bidder is prevented from disclosing under the terms of the settlement may be annotated as such. Bidders must also disclose any investigations by the Internal Revenue Service or any other federal or state taxing body or court.

J) FALSE INFORMATION

If the MSF determines that a Bidder purposefully or willfully submitted false information in response to this RFP, the Bidder will not be considered for an award and any resulting Contract that may have been executed may be terminated.

K) DISCLOSURE

All Bidders should be aware that proposals submitted to the MSF in response to this RFP may be subject to disclosure under the provisions of Public Act 442 of 1976, as amended, known as the Freedom of Information Act ("FOIA"). Accordingly, confidential information should be excluded from Bidders' proposals. Bidders, however, are encouraged to provide sufficient information to enable the MSF to determine the Bidder's qualifications and to understand or identify areas where confidential information exists and could be provided. The FOIA also provides for the complete disclosure of the Contract and any attachments or exhibits thereto.

L) PRICES HELD FIRM

LENGTH OF TIME PRICES ARE TO BE HELD FIRM: All rates quoted in Bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted. IN THE EVENT THAT PROPOSED CHANGES ARE NOT ACCEPTABLE TO THE MSF, THE CONTRACT SHALL BE TERMINATED AND THE MODIFIED CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING.

M) BEST AND FINAL OFFER

At any time during the evaluation process, the JEC may request a Best and Final Offer (BAFO) from any Bidder. This will be the final opportunity for a Bidder to provide a revised proposal. The scope of the changes allowed in the BAFO will be published as part of the issuance of the BAFO request.

Bidders are cautioned to propose the best possible offer at the outset of the process, as there is no guarantee that any Bidder will be allowed an opportunity to engage in Pricing Negotiations or requested to submit a Best and Final Offer.

N) CLARIFICATION/CHANGES IN THE RFP

Changes made to the RFP as the result of responses made to qualifying questions or concerns will be posted on www.michiganbusiness.org/2014-export-its-rfp. Applicants are encouraged to regularly check this site for changes or other information related to the RFP.

O) ELECTRONIC BID RECEIPT

ELECTRONIC VERSIONS OF EACH OF YOUR TECHNICAL AND PRICE PROPOSALS SENT SEPARATELY MUST BE RECEIVED AND TIME-STAMPED BY THE MSF TO contractsandgrants@michigan.org, ON OR BEFORE **3:00 p.m. on June 27, 2014**. Bidders are responsible for timely submission of their proposal. THE MSF HAS NO OBLIGATION TO CONSIDER ANY PROPOSAL THAT IS NOT RECEIVED BY THE APPOINTED TIME.

P) RESERVATION OF MSF DISCRETION

Notwithstanding any other statement in this RFP, the MSF reserves the right to:

- 1) reject any and all proposals;
- 2) waive any errors or irregularities in the bidding process or in any proposal;
- 3) rebid the project;
- 4) negotiate with any Bidder for a reduced price, or for an increased price to include any alternates that the Bidder may propose;
- 5) reduce the scope of the project, and rebid or negotiate with any Bidder regarding the revised project; or
- 6) defer or abandon the project.

The MSF's decision is final and not subject to appeal. Any attempt by an applicant, collaborating entity, or other party of interest to the project to influence the awards process, to appeal, and/or take any action, including, but not limited to, legal action, regarding the proposal or awards process in general may result in the applicant's disqualification and elimination from the award process.

Q) BID PROTEST PERIOD

If a Bidder wishes to initiate a protest of the award recommendation, the Bidder must submit a protest in writing by 5:00 p.m. within (10) ten calendar days from the date of the notice of award sent by the MSF. The written protest should include the RFP number, clearly state the facts believed to constitute an error in the award recommendation, and describe the desired remedy. Only the information provided within the protest period will be considered in arriving at a decision. The MSF is not required to take into consideration any material filed by any party after the protest deadline. The MSF's CEO or designee will provide a written decision to the protesting party after investigating the matter or, if more information is needed, will schedule an informal meeting before issuing a decision. This decision is final.

To maintain the integrity of the procurement process and to ensure that procurements are received without undue delay, protests requesting a waiver of the following omissions and requirements cannot be granted:

1. Failure of a Bidder to properly complete sealed bid return envelope instructions;
2. Failure of a Bidder to submit the Bid by the due date and time;
3. Failure of a Bidder to provide samples, descriptive literature or other required documents by the date and time specified;
4. Failure of a Bidder to submit a protest within the time stipulated in the notice to award or as determined by the MSF.

In fairness to Bidders who meet specifications and to prevent delays in procurement, the MSF will not withdraw an award or re-evaluate bids when a protest maintains that the RFP specifications were faulty or that a bid exceeding specifications provided a better value than a lower bid meeting specifications.

R) JURISDICTION

In the event that there are conflicts concerning this RFP that proceed to court, jurisdiction will be in a Michigan court of law. Nothing in this RFP shall be construed to limit the rights and remedies of the MSF that are otherwise available.

S) ADDITIONAL CERTIFICATION

Pursuant to Public Act 517 of 2012, an Iran linked business is not eligible to submit a bid on a request for proposal, with a public entity.

Bidders must include the following certification in the technical proposal:

“Bidder certifies that it is not an Iran-linked business as defined in MCL 129.312.”

Failure to submit this certification will result in disqualification from consideration.

**SECTION IV
CONTRACTUAL TERMS AND CONDITIONS**

I) CONTRACT TERMS AND CONDITIONS

- 1) The Contract – The proposal selected will be subject to the terms and conditions of the MSF's Professional Services Contract (the "Contract") upon execution of the Contract by the MSF and Bidder. The standard terms and conditions of the Contract are attached to this RFP as Attachment A.
- 2) Term of Work – It is estimated that the activities in the proposed Contract will cover the period 10/1/2014 through 9/30/2015.
- 3) Modification of Service – The MSF reserves the right to modify the requested services during the course of the Contract. Such modifications must be made in writing and may include the addition or deletion of tasks or any other modifications deemed necessary. Any changes in pricing proposed by the bidder resulting from the requested changes are subject to acceptance by the MSF. Changes may be increases or decreases.

In the event changes are not acceptable to the MSF, the Contract shall be subject to competitive bidding based upon the new specifications.

- 4) Subcontracting – The MSF reserves the right to approve any subcontractors for the Contract and to require the bidder, upon award of the Contract, to replace subcontractors that the MSF finds to be unacceptable.
- 5) Award of Contract – The MSF reserves the right to award all or any part of this RFP and, based on what is in the best interest of the MSF, the MSF will award the Contract considering price, value and quality of the bids.

B) CONTRACTOR RESPONSIBILITIES

The selected Bidder will be required to assume responsibility for all contractual activities offered in this RFP whether or not the Bidder performs them. Further, the MSF will consider the selected Bidder to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract.

C) ACCEPTANCE OF PROPOSAL CONTENT

If awarded a Contract, the contents of this RFP will become contractual obligations. The following constitute the complete and exclusive statement of the agreement between the parties as it relates to this transaction:

- 1) This RFP (including subsequent written clarification provided in response to questions raised by email) and any Addenda thereto; and
- 2) Final Executed Contract.

In the event of any discrepancies between the above documents, the final executed Contract shall control. Failure of the successful Bidder to accept these obligations may result in cancellation of the award.

D) PROJECT CONTROL AND REPORTS

1) Project Control

- a) The selected Bidder (the “Contractor”) will carry out this project under the direction and control of the Business Support Unit of the MSF.
- b) The MSF will appoint a Contract Manager for this project. Although there will be continuous liaison with the Contractor team, the Contract Manager will meet with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
- c) The Contractor will submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated which should be brought to the attention of the Contract Manager and notification of any significant deviation from previously agreed upon work plans.
- d) Within five (5) working days of the execution of the Contract, the Contractor will submit a work plan to the Contract Manager for final approval. This work plan must be in agreement with Section III-A of this RFP as proposed by the Bidder and accepted by the MSF for contract, and must include the following:
 - (i) The Contractor's project organizational structure.
 - (ii) The Contractor's staffing table with names and titles of personnel assigned to the project. This must be in agreement with staffing of the accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the MSF.
 - (iii) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
 - (iv) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

(remainder of page intentionally left blank)

ATTACHMENT A
PROFESSIONAL SERVICES CONTRACT
TERMS AND CONDITIONS
MICHIGAN STRATEGIC FUND
PROFESSIONAL SERVICES CONTRACT WITH
CONTRACTOR

The Michigan Strategic Fund (the "MSF") enters into a binding agreement for professional services (the "Agreement") with CONTRACTOR (the "Contractor"). The MSF and Contractor shall sometimes be referred in this Agreement individually as a "Party" or collectively as "Parties".

Contractor: Name
 Address
 Address

Federal I.D. No: xx-xxxxxxx

I. NATURE OF SERVICES

[Contracts and Grants to fill in a description of the Nature of Services based upon the information in the NOI].

II. PERFORMANCE SCHEDULE

Starting Date: October 1, 2014

Ending Date: September 30, 2015

The term of this Agreement (the "Term") shall begin on the Starting Date and end on the Ending Date, unless terminated earlier, as permitted under Section V(J) of this Agreement.

III. COMPENSATION INFORMATION

- A) The MSF agrees to pay Contractor an amount not to exceed \$XX.XX during the Term. This amount includes all embedded expenses.
 - B) Payment under this Agreement shall be made by the MSF to Contractor upon receipt and approval by the Contract Manager of Contractor's billing statement stating that the work for which payment is requested has been appropriately performed.
 - C) All billing statements must reflect actual work done. The specific details of billing statements and payments will be agreed upon between the Contract Manager and the Contractor after the Agreement has been signed and accepted by both the Contractor and the MSF.
 - D) Public Act 533 of 2004 requires that payments under this Agreement be
-

processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Grant Payment Express website (www.cpexpress.state.mi.us).

- E) Changes in the budget will be allowed only upon prior review and written approval by the Contract Manager.
- F) Contractor's billing statement(s) may be subject to a final audit prior to the release of final payment.

IV. MSF CONTRACT MANAGER

The Michigan Economic Development Corporation (the "MEDC") provides administrative services to the MSF. Contractor should communicate with the following MEDC representative or designee regarding this Agreement:

[Name] (the "Contract Manager")
[Business Unit]
Michigan Economic Development Corporation
300 North Washington Square
Lansing, Michigan 48913

V. TERMS AND CONDITIONS

A) Contractor Duties

- 1) Contractor agrees to undertake, perform, and complete the services described in Exhibit A, which is incorporated herein by reference. In the event of any inconsistency between the provisions of Exhibit A and this Agreement, the provisions of this Agreement shall control.

B) Independent Contractor

Contractor will act as an independent contractor under this Agreement, and neither Contractor nor any employee or agent or contract personnel of Contractor is, or shall be deemed to be, an employee of the MSF due to this Agreement and the relationship between Contractor and MSF. In its capacity as an independent contractor, Contractor agrees to and represents the following:

- 1) Contractor will provide the services under this Agreement free from the direction or control of the MSF or the MEDC as to means, manners, and methods of performance;
 - 2) Contractor has the right and does fully intend to perform services for third parties during the Term;
 - 3) Contractor acknowledges that any work product developed by Contractor in
-

performance of this Agreement shall be the sole property of the MSF and the MSF shall have the right to copyright or otherwise protect its rights in and ownership of the work product;

- 4) The services required by this Agreement shall be performed by Contractor, or Contractor's employees or contract personnel, and the MSF or the MEDC shall not hire, supervise, or pay any assistants to help Contractor;
- 5) Neither Contractor nor Contractor's employees or contract personnel shall receive any training from the MSF or the MEDC in the professional skills necessary to perform the services required by this Agreement;
- 6) Neither Contractor nor Contractor's employees or contract personnel shall be required by the MSF or the MEDC to devote full time to the performance of the services required by this Agreement; and
- 7) Contractor does not receive the majority of its annual compensation from the MSF or the MEDC.

The Parties acknowledge and agree that the MSF is entering into this Agreement with reliance on the representations made by Contractor relative to its independent contractor status.

C) Permits and Licenses

Contractor declares that Contractor has complied with all federal, state and local laws requiring any business permits, certificates or licenses required to carry out the services to be performed under this Agreement, and Contractor will maintain those permits, certificates and/or licenses throughout the Term.

D) Materials

Contractor will furnish all materials, equipment and supplies used to provide the services required by this Agreement.

E) State and Federal Taxes

The MSF and the MEDC will not:

- 1) Withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf; or
- 2) Make state or federal unemployment compensation contributions on Contractor's behalf, or withhold state, federal or local income tax from Contractor's payments.

Contractor shall pay all taxes incurred while performing services under this Agreement, including, but not limited to all applicable income taxes. If requested by

the MSF or the MEDC, Contractor shall provide proof that such payments have been made.

F) **Fringe Benefits**

Contractor understands that neither Contractor nor Contractor's employees or contract personnel are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of the MSF or the MEDC.

G) **Workers' Compensation**

The MSF or the MEDC shall not obtain workers' compensation insurance on behalf of Contractor or Contractor's employees. If Contractor hires employees to perform any work under this Agreement, Contractor shall cover them with workers' compensation insurance and shall maintain such insurance during the Term. The MSF or the MEDC may, in its discretion, require Contractor to provide evidence of such coverage.

H) **Unemployment Compensation**

The MSF or the MEDC shall make no state or federal unemployment compensation payments on behalf of Contractor or Contractor's employees or personnel. Contractor will not be entitled to these benefits in connection with work performed under this Agreement. If Contractor files a petition for and receives unemployment compensation, the total amount of unemployment compensation awarded to and received by Contractor shall be deducted from and be an offset against the amount of compensation due and payable to Contractor by the MSF under this Agreement.

I) **Access to Records**

During the Term, and for seven (7) years after the Ending Date, Contractor shall maintain reasonable records, including evidence that the requested services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the MSF, the MEDC or their authorized representative at any time during this period.

J) **Termination**

Either Party may terminate its obligations under this Agreement by giving the other Party thirty (30) calendar days prior written notice of such termination.

The MSF may immediately terminate this Agreement upon written notice to Contractor if Contractor materially breaches its obligations under this Agreement or engages in any conduct which the MSF, in its sole discretion, determines has or could have an adverse impact on the State of Michigan's (the "State") or the MSF's reputation or interests. In addition, the MSF may immediately terminate this

Agreement upon written notice to Contractor, without further liability to the MSF or the State, its departments, agencies, and employees, if Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense relating to a State, public, or private contract or subcontract; or convicted of a criminal offense including, but not limited to, any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of the MSF, reflects on Contractor's business integrity.

Contractor acknowledges that MSF's performance of its payment obligation is dependent upon the continued approval of funding and/or the MSF's continued receipt of State funding. In the event that the State Legislature, the State Government or any State official, public body corporate, commission, authority, body or employees, including the MSF: (a) takes any action which fails to provide, terminates or reduces the funding that is related to the source of funding for this Agreement; or (b) takes any action that is unrelated to the source of funding for this Agreement, but affects the MSF's ability to perform obligations under this Agreement, the MSF may terminate this Agreement by providing thirty (30) calendar days notice prior to the effective date of cancellation. In the event, however, that the action of the State Legislature, the State of Michigan or MSF results in an immediate absence or termination of funding, this Agreement may be terminated effective immediately upon delivery of notice to the Contractor. In the event of immediate termination of funding, the MSF will make payment through the effective date of termination for any undisputed services rendered and expenses incurred.

The MSF shall have no obligation to Contractor for any fees or other payments incurred in connection with this Agreement after the effective date of termination. Upon termination, all work product prepared or produced by Contractor pursuant to this Agreement shall be immediately delivered to the MSF. Payment for any undisputed services rendered and expenses incurred through the effective date of termination will then promptly be made by the MSF.

K) MEDC and MSF Employees

Contractor will not hire any employee of the MEDC or MSF to perform any services covered by this Agreement without prior written approval from the Chief Executive Officer of the MEDC or President of the MSF.

L) Confidential Information

Except as required by law, Contractor shall not use or disclose, either before, during or after the Term, any proprietary or confidential information, including, but not limited to, applications, business bids, business plans, economic development analyses, computer programs, databases and all materials furnished to Contractor

by the MSF or the MEDC (collectively, "Confidential Information") without the prior written consent of the MSF or the MEDC, except to the extent necessary to perform services on the MSF or MEDC's behalf. Confidential Information does not include information obtained by Contractor from third party sources; that is already in the possession of, or is independently developed by, Contractor; that becomes publicly available other than through breach of this Paragraph; or, is released with the prior written consent of the governmental entity or entities that provided the Confidential Information to Contractor. Contractor acknowledges that all information provided by the MSF or the MEDC in connection with Contractor's duties under this Agreement shall be treated as Confidential Information unless otherwise stated in this subsection.

M) Conflict of Interest

Except as has been disclosed to the MSF or the MEDC, Contractor affirms that neither the Contractor, nor its Affiliates or their employees has, shall have, or shall acquire any contractual, financial business or other interest, direct or indirect, that would conflict in any manner with Contractor's performance of its obligations under this Agreement or otherwise create the appearance of impropriety with respect to this Agreement.

Contractor further affirms that neither Contractor nor any affiliates or their employees has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or its affiliates or either's employees on behalf of the MSF or the MEDC would be influenced. Contractor shall not attempt to influence any MEDC or MSF employee by the direct or indirect offer of anything of value. Contractor also affirms that neither Contractor, nor its Affiliates or their employees has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or its Affiliate, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the execution of this Agreement.

In the event of change in either the interests or services under this Agreement, Contractor will inform the MSF or the MEDC regarding possible conflicts of interest which may arise as a result of such change. Contractor agrees that conflicts of interest shall be resolved to the MSF's or the MEDC's satisfaction or the MSF may terminate this Agreement. As used in this Paragraph, "conflict of interest" shall include, but not be limited to, conflicts of interest that are defined under the laws of the State of Michigan.

N) Representations of Contractor

Contractor affirms to the best of its knowledge that it or its owners:

- 1) Do not have any criminal convictions.
- 2) Are not subjects of any pending criminal investigation.

- 3) Are not subjects of any past, present or pending investigations by the Internal Revenue Service or any other federal or state taxing body or court.
- 4) Are not subjects of any past, pending or present litigation regarding its conduct.
- 5) Are not in material default or breach of any contract or agreement that it may have with the State of Michigan, the MSF or any other public body. Contractor further represents and warrants that it has not been a party to any contract with the State, the MSF or other public body that was terminated within the previous five (5) years due to the Contractor's failure to perform or otherwise breached an obligation of such contract.

O) State of Michigan Competitors

Any information or knowledge Contractor gains during the course of this Agreement concerning the economic development efforts of the State of Michigan, the MSF, the MEDC or the business conditions or business community in Michigan shall not be disclosed to any public or private party, sovereign authority or foreign government, during the Term and for a period of two (2) years after the later of the Ending Date, the effective date of termination of this Agreement or so long as any information remains confidential pursuant to any contract, law, treaty, resolution or other enforceable promise.

P) Irreparable Injury

Contractor acknowledges that if it breaches any of its obligations under Paragraphs L and O above, it will cause damages of an irreparable and continuing nature to the MSF, for which money damages alone will not provide adequate relief. Therefore, in addition to all appropriate monetary damages, the MSF is entitled to obtain injunctive relief, including, but not limited to, a temporary restraining order to prohibit the Contractor's continuing breach. The MSF shall have the right to obtain such relief without having to post any bond or other surety.

Q) Indemnification and Contractor Liability Insurance

Contractor shall indemnify, defend, and hold harmless the MSF, its Board and its employees, and the MEDC, its Executive Committee, its Corporate Board of Directors, and its employees (the "Indemnified Parties") from any and all liability arising out of or in any way related to Contractor's performance under this Agreement, including any liability resulting from any acts of Contractor's employees or agents.

Contractor shall purchase and maintain such insurance to protect the Indemnified Parties from claims that might arise out of or as a result of Contractor's operations. Contractor will provide and maintain its own errors and omissions liability insurance for Contractor's indemnification obligation under this Agreement. The insurance shall be written for not less than One Million Dollars (\$1,000,000) of coverage, but

Contractor's indemnification obligation is not limited to this amount.

R) Total Agreement

This Agreement, together with Exhibit A, contains the entire agreement between the Parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Agreement shall be binding. This Agreement may not be changed except by written agreement signed by the Parties.

S) Assignment/Transfer/Subcontracting

Contractor shall not assign, transfer, convey, subcontract, or otherwise dispose of any duties or rights under this Agreement without the prior specific written consent of the MSF. Contractor agrees that any of Contractor's future successors or subcontractors will be bound by the provisions of this Agreement, unless the MSF otherwise agrees in a specific written consent. The MSF reserves the right to approve subcontractors for this Agreement and to require Contractor to replace subcontractors who are found to be unacceptable to the MSF or the MEDC.

T) Non-Discrimination and Unfair Labor Practices

In connection with this Agreement, Contractor shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101 *et seq.*, and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment with respect to his or her hire, tenure, terms, conditions, privileges of employment, or any matter directly or indirectly related to employment because of his or her race, religion, color, national origin, age, gender, height, weight, marital status, or physical or mental disability unrelated to the individual's ability to perform the duties of a particular job or position. Contractor further agrees that every subcontract entered into in connection with this Agreement will contain a provision requiring nondiscrimination in employment, as required in this Agreement, binding upon each subcontractor.

Pursuant to 1980 PA 278 (the "Act"), MCL 423.321 *et seq.*, the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled by the United States National Labor Relations Board. Contractor, in relation to this Agreement, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears on this register. Pursuant to section 4 of the Act, the MSF may void this Agreement if, after the Starting Date, the name of the Contractor as an employer or the name of the subcontractor, manufacturer or supplier of Contractor appears on the register.

A breach of this Paragraph constitutes a material breach of this Agreement.

U) Jurisdiction

The laws of the State of Michigan shall govern this Agreement. The Parties shall make a good faith effort to resolve any controversies that arise regarding this Agreement. If a controversy cannot be resolved, the Parties agree that any legal actions concerning this Agreement shall be brought in the Ingham County Circuit Court in Ingham County, Michigan, USA. By signing this Agreement, Contractor acknowledges that it is subject to the jurisdiction of this court and agrees to service by first class or express delivery wherever Contractor resides, in or outside of the United States.

V) Compliance with Laws

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the services under this Agreement.

W) No Partnership or Agency Relationship

This Agreement does not create a partnership relationship. Further, neither Contractor nor Contractor's employees or other representatives shall hold themselves out to third parties as an agent or representative of the State of Michigan, the MSF or the MEDC, nor shall they have any authority to take any action or enter into any agreement on behalf of the State of Michigan, the MSF or the MEDC.

X) No Third Party Beneficiaries

There are no expressed or implied third party beneficiaries to this Agreement.

Y) Counterparts

This Agreement may be executed in one or more counterparts and by facsimile, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

Z) Reimbursement

If this Agreement is terminated as a result of the misuse of funds as reasonably determined by the MSF, MSF shall have no further obligation to make any payments to Contractor. Furthermore, Contractor shall reimburse MSF for payments which were expended for purposes other than those described in this Agreement, as well as any funds which were previously disbursed under this Agreement but not yet expended by Contractor.

AA) Survival

The terms and conditions of sections III, V(B), V(E), V(F), V(G), V(H), V(I), V(L), V(O), V(P), V(Q), V(S), V(U), V(W), V(X) and V(Z) shall survive termination of this Agreement.

(remainder of page intentionally left blank)

The signatories below warrant that they are empowered to enter into this Agreement.

CONTRACTOR ACCEPTANCE:

CONTRACTOR

Dated: _____

Authorized Signer
Title

MSF ACCEPTANCE:

Michigan Strategic Fund

Dated: _____

Authorized Signer
Title

DRAFT

EXHIBIT A

DRAFT

ATTACHMENT B

**INDEPENDENT PRICE DETERMINATION AND
PRICES HELD FIRM CERTIFICATION**

INDEPENDENT PRICE DETERMINATION

By submission of a proposal, the Bidder certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

1. The prices in the proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such prices with any other Bidder or with any competitor; and
2. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to award directly or indirectly to any other Bidder or to any competitor; and
3. No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

Each person signing the proposal certifies that she/he:

- A) Is the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal and has not participated (and will not participate) in any action contrary to 1, 2, and 3 above; or
- B) Is not the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal but has been authorized, in writing, to act as agent for the persons responsible for such decision in certifying that such persons have not participated (and will not participate) in any action contrary to 1, 2, and 3 above.

A proposal will not be considered for award if this Attachment B has been altered so as to delete or modify 1 or 3, above. If 2, above, has been modified or deleted, the proposal will not be considered for award unless the Bidder provides, with this Attachment B, a signed statement which sets forth, in detail, the circumstances of the disclosure and the MSF determines that such disclosure was not made for the purpose of restricting competition.

PRICES HELD FIRM

LENGTH OF TIME PRICES ARE TO BE HELD FIRM: All rates quoted in bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted.

Signed _____

Date _____

REQUEST FOR PROPOSALS

Michigan Strategic Fund

Pure Michigan Export - Regional Export Network (REN)

RFP-CASE-93806

DRAFT

REMINDER

Please check your proposal to make sure you have included all of the specifications in the Request for Proposals. In addition, please submit an electronic version of each of the following:

- Technical Proposal (Section II-A);
- Price Proposal (Section II-B) including Attachments D-F;
- Signed Independent Price Determination Certificate (Attachment B); and
- Conflicts of Interest Disclosure (if applicable) (Section II-G).

BIDDERS ARE RESPONSIBLE FOR ASSURING THAT THE FOLLOWING IDENTIFYING INFORMATION APPEARS IN THE SUBJECT LINE OF YOUR EMAIL: “RFP-CASE-93806 Technical Proposal” and RFP-CASE-93806 Price Proposal” with Company Name, and “message 1 of 3” as appropriate if the bid consists of multiple emails.

The MSF will not respond to telephone inquiries, or visitation by Bidders or their representatives. Bidder’s sole point of contact concerning the RFP is below and any communication outside of this process may result in disqualification.

Contracts and Grants
Michigan Strategic Fund
300 North Washington Square, 3rd Floor
Lansing, Michigan 48913
contractsandgrants@michigan.org

IMPORTANT DUE DATES

- **6/6/2014, at 3:00 p.m.:** Questions from potential Bidders are due via email to contractsandgrants@michigan.org. Please note: The Michigan Strategic Fund (“MSF”) will not respond to questions that are not received by the above date and time. In addition, questions that are phoned, faxed or sent through regular mail will not be accepted.
- **6/13/2014, by close of business:** Responses to all qualifying questions will be posted on the MSF’s website, www.michiganbusiness.org/2014-ren-host-rfp.
- **6/27/2014, at 3:00 p.m.:** Electronic versions sent separately of each of your Technical and Price Proposals due to the MSF via email to contractsandgrants@michigan.org. **Proposals will not be accepted via U.S. mail or any other delivery method.**

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REQUEST FOR PROPOSAL
Pure Michigan Export - Regional Export Network (REN)
RFP-CASE-93806

This Request for Proposals (“RFP”) is issued by the Michigan Strategic Fund (the “MSF”), Contracts and Grants Unit (“C&G”). The Michigan Economic Development Corporation (the “MEDC”) provides administrative services associated with the programs and activities of the Michigan Strategic Fund Act on behalf of the MSF. C&G is the sole point of contact with regard to all bidding and contractual matters relating to the services described in this RFP. C&G is the only office authorized to change, modify, amend, alter, clarify, etc. the specifications, terms and conditions of this RFP and any contract(s) awarded as a result of this RFP (the “Contract”). Contracts and Grants will remain the SOLE POINT OF CONTACT throughout the bidding process. ***The MSF will not respond to telephone inquiries, or visitation by Bidders or their representatives. Bidder’s sole point of contact concerning the RFP is below and any communication outside of this process may result in disqualification.***

Contracts and Grants
Michigan Strategic Fund
300 North Washington Square, 3rd Floor
Lansing, Michigan 48913
contractsandgrants@michigan.org

SECTION I
WORK STATEMENT

A) PURPOSE

MSF is seeking contractors to act as a Regional Export Network host in each of the Regional Export Networks (REN) for the Pure Michigan Export Program, which are comprised of one or more of the Michigan Economic Development Corporation (MEDC) - Collaborative Development Councils (CDC) regions. The current regions include the North (CDC regions 1, 2, and 3); West (CDC regions 4 and 8); Central (CDC regions 5, 6, and 7); and Southeast (CDC regions 9 and 10). The REN boundaries may be reconfigured based on the proposals awarded.

Responsibilities of the REN Host include:

- facilitation of collaborative discussion with local economic development organizations to drive regional export goals and objectives
- coordinate the identification of export resources and integrate them into an export assistance continuum
- coordinate the company export referral process, execute prompt and effective service delivery, and measure outcomes based on standardized metrics
- market the Pure Michigan Export program by developing promotional material and maintaining

links and connections to the Pure Michigan Export program's web portal

- coordinate and support execution of market entry strategies (trade missions, trade shows, foreign buyer missions, USCS services, and other export services)
- overseeing and reporting REN export budget and expenditures

B) DUTIES

Selected vendors will be required to do the following:

- Collaborate with regional partners to market regional export program.
- Collaborate with regional partners to offer educational programming on international trade to companies and create opportunities for peer learning and networking.
- Provide office space at primary facility for one full time MSF International Trade Development Manager as well as one part-time MSF student intern throughout the term of the agreement.
- Include Pure Michigan logo on all international trade marketing materials, media, and communications.

C) BACKGROUND STATEMENT AND OBJECTIVES

Background:

The Pure Michigan Export program assists Michigan based companies to expand their customer base through a variety of international trade services that lead to international market expansion. The program focus is on small and medium-sized enterprises, which by the United States Small Business Association's definition is less than 500 employees (manufacturers), but will also assist larger companies if the assistance will have a clear and identifiable economic impact. Through its strategic statewide network of export partners, the Pure Michigan Export program is able to assist companies located anywhere in Michigan to ensure they are connected with the resources to evaluate export opportunities, access existing export resources, and increase global competitiveness.

The total available funding is \$350,000 to be distributed among all awardees.

The funds under this program may be distributed to multiple recipients within one CDC region.

The MSF reserves the right to combine CDC regions in awarding REN contracts.

Objectives:

The Pure Michigan Export Program is designed to spur job creation by empowering Michigan based companies to export their products. The program has three primary objectives:

- Increase export sales by Michigan companies
- Increase number of new-to-export companies
- Increase entry into new markets by companies already exporting

D) QUALIFICATIONS

Minimum of two years providing international trade assistance.

Ability and proven commitment to collaborate with regional partners to develop, market, and execute regional export program, which may include: trade missions, trade shows, foreign buyer missions, United States Department of Commerce/Foreign Commercial Service (USDOC/FCS) services, trainings, events, and other export services.

Organizational capacity to review company export intake information provided by MSF and refer companies to appropriate international trade resources.

Ability to effectively measure outcomes based on standardized metrics and report them to MEDC on a regular basis.

E) DELIVERABLES

Selected vendors will be required to do the following:

1. Coordination of customized export training courses.
2. Special promotion of Export events.
3. Collaborate with regional partners to offer educational programming on international trade to companies or to create peer learning and networking opportunities.

Optional deliverables to be provided by the selected vendor may include:

1. Execution of international trade mission or trade show activities to one or more of the markets contained in the MSF's Export Strategic Plan: Canada, Mexico, China, Germany, Brazil, UAE, and the United Kingdom.

A. Requirements for Proposed Trade Events

- i. All trade events must be export-focused.
 - a. **Trade Missions** – All trade missions must include the following:

1. Business matchmaking- Michigan Foreign Office or international contractor where Michigan does not have a foreign office established will arrange, at a minimum, three days of customized one-on-one business appointments with prospective agents, distributors, or buyers in each city. Participants average two to four business appointments each day depending on the company's products, services, and objectives.
 2. Market Research- Customized market research including industry sector information and target company profiles.
 3. In-country business briefings- Michigan Foreign Office/international contractor, local businesses, and/or government officials provide extensive market knowledge on topics such as: economic outlook, leading sectors, legal considerations, business cultural tips, and distribution and sales channels.
 4. In-country support: International contractor and MSF staff will assist companies with preparation for missions, accompany the delegation, and provide post-mission follow-up.
 5. Ground Transportation- Group airport-hotel-airport ground transportation is provided.
 6. Group-rate accommodations- Block hotel rates are provided
 7. Other services- Recommendations for suitable drivers, interpreters, and business services should be available upon request.
- b. **Trade Shows**- All trade shows must include:
1. Business matchmaking – Michigan Foreign Office, international contractor or organizer where Michigan does not have a foreign office established will arrange, at a minimum, two days of customized one-on-one business appointments with prospective agents, distributors, or buyers outside of the tradeshow dates. Participants average two to four business appointments each day depending on the company's products, services, and objectives.
 2. Trade show enhancement services may also include the following:
 - i. Market research- Customized market research including industry sector information and target company profiles.
 - ii. Michigan networking reception- Networking opportunity for Michigan participants.
 - iii. In-country support: International contractor and MSF staff will assist companies with preparation for show, accompany the delegation, and provide post-show follow-up.
 - iv. Ground Transportation- Group airport-hotel-airport ground transportation is provided.
 - v. Group-rate accommodations- Block hotel rates are provided
 - vi. Other services- Recommendations for suitable drivers, interpreters at the show, and business services available at request.
- c. **Trade Mission/Trade Show combo**
1. In addition to requirements 2-7 listed above under trade missions,

all trade mission/trade show combinations must include, at a minimum, two days of one-on-one business appointments to be arranged outside of the trade show dates.

B. Selection of Trade Events

- i. The selection of trade events is based on where the best opportunity lies to grow Michigan exports. This is determined primarily through identifying target markets and target industries.
 - a. **Target Markets-** Target markets include the top 10 export markets for Michigan companies and those markets where MSF currently has international contractors or partner organizations with in-country staff that can assist with event planning. MSF's priority target export markets: Canada, Mexico, China, Germany, Brazil, UAE, and the United Kingdom. Justification for trade events in other markets may be considered based on the business case presented, which may include:
 - 1. Target industry sectors
 - 2. US and Michigan export sales
 - 3. Low risk business climate
 - 4. GDP growth
 - 5. Free trade agreements
 - 6. Other compelling data

SECTION II PROPOSAL FORMAT

To be considered, each Bidder must submit a COMPLETE proposal in response to this RFP using the format specified. Bidder's proposal must be submitted in the format outlined below. There should be no attachments, enclosures, or exhibits other than those required in the RFP or considered by the Bidder to be essential to a complete understanding of the proposal. **The proposal is limited to 20 pages and double-spaced.** Each section of the proposal should be clearly identified with appropriate headings:

A) TECHNICAL PROPOSAL

1. Business Organization and History – State the full name, address, and phone and facsimile number of your organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, or corporation; if as a corporation, include the state in which it is incorporated. If appropriate, the proposal must state whether the organization is licensed to operate in the State of Michigan.
2. Statement of the Problem – State in succinct terms your understanding of the need(s) presented by this RFP.
3. Narrative – Include a narrative summary description of the proposed effort and of the services(s)/products(s) that will be delivered.
4. Technical Work Plans – Provide a detailed research outline and timelines for accomplishing the work.
5. Prior Experience – Describe the prior experience of your organization which you consider relevant to the successful accomplishment of the project defined in this RFP. Include sufficient detail to demonstrate the relevance of such experience. Proposals submitted should include, in this Section, descriptions of qualifying experience to include project descriptions, costs, and starting and completion dates of projects successfully completed; also include the name, address, and phone number of the responsible official of the client organization who may be contacted.

The MSF may evaluate the Bidder's prior performance with the MSF, and prior performance information may be a factor in the award decision.

6. Project Staffing – The Bidder must be able to staff a project team which possesses talent and expertise in the field of the requirements of this RFP. Identify a Project Manager and staff assigned by name and title. Include biographies, experience and any other appropriate information regarding the work team's qualification for this initiative. Indicate staff turnover rates. Show where the project team will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the successful completion of the work. Indicate the amount of dedicated management time for the Bidder's Project Manager and other key individuals. Do not include any financials for the contemplated work within the Technical Proposal. Resumes of qualifications should be supplied for proposed project personnel.

Please Note: The MSF further reserves the right to interview the key personnel assigned by the Contractor to this project and to recommend reassignment of personnel deemed unsatisfactory.

7. Subcontractors – List here all subcontractors that will be engaged to accomplish the project described in this RFP. Include firm name and address, contact person and complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities. Also, the information provided in response to A-5, above, should include detailed information about each potential subcontractor.
8. Bidder's Authorized Expediter – Include the name and telephone number of person(s) in your organization authorized to expedite any proposed contract with the MSF.
9. Additional Information and Comments – Include any other information that is believed to be pertinent, but not specifically asked for elsewhere.
10. Attachments - ****Note: Please do not include Attachments D-F in your Technical Proposal.**

B) PRICE PROPOSAL

Provide the cost/rate/price information for all firms/persons named in your Price Proposal to demonstrate the reasonableness of your Price Proposal. Attach a schedule of all expenses covering each of the services and activities identified in your proposal.

The MSF is exempt from federal excise tax, and state and local sales taxes. The Price Proposal should not include taxes.

THE PRICE PROPOSAL WHICH SHALL INCLUDE ATTACHMENTS D-F, MUST BE IDENTIFIED AND SENT SEPARATELY FROM THE TECHNICAL PORTION OF YOUR PROPOSAL ACCORDING TO THE INSTRUCTIONS OF THIS RFP. Separately sealed price proposals will remain sealed until the JEC has completed evaluation of the technical proposals.

Bidders Please Note: Rates quoted in response to this RFP are firm for the duration of the Contract; no price increase will be permitted.

C) PROPOSAL SUBMITTAL

Submit separately marked electronic versions of each of your Technical and Price proposals to the MSF via email to contractsandgrants@michigan.org not later than **3:00 p.m. on 6/27/2014**. The MSF has no obligation to consider any proposal that is not timely received. **Proposals will not be accepted via U.S. mail or any other delivery method.**

BIDDERS ARE RESPONSIBLE FOR ASSURING THAT THE FOLLOWING IDENTIFYING INFORMATION APPEARS IN THE SUBJECT LINE OF YOUR EMAIL: *"RFP-CASE-93806 Technical Proposal"* and *"RFP-CASE-93806 Price Proposal"* with Company Name, and *"message 1 of 3"* as appropriate if the bid consists of multiple emails.

**SECTION III
RFP PROCESS AND TERMS AND CONDITIONS**

A) PRE-BID MEETING/QUESTIONS

A pre-bid meeting will not be held. Questions from Bidders concerning the specifications in this RFP must be received via e-mail no later than **3:00 pm on 6/6/2014**. Questions must be submitted to:

Contracts and Grants
contractsandgrants@michigan.org

B) PROPOSALS

To be considered, Bidders must submit a complete response to this RFP, using the format provided in Section III of this RFP, by **3:00 p.m. on 6/27/2014**. No other distribution of proposals is to be made by the Bidder.

The Technical Proposal must be **signed physically or electronically** by an official of the Bidder authorized to bind the Bidder to its provisions. The proposal must include a statement as to the period during which it remains valid; this period must be at least ninety (90) days from **6/27/2014**. The rates quoted in the Price Proposal must remain firm for the period indicated in Section II.

C) ECONOMY OF PREPARATION

Each proposal should be prepared simply and economically, providing a straightforward, concise description of the Bidder's ability to meet the requirements of the RFP. Emphasis should be on completeness and clarity of content.

D) SELECTION CRITERIA

Responses to this RFP will be evaluated based upon a three-step selection process. The proposal must address the requirements described in Section II of this RFP.

The first step is an evaluation of which proposals satisfactorily meet the requirements of this RFP as stated in Section II.

1) Step I – Initial evaluation for compliance

a) *Proposal Content* – Contracts and Grants will screen the proposals for technical compliance to include but not limited to:

- Timely submission of the proposal
- Technical Proposal and Price Proposal clearly identified and sent separately
- Proposal signed physically or electronically by an official of the Bidder authorized to bind the Bidder to its provisions.
- Proposals satisfy the form and content requirements of this RFP.

2) Step II – Criteria for Satisfactory Technical Proposals

- a.) During the second step of the selection process, proposals will be considered by a Joint Evaluation Committee (“JEC”) comprised of individuals selected by the MSF. Only those proposals that satisfy the requirements described in this RFP, as determined in the sole discretion of the JEC, will be considered for evaluation in Step II. The JEC reserves the right to request additional information from any Bidder.
- b.) *Competence, Experience and Staffing Capacity* – The proposal should indicate the ability of the Bidder to meet the requirements of this RFP, especially the time constraints, quality, and recent projects similar to that described in this RFP. The proposal should indicate the competence of the personnel whom the Bidder intends to assign to the project, including education and experience, with particular reference to experience on projects similar to that described in this RFP and qualifications of Bidder’s Project Manager and the Project Manager’s dedicated management time, as well as that of other key personnel working on this project.

		Weight
1.	Bidder Information	5
2.	Understanding of RFP	20
3.	Statement of Work	30
4.	Prior Experience	30
5.	Track Record of Performance	35
6.	Track Record of Collaboration	40
7.	Pricing	20
8.	Staffing/Capacity	20
	TOTAL	200

- c.) During the JEC’s review, Bidders may be required to make oral presentations of their proposals to the JEC. These presentations provide an opportunity for the Bidders to clarify the proposals. The MSF will schedule these presentations, if required by the JEC.
- d.) Only those proposals receiving a score of **160 points or more** in the technical proposal evaluation will have their price evaluated to be considered for award.

1) Step III – Criteria for Satisfactory Price Proposal

- a.) Based on what is in the best interest of the MSF, the MSF will award the Contract considering value, quality, and the ability to meet the objectives of this RFP, of proposals that were approved as a result of this two-step evaluation process.
- b.) The MSF reserves the right to consider economic impact on the State when evaluating proposal pricing. This includes, but is not limited to: job creation, job retention, tax revenue implications, and other economic considerations.
- c.) The award recommendation will be made to the responsive and responsible Bidder who offers the best value to the MSF and the State of Michigan. Best value will be determined by the Bidder meeting the minimum point threshold and offering the *best proposal that meets the objectives of the RFP*.

- d.) The MSF reserves the right to award to another “best value” contractor in case the original Awardee does not accept the award.

E) BIDDERS COSTS

The MSF is not liable for any costs incurred by any Bidder prior to signing of the Contract by all parties.

F) TAXES

The MSF may refuse to award a contract to any Bidder who has failed to pay any applicable taxes or if the Bidder has an outstanding debt to the State or the MSF.

Except as otherwise disclosed in an exhibit to the Proposal, Bidder certifies that all applicable taxes are paid as of the date the Bidder’s Proposal was submitted to the MSF and the Bidder owes no outstanding debt to the State or the MSF.

G) CONFLICT OF INTEREST

The Bidder must disclose, in an exhibit to the proposal, any possible conflicts of interest that may result from the award of the Contract or the services provided under the Contract.

Except as otherwise disclosed in the proposal, the Bidder affirms that to the best of its knowledge there exists no actual or potential conflict between the Bidder, the Bidder’s project manager(s) or its family’s business or financial interests (“Interests”) and the services provided under the Contract. In the event of any change in either Interests or the services provided under the Contract, the Bidder will inform the MSF regarding possible conflicts of interest which may arise as a result of such change and agrees that all conflicts shall be resolved to the MSF’s satisfaction or the Bidder may be disqualified from consideration under this RFP. As used in this Section, “conflict of interest” shall include, but not be limited to, the following:

1. Giving or offering a gratuity, kickback, money, gift, or any thing of value to a MSF official, officer, or employee with the intent of receiving a contract from the MSF or favorable treatment under a contract;
2. Having or acquiring at any point during the RFP process or during the term of the Contract, any contractual, financial, business or other interest, direct or indirect, that would conflict in any manner or degree with Bidder’s performance of its duties and responsibilities to the MSF under the Contract or otherwise create the appearance of impropriety with respect to the award or performance of the Contract; or
3. Currently in possession of or accepting during the RFP process or the term of the Contract anything of value based on an understanding that the actions of the Bidder or its affiliates or Interests on behalf of the MSF will be influenced.

H) BREACH OF CONTRACT

Except as otherwise disclosed in an exhibit to Bidder’s proposal, Bidder is not in material default or breach of any contract or agreement that it may have with the State of Michigan or any of its

departments, commissions, boards or agencies, or any other public body in the State of Michigan. Further, Bidder represents and warrants that it has not been a party to any contract with the State or any public body that was terminated within the previous five (5) years because the Bidder failed to perform or otherwise breached an obligation of such contract.

I) DISCLOSURES

Except as otherwise disclosed in an exhibit to Bidder's proposal, there is no criminal litigation, convictions, investigations or proceedings involving the Bidder (and each subcontractor, if subcontractors will be used to provide the goods/services requested under this RFP) or any of the Bidder's officers or directors or any litigation or proceedings under the Sarbanes-Oxley Act. In addition, Bidders must disclose in the exhibit requested under this Section of the RFP any civil litigation, arbitration or proceeding to which the Bidder (or, to the extent Bidder is aware, any subcontractor) is a party and which involves: (1) disputes that might reasonably be expected to adversely affect the viability or financial stability of the Bidder (or subcontractor); or (2) a claim or written allegation of fraud or breach of contract against Bidder (or, to the extent Bidder is aware, subcontractor), by a governmental or public entity arising out of their business dealings with governmental or public entities. Details of any settlements which Bidder is prevented from disclosing under the terms of the settlement may be annotated as such. Bidders must also disclose any investigations by the Internal Revenue Service or any other federal or state taxing body or court.

J) FALSE INFORMATION

If the MSF determines that a Bidder purposefully or willfully submitted false information in response to this RFP, the Bidder will not be considered for an award and any resulting Contract that may have been executed may be terminated.

K) DISCLOSURE

All Bidders should be aware that proposals submitted to the MSF in response to this RFP may be subject to disclosure under the provisions of Public Act 442 of 1976, as amended, known as the Freedom of Information Act ("FOIA"). Accordingly, confidential information should be excluded from Bidders' proposals. Bidders, however, are encouraged to provide sufficient information to enable the MSF to determine the Bidder's qualifications and to understand or identify areas where confidential information exists and could be provided. The FOIA also provides for the complete disclosure of the Contract and any attachments or exhibits thereto.

L) PRICES HELD FIRM

LENGTH OF TIME PRICES ARE TO BE HELD FIRM: All rates quoted in Bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted. IN THE EVENT THAT PROPOSED CHANGES ARE NOT ACCEPTABLE TO THE MSF, THE CONTRACT SHALL BE TERMINATED AND THE MODIFIED CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING.

M) BEST AND FINAL OFFER

At any time during the evaluation process, the JEC may request a Best and Final Offer (BAFO) from any Bidder. This will be the final opportunity for a Bidder to provide a revised proposal. The

scope of the changes allowed in the BAFO will be published as part of the issuance of the BAFO request.

Bidders are cautioned to propose the best possible offer at the outset of the process, as there is no guarantee that any Bidder will be allowed an opportunity to engage in Pricing Negotiations or requested to submit a Best and Final Offer.

N) CLARIFICATION/CHANGES IN THE RFP

Changes made to the RFP as the result of responses made to qualifying questions or concerns will be posted on <http://www.michiganbusiness.org/2014-ren-host-rfp>. Applicants are encouraged to regularly check this site for changes or other information related to the RFP.

O) ELECTRONIC BID RECEIPT

ELECTRONIC VERSIONS OF EACH OF YOUR TECHNICAL AND PRICE PROPOSALS SENT SEPARATELY MUST BE RECEIVED AND TIME-STAMPED BY THE MSF TO contractsandgrants@michigan.org, ON OR BEFORE **3:00 p.m. on June 27, 2014**. Bidders are responsible for timely submission of their proposal. THE MSF HAS NO OBLIGATION TO CONSIDER ANY PROPOSAL THAT IS NOT RECEIVED BY THE APPOINTED TIME.

P) RESERVATION OF MSF DISCRETION

Notwithstanding any other statement in this RFP, the MSF reserves the right to:

- 1) reject any and all proposals;
- 2) waive any errors or irregularities in the bidding process or in any proposal;
- 3) rebid the project;
- 4) negotiate with any Bidder for a reduced price, or for an increased price to include any alternates that the Bidder may propose;
- 5) reduce the scope of the project, and rebid or negotiate with any Bidder regarding the revised project; or
- 6) defer or abandon the project.

The MSF's decision is final and not subject to appeal. Any attempt by an applicant, collaborating entity, or other party of interest to the project to influence the awards process, to appeal, and/or take any action, including, but not limited to, legal action, regarding the proposal or awards process in general may result in the applicant's disqualification and elimination from the award process.

Q) BID PROTEST PERIOD

If a Bidder wishes to initiate a protest of the award recommendation, the Bidder must submit a protest in writing by 5:00 p.m. within (10) ten calendar days from the date of the notice of award sent by the MSF. The written protest should include the RFP number, clearly state the facts believed to constitute an error in the award recommendation, and describe the desired remedy. Only the information provided within the protest period will be considered in arriving at a decision. The MSF is not required to take into consideration any material filed by any party after the protest deadline.

The MSF's CEO or designee will provide a written decision to the protesting party after investigating the matter or, if more information is needed, will schedule an informal meeting before issuing a decision. This decision is final.

To maintain the integrity of the procurement process and to ensure that procurements are received without undue delay, protests requesting a waiver of the following omissions and requirements cannot be granted:

1. Failure of a Bidder to properly complete sealed bid return envelope instructions;
2. Failure of a Bidder to submit the Bid by the due date and time;
3. Failure of a Bidder to provide samples, descriptive literature or other required documents by the date and time specified;
4. Failure of a Bidder to submit a protest within the time stipulated in the notice to award or as determined by the MSF.

In fairness to Bidders who meet specifications and to prevent delays in procurement, the MSF will not withdraw an award or re-evaluate bids when a protest maintains that the RFP specifications were faulty or that a bid exceeding specifications provided a better value than a lower bid meeting specifications.

R) JURISDICTION

In the event that there are conflicts concerning this RFP that proceed to court, jurisdiction will be in a Michigan court of law. Nothing in this RFP shall be construed to limit the rights and remedies of the MSF that are otherwise available.

S) ADDITIONAL CERTIFICATION

Pursuant to Public Act 517 of 2012, an Iran linked business is not eligible to submit a bid on a request for proposal, with a public entity.

Bidders must include the following certification in the technical proposal:

“Bidder certifies that it is not an Iran-linked business as defined in MCL 129.312.”

Failure to submit this certification will result in disqualification from consideration.

SECTION IV CONTRACTUAL TERMS AND CONDITIONS

A) CONTRACT TERMS AND CONDITIONS

- 1) The Contract – The proposal selected will be subject to the terms and conditions of the MSF's Professional Services Contract (the "Contract") upon execution of the Contract by the MSF and Bidder. The standard terms and conditions of the Contract are attached to this RFP as Attachment A.
- 2) Term of Work – It is estimated that the activities in the proposed Contract will cover the period 10/1/2014 through 9/30/2015.
- 3) Modification of Service – The MSF reserves the right to modify the requested services during the course of the Contract. Such modifications must be made in writing and may include the addition or deletion of tasks or any other modifications deemed necessary. Any changes in pricing proposed by the bidder resulting from the requested changes are subject to acceptance by the MSF. Changes may be increases or decreases.

In the event changes are not acceptable to the MSF, the Contract shall be subject to competitive bidding based upon the new specifications.

- 4) Subcontracting – The MSF reserves the right to approve any subcontractors for the Contract and to require the bidder, upon award of the Contract, to replace subcontractors that the MSF finds to be unacceptable.
- 5) Award of Contract – The MSF reserves the right to award all or any part of this RFP and, based on what is in the best interest of the MSF, the MSF will award the Contract considering price, value and quality of the bids.

B) CONTRACTOR RESPONSIBILITIES

The selected Bidder will be required to assume responsibility for all contractual activities offered in this RFP whether or not the Bidder performs them. Further, the MSF will consider the selected Bidder to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract.

C) ACCEPTANCE OF PROPOSAL CONTENT

If awarded a Contract, the contents of this RFP will become contractual obligations. The following constitute the complete and exclusive statement of the agreement between the parties as it relates to this transaction:

- 1) This RFP (including subsequent written clarification provided in response to questions raised by email) and any Addenda thereto; and
- 2) Final Executed Contract.

In the event of any discrepancies between the above documents, the final executed Contract shall control. Failure of the successful Bidder to accept these obligations may result in cancellation of the award.

D) PROJECT CONTROL AND REPORTS

1) Project Control

- a) The selected Bidder (the “Contractor”) will carry out this project under the direction and control of the Business Support Unit of the MSF.
- b) The MSF will appoint a Contract Manager for this project. Although there will be continuous liaison with the Contractor team, the Contract Manager will meet with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
- c) The Contractor will submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated which should be brought to the attention of the Contract Manager and notification of any significant deviation from previously agreed upon work plans.
- d) Within five (5) working days of the execution of the Contract, the Contractor will submit a work plan to the Contract Manager for final approval. This work plan must be in agreement with Section III-A of this RFP as proposed by the Bidder and accepted by the MSF for contract, and must include the following:
 - (i) The Contractor's project organizational structure.
 - (ii) The Contractor's staffing table with names and titles of personnel assigned to the project. This must be in agreement with staffing of the accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the MSF.
 - (iii) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
 - (iv) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

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Economic Development Collaboratives



REGIONS

- 1** Upper Peninsula region
Lake Superior Community Partnership
- 2** Northwest region
NWMCOG
- 3** Northeast region
NEMCOG
- 4** West Michigan region
The Right Place
- 5** East Central Michigan region
Saginaw Future
- 6** East Michigan region
Flint and Genesee Chamber of Commerce
- 7** South Central region
LEAP
- 8** Southwest region
Southwest Michigan First
- 9** Southeast Michigan region
Ann Arbor SPARK
- 10** Detroit Metro region
Detroit Economic Growth Corp Oakland County PCD
Maomb County PED Wayne County EDGE

These collaboratives begin with the alignment of service providers, creating teams to serve each region. Regional teams are comprised of representatives from the following:

- | | |
|--|--|
| MEDC Business Development Managers (BDMs) | Michigan Department of Transportation (MDOT) |
| MEDC Community Assistance Team (CATeam) | Michigan Manufacturing Technology Center (MMTC) |
| MEDC Development Finance Managers (DFMs) | Michigan Small Business Development Centers (SBDCs) |
| MEDC International Trade Managers (ITMs) | Michigan State Housing Development Authority (MSHDA) |
| Michigan Department of Agriculture and Rural Development (MDARD) | Procurement Technical Assistance Centers (PTACs) |
| Michigan Department of Environmental Quality (MDEQ) | Talent and workforce organizations |
| Michigan Department of Natural Resources (MDNR) | Other state and federal agencies |

2019-140106

For more information and details, please visit michiganbusiness.org/about-medc/partners.



PURE MICHIGAN

ATTACHMENT B
PROFESSIONAL SERVICES CONTRACT
TERMS AND CONDITIONS

MICHIGAN STRATEGIC FUND
PROFESSIONAL SERVICES CONTRACT WITH
CONTRACTOR

The Michigan Strategic Fund (the "MSF") enters into a binding agreement for professional services (the "Agreement") with CONTRACTOR (the "Contractor"). The MSF and Contractor shall sometimes be referred in this Agreement individually as a "Party" or collectively as "Parties".

Contractor: Name
 Address
 Address

Federal I.D. No: xx-xxxxxxx

I. NATURE OF SERVICES

[Contracts and Grants to fill in a description of the Nature of Services based upon the information in the NOI].

II. PERFORMANCE SCHEDULE

Starting Date: October 1, 2014

Ending Date: September 30, 2015

The term of this Agreement (the "Term") shall begin on the Starting Date and end on the Ending Date, unless terminated earlier, as permitted under Section V(J) of this Agreement.

III. COMPENSATION INFORMATION

- A) The MSF agrees to pay Contractor an amount not to exceed \$XX.XX during the Term. This amount includes all embedded expenses.
 - B) Payment under this Agreement shall be made by the MSF to Contractor upon receipt and approval by the Contract Manager of Contractor's billing statement stating that the work for which payment is requested has been appropriately performed.
 - C) All billing statements must reflect actual work done. The specific details of billing statements and payments will be agreed upon between the Contract Manager and the Contractor after the Agreement has been signed and accepted by both the Contractor and the MSF.
 - D) Public Act 533 of 2004 requires that payments under this Agreement be
-

processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Grant Payment Express website (www.cpexpress.state.mi.us).

- E) Changes in the budget will be allowed only upon prior review and written approval by the Contract Manager.
- F) Contractor's billing statement(s) may be subject to a final audit prior to the release of final payment.

IV. MSF CONTRACT MANAGER

The Michigan Economic Development Corporation (the "MEDC") provides administrative services to the MSF. Contractor should communicate with the following MEDC representative or designee regarding this Agreement:

[Name] (the "Contract Manager")
[Business Unit]
Michigan Economic Development Corporation
300 North Washington Square
Lansing, Michigan 48913

V. TERMS AND CONDITIONS

A) Contractor Duties

- 1) Contractor agrees to undertake, perform, and complete the services described in Exhibit A, which is incorporated herein by reference. In the event of any inconsistency between the provisions of Exhibit A and this Agreement, the provisions of this Agreement shall control.

B) Independent Contractor

Contractor will act as an independent contractor under this Agreement, and neither Contractor nor any employee or agent or contract personnel of Contractor is, or shall be deemed to be, an employee of the MSF due to this Agreement and the relationship between Contractor and MSF. In its capacity as an independent contractor, Contractor agrees to and represents the following:

- 1) Contractor will provide the services under this Agreement free from the direction or control of the MSF or the MEDC as to means, manners, and methods of performance;
- 2) Contractor has the right and does fully intend to perform services for third parties during the Term;
- 3) Contractor acknowledges that any work product developed by Contractor in

performance of this Agreement shall be the sole property of the MSF and the MSF shall have the right to copyright or otherwise protect its rights in and ownership of the work product;

- 4) The services required by this Agreement shall be performed by Contractor, or Contractor's employees or contract personnel, and the MSF or the MEDC shall not hire, supervise, or pay any assistants to help Contractor;
- 5) Neither Contractor nor Contractor's employees or contract personnel shall receive any training from the MSF or the MEDC in the professional skills necessary to perform the services required by this Agreement;
- 6) Neither Contractor nor Contractor's employees or contract personnel shall be required by the MSF or the MEDC to devote full time to the performance of the services required by this Agreement; and
- 7) Contractor does not receive the majority of its annual compensation from the MSF or the MEDC.

The Parties acknowledge and agree that the MSF is entering into this Agreement with reliance on the representations made by Contractor relative to its independent contractor status.

C) **Permits and Licenses**

Contractor declares that Contractor has complied with all federal, state and local laws requiring any business permits, certificates or licenses required to carry out the services to be performed under this Agreement, and Contractor will maintain those permits, certificates and/or licenses throughout the Term.

D) **Materials**

Contractor will furnish all materials, equipment and supplies used to provide the services required by this Agreement.

E) **State and Federal Taxes**

The MSF and the MEDC will not:

- 1) Withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf; or
- 2) Make state or federal unemployment compensation contributions on Contractor's behalf, or withhold state, federal or local income tax from Contractor's payments.

Contractor shall pay all taxes incurred while performing services under this Agreement, including, but not limited to all applicable income taxes. If requested by

the MSF or the MEDC, Contractor shall provide proof that such payments have been made.

F) **Fringe Benefits**

Contractor understands that neither Contractor nor Contractor's employees or contract personnel are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of the MSF or the MEDC.

G) **Workers' Compensation**

The MSF or the MEDC shall not obtain workers' compensation insurance on behalf of Contractor or Contractor's employees. If Contractor hires employees to perform any work under this Agreement, Contractor shall cover them with workers' compensation insurance and shall maintain such insurance during the Term. The MSF or the MEDC may, in its discretion, require Contractor to provide evidence of such coverage.

H) **Unemployment Compensation**

The MSF or the MEDC shall make no state or federal unemployment compensation payments on behalf of Contractor or Contractor's employees or personnel. Contractor will not be entitled to these benefits in connection with work performed under this Agreement. If Contractor files a petition for and receives unemployment compensation, the total amount of unemployment compensation awarded to and received by Contractor shall be deducted from and be an offset against the amount of compensation due and payable to Contractor by the MSF under this Agreement.

I) **Access to Records**

During the Term, and for seven (7) years after the Ending Date, Contractor shall maintain reasonable records, including evidence that the requested services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the MSF, the MEDC or their authorized representative at any time during this period.

J) **Termination**

Either Party may terminate its obligations under this Agreement by giving the other Party thirty (30) calendar days prior written notice of such termination.

The MSF may immediately terminate this Agreement upon written notice to Contractor if Contractor materially breaches its obligations under this Agreement or engages in any conduct which the MSF, in its sole discretion, determines has or could have an adverse impact on the State of Michigan's (the "State") or the MSF's reputation or interests. In addition, the MSF may immediately terminate this

Agreement upon written notice to Contractor, without further liability to the MSF or the State, its departments, agencies, and employees, if Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense relating to a State, public, or private contract or subcontract; or convicted of a criminal offense including, but not limited to, any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of the MSF, reflects on Contractor's business integrity.

Contractor acknowledges that MSF's performance of its payment obligation is dependent upon the continued approval of funding and/or the MSF's continued receipt of State funding. In the event that the State Legislature, the State Government or any State official, public body corporate, commission, authority, body or employees, including the MSF: (a) takes any action which fails to provide, terminates or reduces the funding that is related to the source of funding for this Agreement; or (b) takes any action that is unrelated to the source of funding for this Agreement, but affects the MSF's ability to perform obligations under this Agreement, the MSF may terminate this Agreement by providing thirty (30) calendar days notice prior to the effective date of cancellation. In the event, however, that the action of the State Legislature, the State of Michigan or MSF results in an immediate absence or termination of funding, this Agreement may be terminated effective immediately upon delivery of notice to the Contractor. In the event of immediate termination of funding, the MSF will make payment through the effective date of termination for any undisputed services rendered and expenses incurred.

The MSF shall have no obligation to Contractor for any fees or other payments incurred in connection with this Agreement after the effective date of termination. Upon termination, all work product prepared or produced by Contractor pursuant to this Agreement shall be immediately delivered to the MSF. Payment for any undisputed services rendered and expenses incurred through the effective date of termination will then promptly be made by the MSF.

K) MEDC and MSF Employees

Contractor will not hire any employee of the MEDC or MSF to perform any services covered by this Agreement without prior written approval from the Chief Executive Officer of the MEDC or President of the MSF.

L) Confidential Information

Except as required by law, Contractor shall not use or disclose, either before, during or after the Term, any proprietary or confidential information, including, but not limited to, applications, business bids, business plans, economic development analyses, computer programs, databases and all materials furnished to Contractor

by the MSF or the MEDC (collectively, "Confidential Information") without the prior written consent of the MSF or the MEDC, except to the extent necessary to perform services on the MSF or MEDC's behalf. Confidential Information does not include information obtained by Contractor from third party sources; that is already in the possession of, or is independently developed by, Contractor; that becomes publicly available other than through breach of this Paragraph; or, is released with the prior written consent of the governmental entity or entities that provided the Confidential Information to Contractor. Contractor acknowledges that all information provided by the MSF or the MEDC in connection with Contractor's duties under this Agreement shall be treated as Confidential Information unless otherwise stated in this subsection.

M) Conflict of Interest

Except as has been disclosed to the MSF or the MEDC, Contractor affirms that neither the Contractor, nor its Affiliates or their employees has, shall have, or shall acquire any contractual, financial business or other interest, direct or indirect, that would conflict in any manner with Contractor's performance of its obligations under this Agreement or otherwise create the appearance of impropriety with respect to this Agreement.

Contractor further affirms that neither Contractor nor any affiliates or their employees has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or its affiliates or either's employees on behalf of the MSF or the MEDC would be influenced. Contractor shall not attempt to influence any MEDC or MSF employee by the direct or indirect offer of anything of value. Contractor also affirms that neither Contractor, nor its Affiliates or their employees has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or its Affiliate, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the execution of this Agreement.

In the event of change in either the interests or services under this Agreement, Contractor will inform the MSF or the MEDC regarding possible conflicts of interest which may arise as a result of such change. Contractor agrees that conflicts of interest shall be resolved to the MSF's or the MEDC's satisfaction or the MSF may terminate this Agreement. As used in this Paragraph, "conflict of interest" shall include, but not be limited to, conflicts of interest that are defined under the laws of the State of Michigan.

N) Representations of Contractor

Contractor affirms to the best of its knowledge that it or its owners:

- 1) Do not have any criminal convictions.
- 2) Are not subjects of any pending criminal investigation.

- 3) Are not subjects of any past, present or pending investigations by the Internal Revenue Service or any other federal or state taxing body or court.
- 4) Are not subjects of any past, pending or present litigation regarding its conduct.
- 5) Are not in material default or breach of any contract or agreement that it may have with the State of Michigan, the MSF or any other public body. Contractor further represents and warrants that it has not been a party to any contract with the State, the MSF or other public body that was terminated within the previous five (5) years due to the Contractor's failure to perform or otherwise breached an obligation of such contract.

O) State of Michigan Competitors

Any information or knowledge Contractor gains during the course of this Agreement concerning the economic development efforts of the State of Michigan, the MSF, the MEDC or the business conditions or business community in Michigan shall not be disclosed to any public or private party, sovereign authority or foreign government, during the Term and for a period of two (2) years after the later of the Ending Date, the effective date of termination of this Agreement or so long as any information remains confidential pursuant to any contract, law, treaty, resolution or other enforceable promise.

P) Irreparable Injury

Contractor acknowledges that if it breaches any of its obligations under Paragraphs L and O above, it will cause damages of an irreparable and continuing nature to the MSF, for which money damages alone will not provide adequate relief. Therefore, in addition to all appropriate monetary damages, the MSF is entitled to obtain injunctive relief, including, but not limited to, a temporary restraining order to prohibit the Contractor's continuing breach. The MSF shall have the right to obtain such relief without having to post any bond or other surety.

Q) Indemnification and Contractor Liability Insurance

Contractor shall indemnify, defend, and hold harmless the MSF, its Board and its employees, and the MEDC, its Executive Committee, its Corporate Board of Directors, and its employees (the "Indemnified Parties") from any and all liability arising out of or in any way related to Contractor's performance under this Agreement, including any liability resulting from any acts of Contractor's employees or agents.

Contractor shall purchase and maintain such insurance to protect the Indemnified Parties from claims that might arise out of or as a result of Contractor's operations. Contractor will provide and maintain its own errors and omissions liability insurance for Contractor's indemnification obligation under this Agreement. The insurance shall be written for not less than One Million Dollars (\$1,000,000) of coverage, but

Contractor's indemnification obligation is not limited to this amount.

R) **Total Agreement**

This Agreement, together with Exhibit A, contains the entire agreement between the Parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Agreement shall be binding. This Agreement may not be changed except by written agreement signed by the Parties.

S) **Assignment/Transfer/Subcontracting**

Contractor shall not assign, transfer, convey, subcontract, or otherwise dispose of any duties or rights under this Agreement without the prior specific written consent of the MSF. Contractor agrees that any of Contractor's future successors or subcontractors will be bound by the provisions of this Agreement, unless the MSF otherwise agrees in a specific written consent. The MSF reserves the right to approve subcontractors for this Agreement and to require Contractor to replace subcontractors who are found to be unacceptable to the MSF or the MEDC.

T) **Non-Discrimination and Unfair Labor Practices**

In connection with this Agreement, Contractor shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101 *et seq.*, and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment with respect to his or her hire, tenure, terms, conditions, privileges of employment, or any matter directly or indirectly related to employment because of his or her race, religion, color, national origin, age, gender, height, weight, marital status, or physical or mental disability unrelated to the individual's ability to perform the duties of a particular job or position. Contractor further agrees that every subcontract entered into in connection with this Agreement will contain a provision requiring nondiscrimination in employment, as required in this Agreement, binding upon each subcontractor.

Pursuant to 1980 PA 278 (the "Act"), MCL 423.321 *et seq.*, the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled by the United States National Labor Relations Board. Contractor, in relation to this Agreement, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears on this register. Pursuant to section 4 of the Act, the MSF may void this Agreement if, after the Starting Date, the name of the Contractor as an employer or the name of the subcontractor, manufacturer or supplier of Contractor appears on the register.

A breach of this Paragraph constitutes a material breach of this Agreement.

U) **Jurisdiction**

The laws of the State of Michigan shall govern this Agreement. The Parties shall make a good faith effort to resolve any controversies that arise regarding this Agreement. If a controversy cannot be resolved, the Parties agree that any legal actions concerning this Agreement shall be brought in the Ingham County Circuit Court in Ingham County, Michigan, USA. By signing this Agreement, Contractor acknowledges that it is subject to the jurisdiction of this court and agrees to service by first class or express delivery wherever Contractor resides, in or outside of the United States.

V) **Compliance with Laws**

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the services under this Agreement.

W) **No Partnership or Agency Relationship**

This Agreement does not create a partnership relationship. Further, neither Contractor nor Contractor's employees or other representatives shall hold themselves out to third parties as an agent or representative of the State of Michigan, the MSF or the MEDC, nor shall they have any authority to take any action or enter into any agreement on behalf of the State of Michigan, the MSF or the MEDC.

X) **No Third Party Beneficiaries**

There are no expressed or implied third party beneficiaries to this Agreement.

Y) **Counterparts**

This Agreement may be executed in one or more counterparts and by facsimile, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

Z) **Reimbursement**

If this Agreement is terminated as a result of the misuse of funds as reasonably determined by the MSF, MSF shall have no further obligation to make any payments to Contractor. Furthermore, Contractor shall reimburse MSF for payments which were expended for purposes other than those described in this Agreement, as well as any funds which were previously disbursed under this Agreement but not yet expended by Contractor.

AA) Survival

The terms and conditions of sections III, V(B), V(E), V(F), V(G), V(H), V(I), V(L), V(O), V(P), V(Q), V(S), V(U), V(W), V(X) and V(Z) shall survive termination of this Agreement.

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The signatories below warrant that they are empowered to enter into this Agreement.

CONTRACTOR ACCEPTANCE:

CONTRACTOR

Dated: _____

Authorized Signer
Title

MSF ACCEPTANCE:

Michigan Strategic Fund

Dated: _____

Authorized Signer
Title



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EXHIBIT A CONTRACTOR DUTIES

1. Identify grantee export resources and integrate into export assistance continuum.
 2. Collaborate with regional partners to market regional export program.
 - Maintain link to MEDC website export page
 - Distribute export promotional materials to regional partners
 3. Collaborate with regional partners to develop and execute regional export program which may include:
 - Trade Missions
 - Trade Shows
 - Foreign buyer missions
 - US DOC/FCS services
 - Other export services
 4. Process SME requests for export and trade finance incentives.
 - Utilize standardized evaluation forms based on statewide criteria
 - Utilize SME grant contract as approved by MSF
 5. Provide a list of export training offerings to MEDC for publishing on its website.
 6. Collect and process SME export expense reimbursement requests.
 - Maintain audit records
 7. Submit quarterly performance report to MEDC based on Grantee activity, including but not limited to the metrics as listed on Exhibit A and Exhibit B.
 - FY2014 Pure Michigan Export Progress Report
 8. Submit quarterly report of MI-STEP incentive expenditures to MEDC.
 - FY2014 MI-STEP Incentives Financial Form
 - FY2014 MI-STEP Incentives Reimbursement - Advance Summary
 9. Integrate assessment of performance outcomes with appropriate course correction to meet Grantee goals and objectives.
 10. Comply with the Pure Michigan Export MI-STEP Program Support for SME's attached as Exhibit G.
-

EXHIBIT B MSF DUTIES

1. Coordinate identification of Grantee export resources and integration into export assistance continuum.
 2. Market statewide export program.
 - Maintain export page on MEDC website
 - Develop and distribute export promotional materials
 3. Coordinate and support execution of market entry strategies including:
 - Trade Missions
 - Trade Shows
 - Foreign buyer missions
 - US DOC/FCS services
 - Other export services
 4. Develop export incentives and trade finance tools to support exports.
 5. Coordinate SME intake and export referral process, execution of service delivery and measurement of outcomes based on standardized metrics.
 6. Facilitate requests by regional partners to conduct export trainings.
 7. Facilitate MI-STEP reimbursement process:
 - Process Grantee reimbursement requests to MSF
 - Facilitate Grantee reimbursements to SMEs
 8. Assure timely completion of quarterly client surveys.
 9. Assure timely completion of quarterly performance reports.
 10. Coordinate/manage export budget and expenditures.
 - Assure timely completion of quarterly reports
 11. Cultivate and maintain relationships with regional partners; facilitate regional discussion to determine course correction to meet Grantee Duties as listed on Exhibit C.
-

ATTACHMENT C
(Price Proposal Examples)

FY2015 PURE MICHIGAN EXPORT PROGRAM

BUDGET- EXAMPLE

Budget Categories	\$ Amount (USD)	Comments
Travel	\$19,750	Organize Mexico trade mission where demand for Michigan-made products, services and technologies are especially strong. Funds will cover: hotel, travel, ground transportation, interpreter, meals, business reception/briefing, and supplies for 12 companies and three staff members (2-Internal & 1-MSF)
Marketing Materials	\$1,000	Advertisements, marketing, and promotional material for Latin America Emerging Markets Seminar
Promotional Outreach Events	\$1,950	Venue, food/beverages, staff travel, and printed material for Latin America Emerging Markets Seminar
Total	\$22,700	

Instructions: For each deliverable, itemize anticipated costs and insert into the above line-item budget. Transfer these onto Attachment-B 'Quarterly Milestones and Disbursement Schedule.

FY2015 PURE MICHIGAN EXPORT PROGRAM

SCOPE OF WORK-EXAMPLE

Scope of Work (SOW) – is a concise summary of services or projects to be delivered by Contractor using MSF contract funds. Outline your SOW below:

Example: XYZ Economic Development Agency will execute the following activities to build regional export assistance capacity in our 18-county region using funds provided by MSF in the amount of **\$22,700**.

1) Conduct **Foreign Trade Mission to Mexico** focused on automotive technologies.

* Regional partner input prioritized this industry as the best export opportunity for economic impact in the region. Key stakeholders (name them) have network contacts in Queretaro who are committed to supporting this trade mission. Anticipated export sales over 12-24 months are \$10 million, supporting 50 high-paying technical/engineering jobs in the region.

- **Project Budget: \$61,750** (please see detailed budget below)
- **Requested MSF Funds: \$19,750**
- Date: May 1-7, 2015
- 8-15 Companies (minimum of 8)
- 1-2 Internal Staff (depending on the number of companies)
- 1 MSF Staff
 - Matchmaking Provided by Michigan Foreign Office or other MSF approved contractor if foreign office is not available
 - Five days minimum (including travel)
 - One day minimum per city with two to four meetings per day per company
 - Four days of matchmaking for each five days of travel

Trade Mission Budget - Mexico

Expenses	Budget Amount
Hotel (15 people x \$175 per night x 5 nights)	\$13,125
Air Travel (\$1,200 x 15 people)	\$18,000
Transportation to meetings (\$125 x 5 days x 15 people)	\$9,375
Interpreter (\$100 x 5 days x 15 people)	\$7,500
Meals (\$100 x 5 days x 15 people)	\$7,500
Business Reception/briefing	\$4,750
Supplies/Misc.	\$1,500
Total Expenses	\$61,750
Revenue (See Detail Below)	Budgeted
Participants 12 Companies @ \$3,500	\$42,000
MSF Funds	\$19,750
Total Revenue	\$61,750
Balance	\$0

*Based-off minimum of 8 to 15 companies & 3 staff (2-Internal & 1 –MSF) Participating

2) Conduct educational seminar focused on emerging markets in Latin America.

* Regional partner input prioritized these regions as the highest export opportunity for economic impact in the region. Local partners listed their top companies (name them) with interest in Latin America. Anticipated export sales over 12-24 months are \$25 million.

- **Project Budget: \$3,700**
- **Requested MSF Funds: \$2,950**
- June 15, 2015
- 30 Participants (minimum)
- \$25 Participation Fee (minimum)

Latin America Emerging Markets Seminar Budget

Item	Budget Amount
Program Development	\$1,000
Advertisements and Marketing/Promotional Materials	\$750
Venue/Room Fees	\$950
Food/Beverage Fees	\$500
Staff Travel	\$250
Printed Materials	\$250
Total Expenses	\$3,700
Revenue (See Detail Below)	Budgeted
Participants 30 participants @ \$25	\$750
MSF Funds	\$2,950
Total Revenue	\$3,700
Balance	\$0

Complete the Milestones & Disbursement Schedule below (Attachment B), listing each above-named deliverable and identifying quarterly milestones for each deliverable. Assign a budget for each quarter's anticipated expenses. This will guide your contract disbursement schedule.

FY2015 PURE MICHIGAN EXPORT PROGRAM

BUDGET for DELIVERABLES-EXAMPLE

Budget by Deliverables	\$ Amount (USD)	Comments
Deliverable-1: Mexico Trade Mission	\$19,750	Organize Mexico trade mission where demand for Michigan-made products, services and technologies are especially strong. Funds will cover: hotel, travel, ground transportation, interpreter, meals, business reception/briefing, and supplies for 12 companies and three staff members (2-Internal & 1-MSF)
Deliverable-2: Latin America Emerging Markets Seminar	\$2,950	Develop the Latin America Emerging Markets Seminar to educate and create awareness of market and industry diversification opportunities. Funds will cover: program development, advertisements/marketing/promotional material, venue, food/beverages, travel, and printed material.
Total	\$22,700	

FY2015 PURE MICHIGAN EXPORT PROGRAM
MILESTONES & DISBURSEMENT SCHEDULE- EXAMPLE

First Payment: **\$2,270** (10% advance) - to be issued within **30** business days of receipt of initial invoice

Period: October 1 – December 31, 2014

Deliverable 1: Mexico Trade Mission

Milestones:

- Contact MSF trade office to confirm mission dates, industry targets, and availability to host mission - *Evidence of Completion: emails attached to progress report*
- Conduct market research to identify value proposition for recruitment. - *Evidence of Completion: market research*

BUDGET \$ 0

Deliverable 2: Latin America Emerging Markets Seminar

Milestones: No activity this quarter.

BUDGET \$ 0

Second Payment: **\$0** - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 1 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1 deliverables.

Period: January 1 – March 31, 2015

Deliverable 1:

Milestones: Mexico Trade Mission

- Mission promotion via email blasts, events calendars, social media and partner outreach – *Evidence of Completion: copies of electronic promotion*
- Trade Mission Application Deadline - *Evidence of Completion: List of Registered Applicants*

BUDGET \$ 0

Deliverable 2: Latin America Emerging Markets Seminar

Milestones:

- Conduct research into Latin American markets with the highest export potential for Michigan companies – *Evidence of Completion: research findings attached*
- Venue search, identification, and payment of deposit – *Evidence of Completion: venue agreement*

- Identify market and industry experts to deliver content at seminar – *names and resumes of presenters*
- Develop promotional marketing materials– *copies of completed marketing material*
- Collaborate with regional partners to create awareness of seminar – *summary of collaboration*

BUDGET \$1,950

Third Payment: \$1,950 - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF’s satisfaction. Payment will be issued upon receipt of Qtr. 2 progress report and reconciliation of prior payments with Contractor’s YTD expenditure report related to Qtr. 1 and 2 deliverables.

Period: April 1 – June 30, 2015

Deliverable 1: Mexico Trade Mission

Milestones:

- Trade Mission Orientation - *Evidence of Completion: Agenda and list of attendees*
- Trade Mission to Mexico - *Evidence of Completion: activity report (list of participants, itineraries, meeting summaries, and any other relevant information)*
- Conduct follow-up with participants on mission results and monitor economic impact - *Evidence of Completion: Names of company contacts, dates of follow-up, and reported results.*

BUDGET \$19,750

Deliverable 2: Latin America Emerging Markets Seminar

Milestones:

- Conduct seminar - *Evidence of Completion: Provide a list of companies attending seminar (minimum of 30 required), receipts for food/venue fees for each event, event promotion (as appropriate), agenda, and results.*

BUDGET \$ 1,000

Fourth Payment: \$20,750 - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF’s satisfaction. Payment will be issued upon receipt of Qtr. 3 progress report and reconciliation of prior payments with Contractor’s YTD expenditure report related to Qtr. 1, 2 and 3 deliverables.

Period: July 1 – September 30, 2015

Deliverable 1: Mexico Trade Mission

Milestones: No activity this quarter.

BUDGET \$0

Deliverable 2: Latin America Emerging Markets Seminar

Milestones: No activity this quarter.

BUDGET \$0

10% HOLDBACK: \$0

Fifth Payment:

\$0 - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 4 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1, 2, 3 and 4 deliverables. Less 10% advance of \$2,270. 10% Holdback: \$____

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ATTACHMENT D

FY2015 PURE MICHIGAN EXPORT PROGRAM

BUDGET - TEMPLATE

Budget Categories	\$ Amount (USD)	Comments
Travel	\$	Outline scope of work for this deliverable
Marketing Materials	\$	Outline scope of work for this deliverable
Promotional Outreach Events	\$	Outline scope of work for this deliverable
Other	\$	Outline scope of work for this deliverable
Total		

Instructions: For each deliverable, itemize anticipated costs and insert into the above line-item budget. Transfer these onto Attachment-B 'Quarterly Milestones and Disbursement Schedule.

ATTACHMENT E

FY2015 PURE MICHIGAN EXPORT PROGRAM

BUDGET for DELIVERABLES- TEMPLATE

Budget by Deliverables	\$ Amount (USD)	Comments
Deliverable 1	\$	Outline scope of work for this deliverable
Deliverable 2	\$	Outline scope of work for this deliverable
Deliverable 3	\$	Outline scope of work for this deliverable
Deliverable 4	\$	Outline scope of work for this deliverable
Deliverable 5	\$	Outline scope of work for this deliverable
Total	\$	

ATTACHMENT F

FY2015 PURE MICHIGAN EXPORT PROGRAM

MILESTONES & DISBURSEMENT SCHEDULE- TEMPLATE

First Payment: ____ (10% advance) - to be issued within **30** business days of receipt of initial invoice

Period: October 1 – December 31, 2014

Deliverable 1:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Deliverable 2:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Second Payment: ____ - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 1 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1 deliverables.

Period: January 1 – March 31, 2015

Deliverable 1:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Deliverable 2:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Third Payment:

\$0 - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 2 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1 and 2 deliverables.

Period: April 1 – June 30, 2015

Deliverable 1:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Deliverable 2:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Fourth Payment:

\$____ - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 3 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1, 2 and 3 deliverables.

Period: July 1 – September 30, 2015

Deliverable 1:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Deliverable 2:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____
10% HOLDBACK: \$ ____

Fifth Payment:

\$ ____ - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 4 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1, 2, 3 and 4 deliverables. Less 10% advance of \$ ____.
10% Holdback: \$ ____

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ATTACHMENT G

**INDEPENDENT PRICE DETERMINATION AND
PRICES HELD FIRM CERTIFICATION**

INDEPENDENT PRICE DETERMINATION

By submission of a proposal, the Bidder certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

1. The prices in the proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such prices with any other Bidder or with any competitor; and
2. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to award directly or indirectly to any other Bidder or to any competitor; and
3. No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

Each person signing the proposal certifies that she/he:

- A) Is the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal and has not participated (and will not participate) in any action contrary to 1, 2, and 3 above; or
- B) Is not the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal but has been authorized, in writing, to act as agent for the persons responsible for such decision in certifying that such persons have not participated (and will not participate) in any action contrary to 1, 2, and 3 above.

A proposal will not be considered for award if this Attachment B has been altered so as to delete or modify 1 or 3, above. If 2, above, has been modified or deleted, the proposal will not be considered for award unless the Bidder provides, with this Attachment B, a signed statement which sets forth, in detail, the circumstances of the disclosure and the MSF determines that such disclosure was not made for the purpose of restricting competition.

PRICES HELD FIRM

LENGTH OF TIME PRICES ARE TO BE HELD FIRM: All rates quoted in bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted.

Signed _____

Date _____

REQUEST FOR PROPOSALS

Michigan Strategic Fund

Pure Michigan Export – Small Business Services

RFP-CASE-93807

DRAFT

REMINDER

Please check your proposal to make sure you have included all of the specifications in the Request for Proposals. In addition, please submit an electronic version of each of the following:

- Technical Proposal (Section II-A);
- Price Proposal (Section II-B) including Attachments D-F;
- Signed Independent Price Determination Certificate (Attachment G); and
- Conflicts of Interest Disclosure (if applicable) (Section II-G).

BIDDERS ARE RESPONSIBLE FOR ASSURING THAT THE FOLLOWING IDENTIFYING INFORMATION APPEARS IN THE SUBJECT LINE OF YOUR EMAIL: “RFP-CASE-93807 Technical Proposal” and RFP-CASE-93807 Price Proposal” with Company Name, and “message 1 of 3” as appropriate if the bid consists of multiple emails.

The MSF will not respond to telephone inquiries, or visitation by Bidders or their representatives. Bidder’s sole point of contact concerning the RFP is below and any communication outside of this process may result in disqualification.

Contracts and Grants
Michigan Strategic Fund
300 North Washington Square, 3rd Floor
Lansing, Michigan 48913
contractsandgrants@michigan.org

IMPORTANT DUE DATES

- **6/6/2014, at 3:00 p.m.:** Questions from potential Bidders are due via email to contractsandgrants@michigan.org. Please note: The Michigan Strategic Fund (“MSF”) will not respond to questions that are not received by the above date and time. In addition, questions that are phoned, faxed or sent through regular mail will not be accepted.
- **6/13/2014, by close of business:** Responses to all qualifying questions will be posted on the MSF’s website, www.michiganbusiness.org/2014-export-sbs-rfp.
- **6/27/2014, at 3:00 p.m.:** Electronic versions sent separately of each of your Technical and Price Proposals due to the MSF via email to contractsandgrants@michigan.org. **Proposals will not be accepted via U.S. mail or any other delivery method.**

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REQUEST FOR PROPOSAL
Pure Michigan Export – Small Business Services
RFP-CASE-93807

This Request for Proposals (“RFP”) is issued by the Michigan Strategic Fund (the “MSF”), Contracts and Grants Unit (“C&G”). The Michigan Economic Development Corporation (the “MEDC”) provides administrative services associated with the programs and activities of the Michigan Strategic Fund Act on behalf of the MSF. C&G is the sole point of contact with regard to all bidding and contractual matters relating to the services described in this RFP. C&G is the only office authorized to change, modify, amend, alter, clarify, etc. the specifications, terms and conditions of this RFP and any contract(s) awarded as a result of this RFP (the “Contract”). Contracts and Grants will remain the SOLE POINT OF CONTACT throughout the bidding process. ***The MSF will not respond to telephone inquiries, or visitation by Bidders or their representatives. Bidder’s sole point of contact concerning the RFP is below and any communication outside of this process may result in disqualification.***

Contracts and Grants
Michigan Strategic Fund
300 North Washington Square, 3rd Floor
Lansing, Michigan 48913
contractsandgrants@michigan.org

SECTION I
WORK STATEMENT

A) PURPOSE

MSF is seeking contractors to provide professional services to Michigan based companies in the areas of international trade and customized small to medium-sized business services. The total funds available to be distributed for these services is \$250,000.

B) BACKGROUND STATEMENT AND OBJECTIVES

Background:

The Pure Michigan Export program assists Michigan based companies to expand their customer base through a variety of international trade services that lead to international market expansion. The program focus is on small and medium-sized enterprises, which by the United States Small Business Association’s definition is less than 500 employees (manufacturers), but will also assist larger companies if the assistance will have a clear and identifiable economic impact. Through its strategic statewide network of export partners, the Pure Michigan Export program is able to assist companies located anywhere in Michigan to ensure they are connected with the resources to evaluate export opportunities, access existing export resources, and increase global competitiveness.

Objectives:

The Pure Michigan Export Program is designed to spur job creation by empowering Michigan based companies to export their products. The program has three primary objectives:

- Increase export sales by Michigan companies
- Increase number of new-to-export companies
- Increase entry into new markets by companies already exporting

C) QUALIFICATIONS

Minimum of two years providing international trade assistance.

Ability to collaborate with regional partners to develop, market, and execute regional export program, which may include: trade missions, trade shows, foreign buyer missions, United States Department of Commerce/Foreign Commercial Service (USDOC/FCS) services, trainings, events and other export services.

Ability to effectively measure outcomes based on standardized metrics and report them to MSF on a regular basis.

D) DELIVERABLES

Deliverables to be provided by the selected vendor(s) in one or more of the defined areas include:

Customized Services for Small to Medium-Sized Business

Services:

- Company assistance for efficient and effective completion of MI-STEP export activity incentive application.
- Customized International Search Engine Optimization (SEO) reports, which involve reviewing source code; identifying country specific search engine rankings; clicking on as many as 50 different pages; reviewing a matrix of 10 different cultural considerations.
- Export Diversification Plans, which includes the identification of international customer segments; value propositions; key international partners; risks and opportunities; sales vs. costs planning that focus on increasing export sales.

- Early stage “new to export” client trainings, which include reviewing of company financials, updating company’s business plan, and reviewing and updating company’s export strategic plan.
- Country and industry specific research reports, which assist Michigan companies to identify global markets and engage those markets with their products/services.
- Seminars for business persons in alignment with the National Association of Small Business International Trade Educators - Certified Global Business Professional (NASBITE-CGBP) credential, including: Global Business, Management, Global Marketing, Supply Chain Management, Trade Finance trainings. These trainings will take place at a location and time determined by MSF.
- Business incubator services focused on export development
- Other customized export services

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SECTION II PROPOSAL FORMAT

To be considered, each Bidder must submit a COMPLETE proposal in response to this RFP using the format specified. Bidder's proposal must be submitted in the format outlined below. There should be no attachments, enclosures, or exhibits other than those required in the RFP or considered by the Bidder to be essential to a complete understanding of the proposal. **The proposal is limited to 20 pages and double-spaced.** Each section of the proposal should be clearly identified with appropriate headings:

A) TECHNICAL PROPOSAL

1. Business Organization and History – State the full name, address, and phone and facsimile number of your organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, or corporation; if as a corporation, include the state in which it is incorporated. If appropriate, the proposal must state whether the organization is licensed to operate in the State of Michigan.
2. Statement of the Problem – State in succinct terms your understanding of the need(s) presented by this RFP.
3. Narrative – Include a narrative summary description of the proposed effort and of the services(s)/products(s) that will be delivered.
4. Technical Work Plans – Provide a detailed research outline and timelines for accomplishing the work.
5. Prior Experience – Describe the prior experience of your organization which you consider relevant to the successful accomplishment of the project defined in this RFP. Include sufficient detail to demonstrate the relevance of such experience. Proposals submitted should include, in this Section, descriptions of qualifying experience to include project descriptions, costs, and starting and completion dates of projects successfully completed; also include the name, address, and phone number of the responsible official of the client organization who may be contacted.

The MSF may evaluate the Bidder's prior performance with the MSF, and prior performance information may be a factor in the award decision.

6. Project Staffing – The Bidder must be able to staff a project team which possesses talent and expertise in the field of the requirements of this RFP. Identify a Project Manager and staff assigned by name and title. Include biographies, experience and any other appropriate information regarding the work team’s qualification for this initiative. Indicate staff turnover rates. Show where the project team will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the successful completion of the work. Indicate the amount of dedicated management time for the Bidder’s Project Manager and other key individuals. Resumes of qualifications should be supplied for proposed project personnel.

Do not include any financials for the contemplated work within the Technical Proposal.

Please Note: The MSF further reserves the right to interview the key personnel assigned by the Contractor to this project and to recommend reassignment of personnel deemed unsatisfactory.

7. Subcontractors – List here all subcontractors that will be engaged to accomplish the project described in this RFP. Include firm name and address, contact person and complete description of work to be subcontracted. Include descriptive information concerning subcontractor’s organization and abilities. Also, the information provided in response to A-5, above, should include detailed information about each potential subcontractor.
8. Bidder’s Authorized Expediter – Include the name and telephone number of person(s) in your organization authorized to expedite any proposed contract with the MSF.
9. Additional Information and Comments – Include any other information that is believed to be pertinent, but not specifically asked for elsewhere.
10. Please do not include Attachments D-F in your Technical Proposal.

B) PRICE PROPOSAL

Provide the cost/rate/price information for all firms/persons named in your Price Proposal to demonstrate the reasonableness of your Price Proposal. Attach a schedule of all expenses covering each of the services and activities identified in your proposal.

The MSF is exempt from federal excise tax, and state and local sales taxes. The Price Proposal should not include taxes.

THE PRICE PROPOSAL, INCLUDING ATTACHMENTS D-F, MUST BE IDENTIFIED AND SENT SEPARATELY FROM THE TECHNICAL PORTION OF YOUR PROPOSAL ACCORDING TO THE INSTRUCTIONS OF THIS RFP. Separately sealed price proposals will remain sealed until the JEC has completed evaluation of the technical proposals.

Bidders Please Note: Rates quoted in response to this RFP are firm for the duration of the Contract; no price increase will be permitted.

C) PROPOSAL SUBMITTAL

Submit separately marked electronic versions of each of your Technical and Price proposals to the MSF via email to contractsandgrants@michigan.org not later than **3:00 p.m. on 6/27/2014**. The MSF

has no obligation to consider any proposal that is not timely received. **Proposals will not be accepted via U.S. mail or any other delivery method.**

BIDDERS ARE RESPONSIBLE FOR ASSURING THAT THE FOLLOWING IDENTIFYING INFORMATION APPEARS IN THE SUBJECT LINE OF YOUR EMAIL: *“RFP-CASE-93807 Technical Proposal” and RFP-CASE-93807 Price Proposal* with Company Name, and *“message 1 of 3”* as appropriate if the bid consists of multiple emails.

DRAFT

**SECTION III
RFP PROCESS AND TERMS AND CONDITIONS**

B) PRE-BID MEETING/QUESTIONS

A pre-bid meeting will not be held. Questions from Bidders concerning the specifications in this RFP must be received via e-mail no later than **3:00 pm on 6/6/2014**. Questions must be submitted to:

Contracts and Grants
contractsandgrants@michigan.org

C) PROPOSALS

To be considered, Bidders must submit a complete response to this RFP, using the format provided in Section III of this RFP, by **3:00 p.m. on 6/27/2014**. No other distribution of proposals is to be made by the Bidder.

The Technical Proposal must be **signed physically or electronically** by an official of the Bidder authorized to bind the Bidder to its provisions. The proposal must include a statement as to the period during which it remains valid; this period must be at least ninety (90) days from 6/27/2014. The rates quoted in the Price Proposal must remain firm for the period indicated in Section II.

D) ECONOMY OF PREPARATION

Each proposal should be prepared simply and economically, providing a straightforward, concise description of the Bidder's ability to meet the requirements of the RFP. Emphasis should be on completeness and clarity of content.

E) SELECTION CRITERIA

Responses to this RFP will be evaluated based upon a three-step selection process. The proposal must address the requirements described in Section II of this RFP.

The first step is an evaluation of which proposals satisfactorily meet the requirements of this RFP as stated in Section II.

1) Step I – Initial evaluation for compliance

a) *Proposal Content* – Contracts and Grants will screen the proposals for technical compliance to include but not limited to:

- Timely submission of the proposal
- Technical Proposal and Price Proposal clearly identified and sent separately
- Proposal signed physically or electronically by an official of the Bidder authorized to bind the Bidder to its provisions.
- Proposals satisfy the form and content requirements of this RFP.

2) Step II – Criteria for Satisfactory Technical Proposals

- a.) During the second step of the selection process, proposals will be considered by a Joint Evaluation Committee (“JEC”) comprised of individuals selected by the MSF. Only those proposals that satisfy the requirements described in this RFP, as determined in the sole discretion of the JEC, will be considered for evaluation in Step II. The JEC reserves the right to request additional information from any Bidder.
- b.) *Competence, Experience and Staffing Capacity* – The proposal should indicate the ability of the Bidder to meet the requirements of this RFP, especially the time constraints, quality, and recent projects similar to that described in this RFP. The proposal should indicate the competence of the personnel whom the Bidder intends to assign to the project, including education and experience, with particular reference to experience on projects similar to that described in this RFP and qualifications of Bidder’s Project Manager and the Project Manager’s dedicated management time, as well as that of other key personnel working on this project.

		Weight
1.	Bidder Information	5
2.	Understanding of RFP	25
3.	Statement of Work	30
4.	Prior Experience	35
5.	Track Record of Performance	45
6.	Track Record of Collaboration	20
7.	Pricing	20
8.	Staffing/Capacity	20
	TOTAL	200

- c.) During the JEC’s review, Bidders may be required to make oral presentations of their proposals to the JEC. These presentations provide an opportunity for the Bidders to clarify the proposals. The MSF will schedule these presentations, if required by the JEC.
- d.) Only those proposals receiving a score of **160 points or more** in the technical proposal evaluation will have their price evaluated to be considered for award.

1) Step III – Criteria for Satisfactory Price Proposal

- a.) Based on what is in the best interest of the MSF, the MSF will award the Contract considering value, quality, and the ability to meet the objectives of this RFP, of proposals that were approved as a result of this two-step evaluation process.
- b.) The MSF reserves the right to consider economic impact on the State when evaluating proposal pricing. This includes, but is not limited to: job creation, job retention, tax revenue implications, and other economic considerations.
- c.) The award recommendation will be made to the responsive and responsible Bidder who offers the best value to the MSF and the State of Michigan. Best value will be determined by the Bidder meeting the minimum point threshold and offering the *best proposal that meets the objectives of the RFP*.

- d.) The MSF reserves the right to award to another “best value” contractor in case the original Awardee does not accept the award.

F) BIDDERS COSTS

The MSF is not liable for any costs incurred by any Bidder prior to signing of the Contract by all parties.

G) TAXES

The MSF may refuse to award a contract to any Bidder who has failed to pay any applicable taxes or if the Bidder has an outstanding debt to the State or the MSF.

Except as otherwise disclosed in an exhibit to the Proposal, Bidder certifies that all applicable taxes are paid as of the date the Bidder’s Proposal was submitted to the MSF and the Bidder owes no outstanding debt to the State or the MSF.

H) CONFLICT OF INTEREST

The Bidder must disclose, in an exhibit to the proposal, any possible conflicts of interest that may result from the award of the Contract or the services provided under the Contract.

Except as otherwise disclosed in the proposal, the Bidder affirms that to the best of its knowledge there exists no actual or potential conflict between the Bidder, the Bidder’s project manager(s) or its family’s business or financial interests (“Interests”) and the services provided under the Contract. In the event of any change in either Interests or the services provided under the Contract, the Bidder will inform the MSF regarding possible conflicts of interest which may arise as a result of such change and agrees that all conflicts shall be resolved to the MSF’s satisfaction or the Bidder may be disqualified from consideration under this RFP. As used in this Section, “conflict of interest” shall include, but not be limited to, the following:

1. Giving or offering a gratuity, kickback, money, gift, or anything of value to a MSF official, officer, or employee with the intent of receiving a contract from the MSF or favorable treatment under a contract;
2. Having or acquiring at any point during the RFP process or during the term of the Contract, any contractual, financial, business or other interest, direct or indirect, that would conflict in any manner or degree with Bidder’s performance of its duties and responsibilities to the MSF under the Contract or otherwise create the appearance of impropriety with respect to the award or performance of the Contract; or
3. Currently in possession of or accepting during the RFP process or the term of the Contract anything of value based on an understanding that the actions of the Bidder or its affiliates or Interests on behalf of the MSF will be influenced.

H) BREACH OF CONTRACT

Except as otherwise disclosed in an exhibit to Bidder’s proposal, Bidder is not in material default or breach of any contract or agreement that it may have with the State of Michigan or any of its

departments, commissions, boards or agencies, or any other public body in the State of Michigan. Further, Bidder represents and warrants that it has not been a party to any contract with the State or any public body that was terminated within the previous five (5) years because the Bidder failed to perform or otherwise breached an obligation of such contract.

I) DISCLOSURES

Except as otherwise disclosed in an exhibit to Bidder's proposal, there is no criminal litigation, convictions, investigations or proceedings involving the Bidder (and each subcontractor, if subcontractors will be used to provide the goods/services requested under this RFP) or any of the Bidder's officers or directors or any litigation or proceedings under the Sarbanes-Oxley Act. In addition, Bidders must disclose in the exhibit requested under this Section of the RFP any civil litigation, arbitration or proceeding to which the Bidder (or, to the extent Bidder is aware, any subcontractor) is a party and which involves: (1) disputes that might reasonably be expected to adversely affect the viability or financial stability of the Bidder (or subcontractor); or (2) a claim or written allegation of fraud or breach of contract against Bidder (or, to the extent Bidder is aware, subcontractor), by a governmental or public entity arising out of their business dealings with governmental or public entities. Details of any settlements which Bidder is prevented from disclosing under the terms of the settlement may be annotated as such. Bidders must also disclose any investigations by the Internal Revenue Service or any other federal or state taxing body or court.

J) FALSE INFORMATION

If the MSF determines that a Bidder purposefully or willfully submitted false information in response to this RFP, the Bidder will not be considered for an award and any resulting Contract that may have been executed may be terminated.

K) DISCLOSURE

All Bidders should be aware that proposals submitted to the MSF in response to this RFP may be subject to disclosure under the provisions of Public Act 442 of 1976, as amended, known as the Freedom of Information Act ("FOIA"). Accordingly, confidential information should be excluded from Bidders' proposals. Bidders, however, are encouraged to provide sufficient information to enable the MSF to determine the Bidder's qualifications and to understand or identify areas where confidential information exists and could be provided. The FOIA also provides for the complete disclosure of the Contract and any attachments or exhibits thereto.

L) PRICES HELD FIRM

LENGTH OF TIME PRICES ARE TO BE HELD FIRM: All rates quoted in Bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted. IN THE EVENT THAT PROPOSED CHANGES ARE NOT ACCEPTABLE TO THE MSF, THE CONTRACT SHALL BE TERMINATED AND THE MODIFIED CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING.

M) BEST AND FINAL OFFER

At any time during the evaluation process, the JEC may request a Best and Final Offer (BAFO) from any Bidder. This will be the final opportunity for a Bidder to provide a revised proposal. The

scope of the changes allowed in the BAFO will be published as part of the issuance of the BAFO request.

Bidders are cautioned to propose the best possible offer at the outset of the process, as there is no guarantee that any Bidder will be allowed an opportunity to engage in Pricing Negotiations or requested to submit a Best and Final Offer.

N) CLARIFICATION/CHANGES IN THE RFP

Changes made to the RFP as the result of responses made to qualifying questions or concerns will be posted on www.michiganbusiness.org/2014-export-sbs-rfp. Applicants are encouraged to regularly check this site for changes or other information related to the RFP.

O) ELECTRONIC BID RECEIPT

ELECTRONIC VERSIONS OF EACH OF YOUR TECHNICAL AND PRICE PROPOSALS SENT SEPARATELY MUST BE RECEIVED AND TIME-STAMPED BY THE MSF TO contractsandgrants@michigan.org, ON OR BEFORE **3:00 p.m. on June 27, 2014**. Bidders are responsible for timely submission of their proposal. THE MSF HAS NO OBLIGATION TO CONSIDER ANY PROPOSAL THAT IS NOT RECEIVED BY THE APPOINTED TIME.

P) RESERVATION OF MSF DISCRETION

Notwithstanding any other statement in this RFP, the MSF reserves the right to:

- 1) reject any and all proposals;
- 2) waive any errors or irregularities in the bidding process or in any proposal;
- 3) rebid the project;
- 4) negotiate with any Bidder for a reduced price, or for an increased price to include any alternates that the Bidder may propose;
- 5) reduce the scope of the project, and rebid or negotiate with any Bidder regarding the revised project; or
- 6) defer or abandon the project.

The MSF's decision is final and not subject to appeal. Any attempt by an applicant, collaborating entity, or other party of interest to the project to influence the awards process, to appeal, and/or take any action, including, but not limited to, legal action, regarding the proposal or awards process in general may result in the applicant's disqualification and elimination from the award process.

Q) BID PROTEST PERIOD

If a Bidder wishes to initiate a protest of the award recommendation, the Bidder must submit a protest in writing by 5:00 p.m. within (10) ten calendar days from the date of the notice of award sent by the MSF. The written protest should include the RFP number, clearly state the facts believed to constitute an error in the award recommendation, and describe the desired remedy. Only the information provided within the protest period will be considered in arriving at a decision. The MSF is not required to take into consideration any material filed by any party after the protest deadline.

The MSF's CEO or designee will provide a written decision to the protesting party after investigating the matter or, if more information is needed, will schedule an informal meeting before issuing a decision. This decision is final.

To maintain the integrity of the procurement process and to ensure that procurements are received without undue delay, protests requesting a waiver of the following omissions and requirements cannot be granted:

1. Failure of a Bidder to properly complete sealed bid return envelope instructions;
2. Failure of a Bidder to submit the Bid by the due date and time;
3. Failure of a Bidder to provide samples, descriptive literature or other required documents by the date and time specified;
4. Failure of a Bidder to submit a protest within the time stipulated in the notice to award or as determined by the MSF.

In fairness to Bidders who meet specifications and to prevent delays in procurement, the MSF will not withdraw an award or re-evaluate bids when a protest maintains that the RFP specifications were faulty or that a bid exceeding specifications provided a better value than a lower bid meeting specifications.

R) JURISDICTION

In the event that there are conflicts concerning this RFP that proceed to court, jurisdiction will be in a Michigan court of law. Nothing in this RFP shall be construed to limit the rights and remedies of the MSF that are otherwise available.

S) ADDITIONAL CERTIFICATION

Pursuant to Public Act 517 of 2012, an Iran linked business is not eligible to submit a bid on a request for proposal, with a public entity.

Bidders must include the following certification in the technical proposal:

“Bidder certifies that it is not an Iran-linked business as defined in MCL 129.312.”

Failure to submit this certification will result in disqualification from consideration.

SECTION IV CONTRACTUAL TERMS AND CONDITIONS

I) CONTRACT TERMS AND CONDITIONS

- 1) The Contract – The proposal selected will be subject to the terms and conditions of the MSF's Professional Services Contract (the "Contract") upon execution of the Contract by the MSF and Bidder. The standard terms and conditions of the Contract are attached to this RFP as Attachment A.
- 2) Term of Work – It is estimated that the activities in the proposed Contract will cover the period 10/1/2014 through 9/30/2015.
- 3) Modification of Service – The MSF reserves the right to modify the requested services during the course of the Contract. Such modifications must be made in writing and may include the addition or deletion of tasks or any other modifications deemed necessary. Any changes in pricing proposed by the bidder resulting from the requested changes are subject to acceptance by the MSF. Changes may be increases or decreases.

In the event changes are not acceptable to the MSF, the Contract shall be subject to competitive bidding based upon the new specifications.

- 4) Subcontracting – The MSF reserves the right to approve any subcontractors for the Contract and to require the bidder, upon award of the Contract, to replace subcontractors that the MSF finds to be unacceptable.
- 5) Award of Contract – The MSF reserves the right to award all or any part of this RFP and, based on what is in the best interest of the MSF, the MSF will award the Contract considering price, value and quality of the bids.

B) CONTRACTOR RESPONSIBILITIES

The selected Bidder will be required to assume responsibility for all contractual activities offered in this RFP whether or not the Bidder performs them. Further, the MSF will consider the selected Bidder to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract.

C) ACCEPTANCE OF PROPOSAL CONTENT

If awarded a Contract, the contents of this RFP will become contractual obligations. The following constitute the complete and exclusive statement of the agreement between the parties as it relates to this transaction:

- 1) This RFP (including subsequent written clarification provided in response to questions raised by email) and any Addenda thereto; and
- 2) Final Executed Contract.

In the event of any discrepancies between the above documents, the final executed Contract shall control. Failure of the successful Bidder to accept these obligations may result in cancellation of the award.

D) PROJECT CONTROL AND REPORTS

1) Project Control

- a) The selected Bidder (the “Contractor”) will carry out this project under the direction and control of the Business Support Unit of the MSF.
- b) The MSF will appoint a Contract Manager for this project. Although there will be continuous liaison with the Contractor team, the Contract Manager will meet with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
- c) The Contractor will submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated which should be brought to the attention of the Contract Manager and notification of any significant deviation from previously agreed upon work plans.
- d) Within five (5) working days of the execution of the Contract, the Contractor will submit a work plan to the Contract Manager for final approval. This work plan must be in agreement with Section III-A of this RFP as proposed by the Bidder and accepted by the MSF for contract, and must include the following:
 - (i) The Contractor's project organizational structure.
 - (ii) The Contractor's staffing table with names and titles of personnel assigned to the project. This must be in agreement with staffing of the accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the MSF.
 - (iii) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
 - (iv) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

(remainder of page intentionally left blank)

ATTACHMENT A
PROFESSIONAL SERVICES CONTRACT
TERMS AND CONDITIONS

MICHIGAN STRATEGIC FUND
PROFESSIONAL SERVICES CONTRACT WITH
CONTRACTOR

The Michigan Strategic Fund (the "MSF") enters into a binding agreement for professional services (the "Agreement") with CONTRACTOR (the "Contractor"). The MSF and Contractor shall sometimes be referred in this Agreement individually as a "Party" or collectively as "Parties".

Contractor: Name
 Address
 Address

Federal I.D. No: xx-xxxxxxx

I. NATURE OF SERVICES

[Contracts and Grants to fill in a description of the Nature of Services based upon the information in the NOI].

II. PERFORMANCE SCHEDULE

Starting Date: October 1, 2014

Ending Date: September 30, 2015

The term of this Agreement (the "Term") shall begin on the Starting Date and end on the Ending Date, unless terminated earlier, as permitted under Section V(J) of this Agreement.

III. COMPENSATION INFORMATION

- A) The MSF agrees to pay Contractor an amount not to exceed \$XX.XX during the Term. This amount includes all embedded expenses.
- B) Payment under this Agreement shall be made by the MSF to Contractor upon receipt and approval by the Contract Manager of Contractor's billing statement stating that the work for which payment is requested has been appropriately performed.
- C) All billing statements must reflect actual work done. The specific details of billing statements and payments will be agreed upon between the Contract Manager and the Contractor after the Agreement has been signed and accepted by both the Contractor and the MSF.

D) Public Act 533 of 2004 requires that payments under this Agreement be

processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Grant Payment Express website (www.cpexpress.state.mi.us).

- E) Changes in the budget will be allowed only upon prior review and written approval by the Contract Manager.
- F) Contractor's billing statement(s) may be subject to a final audit prior to the release of final payment.

IV. MSF CONTRACT MANAGER

The Michigan Economic Development Corporation (the "MEDC") provides administrative services to the MSF. Contractor should communicate with the following MEDC representative or designee regarding this Agreement:

[Name] (the "Contract Manager")
[Business Unit]
Michigan Economic Development Corporation
300 North Washington Square
Lansing, Michigan 48913

V. TERMS AND CONDITIONS

A) Contractor Duties

- 1) Contractor agrees to undertake, perform, and complete the services described in Exhibit A, which is incorporated herein by reference. In the event of any inconsistency between the provisions of Exhibit A and this Agreement, the provisions of this Agreement shall control.

B) Independent Contractor

Contractor will act as an independent contractor under this Agreement, and neither Contractor nor any employee or agent or contract personnel of Contractor is, or shall be deemed to be, an employee of the MSF due to this Agreement and the relationship between Contractor and MSF. In its capacity as an independent contractor, Contractor agrees to and represents the following:

- 1) Contractor will provide the services under this Agreement free from the direction or control of the MSF or the MEDC as to means, manners, and methods of performance;
- 2) Contractor has the right and does fully intend to perform services for third parties during the Term;
- 3) Contractor acknowledges that any work product developed by Contractor in

performance of this Agreement shall be the sole property of the MSF and the MSF shall have the right to copyright or otherwise protect its rights in and ownership of the work product;

- 4) The services required by this Agreement shall be performed by Contractor, or Contractor's employees or contract personnel, and the MSF or the MEDC shall not hire, supervise, or pay any assistants to help Contractor;
- 5) Neither Contractor nor Contractor's employees or contract personnel shall receive any training from the MSF or the MEDC in the professional skills necessary to perform the services required by this Agreement;
- 6) Neither Contractor nor Contractor's employees or contract personnel shall be required by the MSF or the MEDC to devote full time to the performance of the services required by this Agreement; and
- 7) Contractor does not receive the majority of its annual compensation from the MSF or the MEDC.

The Parties acknowledge and agree that the MSF is entering into this Agreement with reliance on the representations made by Contractor relative to its independent contractor status.

C) **Permits and Licenses**

Contractor declares that Contractor has complied with all federal, state and local laws requiring any business permits, certificates or licenses required to carry out the services to be performed under this Agreement, and Contractor will maintain those permits, certificates and/or licenses throughout the Term.

D) **Materials**

Contractor will furnish all materials, equipment and supplies used to provide the services required by this Agreement.

E) **State and Federal Taxes**

The MSF and the MEDC will not:

- 1) Withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf; or
- 2) Make state or federal unemployment compensation contributions on Contractor's behalf, or withhold state, federal or local income tax from Contractor's payments.

Contractor shall pay all taxes incurred while performing services under this Agreement, including, but not limited to all applicable income taxes. If requested by

the MSF or the MEDC, Contractor shall provide proof that such payments have been made.

F) **Fringe Benefits**

Contractor understands that neither Contractor nor Contractor's employees or contract personnel are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of the MSF or the MEDC.

G) **Workers' Compensation**

The MSF or the MEDC shall not obtain workers' compensation insurance on behalf of Contractor or Contractor's employees. If Contractor hires employees to perform any work under this Agreement, Contractor shall cover them with workers' compensation insurance and shall maintain such insurance during the Term. The MSF or the MEDC may, in its discretion, require Contractor to provide evidence of such coverage.

H) **Unemployment Compensation**

The MSF or the MEDC shall make no state or federal unemployment compensation payments on behalf of Contractor or Contractor's employees or personnel. Contractor will not be entitled to these benefits in connection with work performed under this Agreement. If Contractor files a petition for and receives unemployment compensation, the total amount of unemployment compensation awarded to and received by Contractor shall be deducted from and be an offset against the amount of compensation due and payable to Contractor by the MSF under this Agreement.

I) **Access to Records**

During the Term, and for seven (7) years after the Ending Date, Contractor shall maintain reasonable records, including evidence that the requested services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the MSF, the MEDC or their authorized representative at any time during this period.

J) **Termination**

Either Party may terminate its obligations under this Agreement by giving the other Party thirty (30) calendar days prior written notice of such termination.

The MSF may immediately terminate this Agreement upon written notice to Contractor if Contractor materially breaches its obligations under this Agreement or engages in any conduct which the MSF, in its sole discretion, determines has or could have an adverse impact on the State of Michigan's (the "State") or the MSF's reputation or interests. In addition, the MSF may immediately terminate this

Agreement upon written notice to Contractor, without further liability to the MSF or the State, its departments, agencies, and employees, if Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense relating to a State, public, or private contract or subcontract; or convicted of a criminal offense including, but not limited to, any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of the MSF, reflects on Contractor's business integrity.

Contractor acknowledges that MSF's performance of its payment obligation is dependent upon the continued approval of funding and/or the MSF's continued receipt of State funding. In the event that the State Legislature, the State Government or any State official, public body corporate, commission, authority, body or employees, including the MSF: (a) takes any action which fails to provide, terminates or reduces the funding that is related to the source of funding for this Agreement; or (b) takes any action that is unrelated to the source of funding for this Agreement, but affects the MSF's ability to perform obligations under this Agreement, the MSF may terminate this Agreement by providing thirty (30) calendar days notice prior to the effective date of cancellation. In the event, however, that the action of the State Legislature, the State of Michigan or MSF results in an immediate absence or termination of funding, this Agreement may be terminated effective immediately upon delivery of notice to the Contractor. In the event of immediate termination of funding, the MSF will make payment through the effective date of termination for any undisputed services rendered and expenses incurred.

The MSF shall have no obligation to Contractor for any fees or other payments incurred in connection with this Agreement after the effective date of termination. Upon termination, all work product prepared or produced by Contractor pursuant to this Agreement shall be immediately delivered to the MSF. Payment for any undisputed services rendered and expenses incurred through the effective date of termination will then promptly be made by the MSF.

K) MEDC and MSF Employees

Contractor will not hire any employee of the MEDC or MSF to perform any services covered by this Agreement without prior written approval from the Chief Executive Officer of the MEDC or President of the MSF.

L) Confidential Information

Except as required by law, Contractor shall not use or disclose, either before, during or after the Term, any proprietary or confidential information, including, but not limited to, applications, business bids, business plans, economic development analyses, computer programs, databases and all materials furnished to Contractor

by the MSF or the MEDC (collectively, "Confidential Information") without the prior written consent of the MSF or the MEDC, except to the extent necessary to perform services on the MSF or MEDC's behalf. Confidential Information does not include information obtained by Contractor from third party sources; that is already in the possession of, or is independently developed by, Contractor; that becomes publicly available other than through breach of this Paragraph; or, is released with the prior written consent of the governmental entity or entities that provided the Confidential Information to Contractor. Contractor acknowledges that all information provided by the MSF or the MEDC in connection with Contractor's duties under this Agreement shall be treated as Confidential Information unless otherwise stated in this subsection.

M) Conflict of Interest

Except as has been disclosed to the MSF or the MEDC, Contractor affirms that neither the Contractor, nor its Affiliates or their employees has, shall have, or shall acquire any contractual, financial business or other interest, direct or indirect, that would conflict in any manner with Contractor's performance of its obligations under this Agreement or otherwise create the appearance of impropriety with respect to this Agreement.

Contractor further affirms that neither Contractor nor any affiliates or their employees has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or its affiliates or either's employees on behalf of the MSF or the MEDC would be influenced. Contractor shall not attempt to influence any MEDC or MSF employee by the direct or indirect offer of anything of value. Contractor also affirms that neither Contractor, nor its Affiliates or their employees has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or its Affiliate, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the execution of this Agreement.

In the event of change in either the interests or services under this Agreement, Contractor will inform the MSF or the MEDC regarding possible conflicts of interest which may arise as a result of such change. Contractor agrees that conflicts of interest shall be resolved to the MSF's or the MEDC's satisfaction or the MSF may terminate this Agreement. As used in this Paragraph, "conflict of interest" shall include, but not be limited to, conflicts of interest that are defined under the laws of the State of Michigan.

N) Representations of Contractor

Contractor affirms to the best of its knowledge that it or its owners:

- 1) Do not have any criminal convictions.
- 2) Are not subjects of any pending criminal investigation.

- 3) Are not subjects of any past, present or pending investigations by the Internal Revenue Service or any other federal or state taxing body or court.
- 4) Are not subjects of any past, pending or present litigation regarding its conduct.
- 5) Are not in material default or breach of any contract or agreement that it may have with the State of Michigan, the MSF or any other public body. Contractor further represents and warrants that it has not been a party to any contract with the State, the MSF or other public body that was terminated within the previous five (5) years due to the Contractor's failure to perform or otherwise breached an obligation of such contract.

O) **State of Michigan Competitors**

Any information or knowledge Contractor gains during the course of this Agreement concerning the economic development efforts of the State of Michigan, the MSF, the MEDC or the business conditions or business community in Michigan shall not be disclosed to any public or private party, sovereign authority or foreign government, during the Term and for a period of two (2) years after the later of the Ending Date, the effective date of termination of this Agreement or so long as any information remains confidential pursuant to any contract, law, treaty, resolution or other enforceable promise.

P) **Irreparable Injury**

Contractor acknowledges that if it breaches any of its obligations under Paragraphs L and O above, it will cause damages of an irreparable and continuing nature to the MSF, for which money damages alone will not provide adequate relief. Therefore, in addition to all appropriate monetary damages, the MSF is entitled to obtain injunctive relief, including, but not limited to, a temporary restraining order to prohibit the Contractor's continuing breach. The MSF shall have the right to obtain such relief without having to post any bond or other surety.

Q) **Indemnification and Contractor Liability Insurance**

Contractor shall indemnify, defend, and hold harmless the MSF, its Board and its employees, and the MEDC, its Executive Committee, its Corporate Board of Directors, and its employees (the "Indemnified Parties") from any and all liability arising out of or in any way related to Contractor's performance under this Agreement, including any liability resulting from any acts of Contractor's employees or agents.

Contractor shall purchase and maintain such insurance to protect the Indemnified Parties from claims that might arise out of or as a result of Contractor's operations. Contractor will provide and maintain its own errors and omissions liability insurance for Contractor's indemnification obligation under this Agreement. The insurance shall be written for not less than One Million Dollars (\$1,000,000) of coverage, but

Contractor's indemnification obligation is not limited to this amount.

R) **Total Agreement**

This Agreement, together with Exhibit A, contains the entire agreement between the Parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Agreement shall be binding. This Agreement may not be changed except by written agreement signed by the Parties.

S) **Assignment/Transfer/Subcontracting**

Contractor shall not assign, transfer, convey, subcontract, or otherwise dispose of any duties or rights under this Agreement without the prior specific written consent of the MSF. Contractor agrees that any of Contractor's future successors or subcontractors will be bound by the provisions of this Agreement, unless the MSF otherwise agrees in a specific written consent. The MSF reserves the right to approve subcontractors for this Agreement and to require Contractor to replace subcontractors who are found to be unacceptable to the MSF or the MEDC.

T) **Non-Discrimination and Unfair Labor Practices**

In connection with this Agreement, Contractor shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101 *et seq.*, and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment with respect to his or her hire, tenure, terms, conditions, privileges of employment, or any matter directly or indirectly related to employment because of his or her race, religion, color, national origin, age, gender, height, weight, marital status, or physical or mental disability unrelated to the individual's ability to perform the duties of a particular job or position. Contractor further agrees that every subcontract entered into in connection with this Agreement will contain a provision requiring nondiscrimination in employment, as required in this Agreement, binding upon each subcontractor.

Pursuant to 1980 PA 278 (the "Act"), MCL 423.321 *et seq.*, the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled by the United States National Labor Relations Board. Contractor, in relation to this Agreement, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears on this register. Pursuant to section 4 of the Act, the MSF may void this Agreement if, after the Starting Date, the name of the Contractor as an employer or the name of the subcontractor, manufacturer or supplier of Contractor appears on the register.

A breach of this Paragraph constitutes a material breach of this Agreement.

U) Jurisdiction

The laws of the State of Michigan shall govern this Agreement. The Parties shall make a good faith effort to resolve any controversies that arise regarding this Agreement. If a controversy cannot be resolved, the Parties agree that any legal actions concerning this Agreement shall be brought in the Ingham County Circuit Court in Ingham County, Michigan, USA. By signing this Agreement, Contractor acknowledges that it is subject to the jurisdiction of this court and agrees to service by first class or express delivery wherever Contractor resides, in or outside of the United States.

V) Compliance with Laws

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the services under this Agreement.

W) No Partnership or Agency Relationship

This Agreement does not create a partnership relationship. Further, neither Contractor nor Contractor's employees or other representatives shall hold themselves out to third parties as an agent or representative of the State of Michigan, the MSF or the MEDC, nor shall they have any authority to take any action or enter into any agreement on behalf of the State of Michigan, the MSF or the MEDC.

X) No Third Party Beneficiaries

There are no expressed or implied third party beneficiaries to this Agreement.

Y) Counterparts

This Agreement may be executed in one or more counterparts and by facsimile, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

Z) Reimbursement

If this Agreement is terminated as a result of the misuse of funds as reasonably determined by the MSF, MSF shall have no further obligation to make any payments to Contractor. Furthermore, Contractor shall reimburse MSF for payments which were expended for purposes other than those described in this Agreement, as well as any funds which were previously disbursed under this Agreement but not yet expended by Contractor.

AA) Survival

The terms and conditions of sections III, V(B), V(E), V(F), V(G), V(H), V(I), V(L), V(O), V(P), V(Q), V(S), V(U), V(W), V(X) and V(Z) shall survive termination of this Agreement.

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The signatories below warrant that they are empowered to enter into this Agreement.

CONTRACTOR ACCEPTANCE:

CONTRACTOR

Dated: _____

Authorized Signer
Title

MSF ACCEPTANCE:

Michigan Strategic Fund

Dated: _____

Authorized Signer
Title



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EXHIBIT A

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**ATTACHMENT B
(Price Proposal Examples)**

FY2015 PURE MICHIGAN EXPORT PROGRAM

BUDGET- EXAMPLE

Budget Categories	\$ Amount (USD)	Comments
International Search Engine Optimization (SEO) Reports	\$45,000	Define strengths and areas of needed website improvement to improve international trade communication Twenty-Five (25) companies to receive an electronic report followed by an interpretation and recommendations.
Marketing Materials	\$1,000	Advertisements, marketing, and promotional material for Latin America Emerging Markets Seminar
Promotional Outreach Events	\$1,950	Venue, food/beverages, staff travel, and printed material for Latin America Emerging Markets Seminar
Total	\$47,950	

Instructions: For each deliverable, itemize anticipated costs and insert into the above line-item budget. Transfer these onto Attachment-B 'Quarterly Milestones and Disbursement Schedule.

FY2015 PURE MICHIGAN EXPORT PROGRAM

SCOPE OF WORK-EXAMPLE

Scope of Work (SOW) – is a concise summary of services or projects to be delivered by Contractor using MSF contract funds. Outline your SOW below:

Example: XYZ Economic Development Agency will execute the following activities to build regional export assistance capacity in our 18-county region using funds provided by MSF in the amount of **\$47,950**.

1) International Search Engine Optimization (SEO) Reports

Conduct international search engine optimization analysis and provide report to client. These reports take 9-15 hours to compile, analyze, and present to each company. The reports are done manually and involve reviewing source code; identifying country specific search engine rankings; clicking on as many as 60 different pages; reviewing a matrix of 10 different cultural considerations, etc.

- **Project Budget: \$45,000** (please see detailed budget below)
- **Requested MSF Funds: \$45,000**
- Twenty-Five **(25)** Companies Assisted (minimum)
 - Company to receive an electronic report followed by an interpretation and recommendations.
- Summary report and email sent to MSF upon completion of assessment

International Search Engine Optimization (SEO) Reports - Budget

Item	Budget Amount
Personnel	\$39,500
Advertisements and Marketing/Promotional Materials	\$1,000
Staff Travel	\$4,000
Printed Materials	\$500
Total Expenses	\$45,000
Revenue (See Detail Below)	Budgeted
MSF Funds	\$45,000
Total Revenue	\$45,000
Balance	\$0

2) Conduct educational seminar focused on emerging markets in Latin America.

* Regional partner input prioritized these regions as the highest export opportunity for economic impact in the region. Local partners listed their top companies (name them) with interest in Latin America. Anticipated export sales over 12-24 months are \$25 million.

- **Project Budget: \$3,700**
- **Requested MSF Funds: \$2,950**
- June 15, 2015
- 30 Participants (minimum)
- \$25 Participation Fee (minimum)

Latin America Emerging Markets Seminar Budget

Item	Budget Amount
Program Development	\$1,000
Advertisements and Marketing/Promotional Materials	\$750
Venue/Room Fees	\$950
Food/Beverage Fees	\$500
Staff Travel	\$250
Printed Materials	\$250
Total Expenses	\$3,700
Revenue (See Detail Below)	Budgeted
Participants 30 participants @ \$25	\$750
MSF Funds	\$2,950
Total Revenue	\$3,700
Balance	\$0

Complete the Milestones & Disbursement Schedule below (Attachment B), listing each above-named deliverable and identifying quarterly milestones for each deliverable. Assign a budget for each quarter's anticipated expenses. This will guide your contract disbursement schedule.

FY2015 PURE MICHIGAN EXPORT PROGRAM

BUDGET for DELIVERABLES-EXAMPLE

Budget by Deliverables	\$ Amount (USD)	Comments
Deliverable-1: International Search Engine Optimization (SEO) Reports	\$45,000	<p>Define strengths and areas of needed website improvement to improve international trade communication</p> <p>Twenty-Five (25) companies to receive an electronic report followed by an interpretation and recommendations.</p>
Deliverable-2: Latin America Emerging Markets Seminar	\$2,950	<p>Develop the Latin America Emerging Markets Seminar to educate and create awareness of market and industry diversification opportunities. Funds will cover: program development, advertisements/marketing/promotional material, venue, food/beverages, travel, and printed material.</p>
Total	\$47,950	

FY2015 PURE MICHIGAN EXPORT PROGRAM
MILESTONES & DISBURSEMENT SCHEDULE- EXAMPLE

First Payment: \$4,795 (10% advance) - to be issued within **30** business days of receipt of initial invoice

Period: October 1 – December 31, 2014

Deliverable 1: International Search Engine Optimization (SEO) Reports

Milestones:

- Complete **(5)** SEO Reports - *Provide summary reports to MSF*

• **BUDGET \$ 9,000**

Deliverable 2: Latin America Emerging Markets Seminar

Milestones: No activity this quarter.

BUDGET \$ 0

Second Payment: \$9,000 - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 1 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1 deliverables.

Period: January 1 – March 31, 2015

Deliverable 1:

Milestones: International Search Engine Optimization (SEO) Reports

- Complete **(7)** SEO Reports - *Provide summary reports to MSF*

BUDGET \$12,600

Deliverable 2: Latin America Emerging Markets Seminar

Milestones:

- Conduct research into Latin American markets with the highest export potential for Michigan companies – *Evidence of Completion: research findings attached*
- Venue search, identification, and payment of deposit – *Evidence of Completion: venue agreement*
- Identify market and industry experts to deliver content at seminar – *names and resumes of presenters*
- Develop promotional marketing materials– *copies of completed marketing material*
- Collaborate with regional partners to create awareness of seminar – *summary of collaboration*

BUDGET \$1,950

Third Payment: \$14,550 - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 2 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1 and 2 deliverables.

Period: April 1 – June 30, 2015

Deliverable 1: International Search Engine Optimization (SEO) Reports

Milestones:

- Complete **(8)** SEO Reports - *Provide summary reports to MSF*

BUDGET \$14,400

Deliverable 2: Latin America Emerging Markets Seminar

Milestones:

- Conduct seminar - *Evidence of Completion: Provide a list of companies attending seminar (minimum of 30 required), receipts for food/venue fees for each event, event promotion (as appropriate), agenda, and results.*

BUDGET \$ 1,000

Fourth Payment: \$15,400 - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 3 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1, 2 and 3 deliverables.

Period: July 1 – September 30, 2015

Deliverable 1: International Search Engine Optimization (SEO) Reports

Milestones:

- Complete **(5)** SEO Reports - *Provide summary reports to MSF*

BUDGET \$9,000

Deliverable 2: Latin America Emerging Markets Seminar

Milestones: No activity this quarter.

BUDGET \$0

10% HOLDBACK: \$0

Fifth Payment: \$9,000 - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 4 progress report and reconciliation of prior payments with Contractor's YTD

expenditure report related to Qtr. 1, 2, 3 and 4 deliverables. Less 10% advance of \$4,795. 10% Holdback: \$___

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ATTACHEMENT C

FY2015 PURE MICHIGAN EXPORT PROGRAM

BUDGET - TEMPLATE

Budget Categories	\$ Amount (USD)	Comments
Travel	\$	Outline scope of work for this deliverable
Marketing Materials	\$	Outline scope of work for this deliverable
Promotional Outreach Events	\$	Outline scope of work for this deliverable
Other	\$	Outline scope of work for this deliverable
Total		

Instructions: For each deliverable, itemize anticipated costs and insert into the above line-item budget. Transfer these onto Attachment-B 'Quarterly Milestones and Disbursement Schedule.

ATTACHMENT D

FY2015 PURE MICHIGAN EXPORT PROGRAM

BUDGET for DELIVERABLES- TEMPLATE

Budget by Deliverables	\$ Amount (USD)	Comments
Deliverable 1	\$	Outline scope of work for this deliverable
Deliverable 2	\$	Outline scope of work for this deliverable
Deliverable 3	\$	Outline scope of work for this deliverable
Deliverable 4	\$	Outline scope of work for this deliverable
Deliverable 5	\$	Outline scope of work for this deliverable
Total	\$	

ATTACHMENT E

FY2015 PURE MICHIGAN EXPORT PROGRAM

MILESTONES & DISBURSEMENT SCHEDULE- **TEMPLATE**

First Payment: ____ (10% advance) - to be issued within **30** business days of receipt of initial invoice

Period: October 1 – December 31, 2014

Deliverable 1:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Deliverable 2:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Second Payment: ____ - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 1 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1 deliverables.

Period: January 1 – March 31, 2015

Deliverable 1:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Deliverable 2:

Milestones:

- Name milestone – *cite evidence of completion*

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Third Payment: **\$0** - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 2 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1 and 2 deliverables.

Period: April 1 – June 30, 2015

Deliverable 1:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Deliverable 2:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Fourth Payment: \$____ - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 3 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1, 2 and 3 deliverables.

Period: July 1 – September 30, 2015

Deliverable 1:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____

Deliverable 2:

Milestones:

- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*
- Name milestone – *cite evidence of completion*

BUDGET \$ ____
10% HOLDBACK: \$ ____

Fifth Payment:

\$ ____ - Anticipated payment based upon all deliverables being met and all work shown to be completed to MSF's satisfaction. Payment will be issued upon receipt of Qtr. 4 progress report and reconciliation of prior payments with Contractor's YTD expenditure report related to Qtr. 1, 2, 3 and 4 deliverables. Less 10% advance of \$ ____.
10% Holdback: \$ ____

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ATTACHMENT F

**INDEPENDENT PRICE DETERMINATION AND
PRICES HELD FIRM CERTIFICATION**

INDEPENDENT PRICE DETERMINATION

By submission of a proposal, the Bidder certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

1. The prices in the proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such prices with any other Bidder or with any competitor; and
2. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to award directly or indirectly to any other Bidder or to any competitor; and
3. No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

Each person signing the proposal certifies that she/he:

- A) Is the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal and has not participated (and will not participate) in any action contrary to 1, 2, and 3 above; or
- B) Is not the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal but has been authorized, in writing, to act as agent for the persons responsible for such decision in certifying that such persons have not participated (and will not participate) in any action contrary to 1, 2, and 3 above.

A proposal will not be considered for award if this Attachment B has been altered so as to delete or modify 1 or 3, above. If 2, above, has been modified or deleted, the proposal will not be considered for award unless the Bidder provides, with this Attachment B, a signed statement which sets forth, in detail, the circumstances of the disclosure and the MSF determines that such disclosure was not made for the purpose of restricting competition.

PRICES HELD FIRM

LENGTH OF TIME PRICES ARE TO BE HELD FIRM: All rates quoted in bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted.

Signed _____

Date _____

Proposal Evaluation Form
Pure Michigan Export Program – Small Business Services - RFP

Name of Applicant: _____
 Name of Reviewer: _____

Criteria	Reviewer's Comments	Points
1. Stated the full name, address, phone and fax number of the organization and, if applicable the branch office or other subordinate element that would perform or assist in performing the work. If a corporation, included the state in which it is incorporated. If appropriate, stated whether the organization is licensed to operate in the State of Michigan.		Max Possible: 5 Score:
2. Stated, in succinct terms, understanding the need(s) presented by the RFP.		Max Possible: 25 Score:
3. Included a narrative summary and timelines of the proposed effort and of the service(s)/products that will be delivered.		Max Possible: 30 Score:
4. Described the prior experiences of the organization, which they considered relevant to the successful accomplishment of the project defined in the RFP. Included sufficient detail to demonstrate the relevance of such experience. Should include, in this section, descriptions of qualifying experience to include project descriptions, cost and starting and completion dates of projects successfully completed; also included the name address and phone number of the responsible official of the client organization who may be contacted.		Max Possible: 35 Score:
5. Described track record of performance in proposed services.		Max Possible: 45 Score:
6. Described track record of collaboration with partners in the proposed region – e.g. events, promotion of partnered organizations.		Max Possible: 20 Score:
7. Clearly outlined the value of service(s) for the price quoted.		Max Possible: 20 Score:
8. Identified a Project Manager and staff assigned by name and title. Included biographies, experience and any other appropriate information. Listed all subcontractors that will be engaged.		Max Possible: 20 Score:

Total Score: _____ /200

MICHIGAN STRATEGIC FUND

RESOLUTION 2014-

AUTHORIZATION OF REQUEST FOR PROPOSALS FOR PURE MICHIGAN EXPORT PROGRAM; APPROVAL OF THE JOINT EVALUATION COMMITTEE, THE SCORING AND EVALUATION CRITERIA AND THE MAKING OF RECOMMENDATIONS

WHEREAS, the Michigan Strategic Fund (“MSF”) desires to assist eligible Michigan based small businesses, increase the number of small businesses that are exporting, increase the value of exports for those small businesses that are currently exporting, and to expand their customer base through a variety of international trade services that lead to international market expansion (the “Pure Michigan Export Program”);

WHEREAS, under the Michigan Strategic Fund Act, MCL 125.2001 et seq. (“Act”), and in particular Section 88b of the Act, the MSF has the power to make grants, loans and investments, which includes business development and business marketing, creating or retaining jobs, and increasing capital investment activity;

WHEREAS, Section 88b(6) of the Act provides that the MSF Board may select all vendors for all expenditures and for program awards by issuing a request for proposal or an alternative competitive process as determined by the MSF Board;

WHEREAS, pursuant to Resolution 2013-165, the MSF approved the creation and operation of the Pure Michigan Export Program to increase the number of Michigan small businesses that are exporting, increase the value of exports for those small businesses that are currently exporting, and to expand their customer base by marketing to persons or entities outside of the State of Michigan;

WHEREAS, subject to the control and direction of the MSF Board pursuant to a Memorandum of Understanding approved by Resolution 2013-166, the Michigan Economic Development Corporation (“MEDC”) provides certain administrative services to the MSF for the Pure Michigan Export Program;

WHEREAS, to facilitate responsive evaluation, recommendations, and closings of awards to distribute Pure Michigan Export Program funds the MEDC recommends that a Request for Proposals (“RFP”) be issued for partner organizations that would serve as regional export network host organizations (“RENs”) for the MSF (“RENs RFP”);

WHEREAS, the MEDC recommends that a RFP be issued for an entity to provide customized export services to small and medium sized companies by offering Search Engine Optimization (SEO), Profitability Assessments, Export Milestone Mapping, Financial Fitness Assessments, and other small business services (“ Small Business Services RFP”);

WHEREAS, the MEDC recommends that a RFP be issued for an entity to provide export services to small and medium sized companies and a foreign presence and office (“International Trade Services RFP”);

WHEREAS, the MEDC recommends, and the MSF Board desires, to issue these three (3) RFP’s either separately or in combination;

WHEREAS, the MSF has reviewed the RFP forms, which establish a competitive proposal process for awarding grants and expenditures as provided above; and

WHEREAS, the MSF desires to initiate the competitive proposal process to award grants and expenditures for RENs, Small Business Services, and International Trade Services.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the RENs RFP, Small Business Services RFP, and International Trade Services RFP and authorizes their issuance; and

BE IT FURTHER RESOLVED, that the MSF authorizes the MSF Fund Manager to modify the RENs RFP, Small Business Services RFP, and/or International Trade Services RFP as may be necessary or appropriate, so long as the modifications are not material or adverse to the interests of the MSF.

Ayes:

Nays:

Recused:

Lansing, Michigan
May 27, 2014



MEMORANDUM

Date: May 27, 2014
To: Michigan Strategic Fund (“MSF”) Board Members
From: Deanna Richeson, Director
Subject: *Amendment to the Pure Michigan Export Program*

Request

This request is to amend the Pure Michigan Export Program to allow the MSF Fund Manager to make changes to the Pure Michigan Export Program, the MI-STEP Program, Eligibility and Application Guidelines, MI-STEP Program Grant Application and the Grant Template.

Background

The Pure Michigan Export Program assists Michigan based companies to expand their customer base through a variety of international trade services that lead to international market expansion. The program focus is on small and medium-sized enterprises, which by the United States Small Business Association’s definition is less than 500 employees, but will also assist larger companies if the assistance will have a clear and identifiable economic impact. Through its strategic statewide network of export partners, the Pure Michigan Export Program is able to assist companies located anywhere in Michigan and ensure they are connected with the resources to evaluate export opportunities, access existing export resources, and increase global competitiveness.

The incentive component of the Pure Michigan Export Program, MI-STEP Program, provides direct reimbursements to qualified small and medium-sized export (SME) companies to develop or expand export-related activities via cost reimbursement of 50 percent of allowable export-related activities to a maximum of \$12,000. These reimbursements are coordinated and processed by three Regional Export Network (REN) host organizations: Automation Alley, the Northwest Michigan Council of Governments, and Van Andel Global Trade Center. In addition to the REN hosts, MEDC also coordinates and processes reimbursements to SMEs.

The Pure Michigan Export Program operates pursuant to MSF adopted Eligibility and Application Guidelines and utilizes an MSF adopted Grant Template. As the Pure Michigan Export Program develops and evolves, it becomes necessary to make adjustments and modifications to the Pure Michigan Export Program, the MI-STEP Program, Eligibility and Application Guidelines, MI-STEP Program Grant Application and the Grant Template of an administrative and/or a non-material nature.

Recommendation

The MEDC Export staff recommends approval of an amendment to the Pure Michigan Export Program to allow the MSF Fund Manager to make changes to the Pure Michigan Export Program, the MI-STEP Program, Eligibility and Application Guidelines, MI-STEP Program Grant Application and the Grant

Template, and other changes that increase the operational efficiency and effectiveness of the Program which are administrative or not otherwise materially adverse to the MSF.

Specifically, the MEDC Export staff recommends approval of this amendment to allow the MSF Fund Manager to change Program Guideline B.4 of the MI-STEP Eligibility and Application Guidelines. Program Guideline B.4 currently states “Companies must submit a MI-STEP Program application to the REN host or ITM at least 30 days before the event/activity for which funding is sought” and we are seeking approval to change it to “Companies must submit a MI-STEP Program application to the REN host or ITM prior to the event/activity for which funding is sought.”

MICHIGAN STRATEGIC FUND

RESOLUTION 2014-

AMENDMENT OF PURE MICHIGAN EXPORT PROGRAM

WHEREAS, the Michigan Strategic Fund (“MSF”) desires to assist eligible Michigan based small businesses, increase the number of small businesses that are exporting, increase the value of exports for those small businesses that are currently exporting, and to expand their customer base through a variety of international trade services that lead to international market expansion (the “Pure Michigan Export Program”);

WHEREAS, on October 23, 2013, by Resolution 2013-165, the MSF supported the creation and operation of the MI-STEP Program by the adoption and approval of the Eligibility and Application Guidelines and a Grant Template for the MI-STEP Program;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for a variety of programs overseen by the MSF;

WHEREAS, during the course of operating and managing the MI-STEP Program the MEDC believes it is necessary that adjustments and modifications to the Pure Michigan Export Program, the MI-STEP Program, Eligibility and Application Guidelines, MI-STEP Program Grant Application and the Grant Template be made which are administrative or not otherwise materially adverse to the MSF;

WHEREAS, the MEDC recommends allowing the MSF Fund Manager to make changes to the Pure Michigan Export Program, the MI-STEP Program, Eligibility and Application Guidelines, MI-STEP Program Grant Application and the Grant Template which are administrative or not otherwise materially adverse to the MSF; and

WHEREAS, based on the recommendation of the MEDC, the MSF Board desires to approve and authorize the MSF Fund Manager to make changes to the Pure Michigan Export Program, the MI-STEP Program, Eligibility and Application Guidelines, MI-STEP Program Grant Application and the Grant Template which are administrative or not otherwise materially adverse to the MSF. Specifically, to allow the MSF Fund Manager to change Program Guideline B.4 of the MI-STEP Eligibility and Application Guidelines. to “Companies must submit a MI-STEP Program application to the REN host or ITM prior to the event/activity for which funding is sought.”

NOW, THEREFORE, BE IT RESOLVED, the MSF hereby approves and authorizes the MSF Fund Manager to make changes to the Pure Michigan Export Program, the MI-STEP Program, Eligibility and Application Guidelines, MI-STEP Program Grant Application and the Grant Template which are administrative or not otherwise materially adverse to the MSF. Specifically, to allow the MSF Fund Manager to change Program Guideline B.4 of the MI-STEP Eligibility and Application Guidelines. to “Companies must submit a MI-STEP Program application to the REN host or ITM prior to the event/activity for which funding is sought.”

Ayes:

Nays:

Recused:



MEMORANDUM

Date: May 27, 2014

To: Michigan Strategic Fund Board

From: Eric Hanna, Director, Capital Access Unit

Subject: *Re-Appointment of Doug Luciani, President and CEO of Traverse City Chamber of Commerce to the Board of Managers of Grow Michigan, LLC*

Request

On September 27, 2012 Doug Luciani was appointed by the Michigan Strategic Fund (“MSF”) as one of three appointees to the Board of Managers of Grow Michigan, LLC. (“GMI”) GMI is a public, private partnership which operates a mezzanine loan fund for small businesses. The fund is operated by a nine member Board of Managers comprised of the operational managers, three member bank investors and the MSF appointees.

To date, the fund has operated for approximately 18 months and has approved or closed 12 transactions totaling over \$17 million dollars. Those transactions have been reported to have created 274 jobs and to retain over 1,000 jobs. The loans are highly concentrated in the manufacturing space.

The fund has attracted capital investment from 14 separate commercial banks in Michigan and is moving toward its final fundraising close in August at \$60 million dollars. The MSF has subscribed to the fund for \$9.5 million dollars on below market terms.

Recommendation:

Staffs have attended most of the meetings of the Board of Managers and are highly supportive of the project and believe Mr. Luciani has been an important asset to the Board. We recommend pursuant to the previously approved structure for MSF appointments that Mr. Luciani be re-appointed for a 5 year term beginning retroactively on May 1, 2014 and that the MSF recognize him as appointed on a continuous basis between the date of his original appointment and May 1, 2014.

MICHIGAN STRATEGIC FUND

RESOLUTION 2014-

APPOINTMENT OF BOARD OF MANAGERS MEMBER TO GROW MICHIGAN, LLC

WHEREAS, Public Acts 215 and 225 of 2005 (collectively, the “Act”) established the 21st Century Jobs Trust Fund initiative;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Fund programs;

WHEREAS, pursuant to MCL.125.2088d(1) the MSF shall create and operate a loan enhancement program;

WHEREAS, on May 20, 2009, the MSF created the Michigan Supplier Diversification Fund (“MSDF”) as a loan enhancement program;

WHEREAS, on December 21, 2011, the MSF approved the creation and operation of a Develop Michigan – Capital Conduit Program under the MSDF (“CCP”);

WHEREAS, on December 21, 2011, the MSF (1) approved the creation and operation of the Operating Company Initiative (“OCI”) under the CCP and (2) adopted guidelines for the OCI (“OCI Guidelines”);

WHEREAS, on January 25, 2012, the MSF approved an award to Grow Michigan, LLC (“Grow Michigan Award”) under the OCI;

WHEREAS, pursuant to the OCI Guidelines and the terms of the OCI Award, the MSF Board has the right to appoint three members to the Grow Michigan board of managers;

WHEREAS, at its September 27, 2012 meeting, the MSF Board appointed Doug Luciani, President and CEO of the Traverse City Chamber of Commerce, for an initial term of one year to the Grow Michigan board of managers; and

WHEREAS, the MEDC recommends and the MSF Board wishes to reappoint Doug Luciani for an additional term of five years beginning on May 1, 2014 to the Grow Michigan board of managers and to further affirm that his appointment has been in continuous effect from its inception through May 1, 2014(the “Luciani Appointment”).

NOW, THEREFORE, BE IT RESOLVED, the MSF hereby approves the Luciani Appointment.

Ayes:

Nays:

Recused:

Lansing, Michigan
May 27, 2014



MEMORANDUM

Date: May 27, 2014
To: Michigan Strategic Fund Board
From: Amy Lux, Renaissance Zone Program Specialist
Subject: *Precision Design and Manufacturing, Inc.
Tool and Die Recovery Zone – Revocation*

Action

The Michigan Economic Development Corporation (“MEDC”) is recommending Precision Design and Manufacturing, Inc.’s (the “Company”) Tool and Die Recovery Zone be revoked by the Michigan Strategic Fund (“MSF”) Board. There are 7 years remaining on the Company’s 15-year Tool and Die Recovery Zone, designated on December 20, 2006 and currently set to expire on December 31, 2021.

Background

The Company was in the business of high-tech injection mold building and specialty fixture and component building at a facility in City of Hudsonville (the “City”), Ottawa County. Its operations were supported by a Tool and Die Recovery Zone designation with the Michigan Coast to Coast Tool & Die Collaborative (the “Collaborative”), awarded in 2006 by the MSF Board. The President of the Collaborative notified Staff at the MEDC that the Company was no longer a participating member of the Collaborative. Therefore, the Company is no longer qualified to receive the benefits of a Recovery Zone because the Company is not currently a party to a qualified collaborative agreement, as required by the Michigan Renaissance Zone Act.

Under the Act, the MSF Board has the authority to revoke the designation of a Recovery Zone for a qualified tool and die business if the qualified tool and die business fails or ceases to participate in or comply with a qualified collaborative agreement.

Recommendation

The MEDC Staff recommends the MSF Board revoke the Tool and Die Recovery Zone designation for Precision Design and Manufacturing, Inc.’s site in the City of Hudsonville. The revocation will be effective December 31, 2014 for property tax purposes and immediately for all other purposes.

MICHIGAN STRATEGIC FUND

**RESOLUTION
2014-**

**REVOCATION OF AN EXISTING TOOL & DIE RENAISSANCE
RECOVERY ZONE DESIGNATION: Precision Design and Manufacturing, Inc.**

WHEREAS, the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (“MSF”) Board to designate up to thirty-five (35) tool and die renaissance recovery zones (“Recovery Zone”) anywhere in the State of Michigan;

WHEREAS, on December 20, 2006, the MSF Board designated a Recovery Zone for the Michigan Coast to Coast Tool & Die Collaborative (the “Collaborative”), effective January 1, 2007;

WHEREAS, the Collaborative included Precision Design and Manufacturing, Inc. (the “Company”), whose Tool and Die Recovery Zone designation is located at 3620 Highland Drive, Hudsonville, Michigan (the “Property”);

WHEREAS, Section 8d(3) of the Act permits the MSF to revoke the designation of all or a portion of a recovery zone with respect to one or more qualified tool and die businesses if those qualified tool and die businesses fail or cease to participate in or comply with a qualified collaborative agreement;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the renaissance zone program;

WHEREAS, the MEDC received notification from the President of the Collaborative that the Company is no longer a participating member in the collaborative agreement;

WHEREAS, the MEDC considered and investigated the notification submitted by the Collaborative and recommends revocation of the Company’s Tool and Die Recovery Zone designation.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board revokes the Tool and Die Recovery Zone designation for Precision Design and Manufacturing, Inc. for the Property located at 3620 Highland Drive, Hudsonville, Michigan, effective on December 31, 2014 for property tax purposes and immediately for all other purposes; and

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF President or Fund Manager to take all action necessary to effectuate the terms of this Resolution.

Ayes:

Nays:

Recused:

Lansing, Michigan
May 27, 2014



MEMORANDUM

Date: May 27, 2014
To: Michigan Strategic Fund Board
From: Roselyn Zator, Managing Director, Entrepreneurial Services
Subject: *FY 2014 University Technology and Commercialization Program Recommendations*

Action

The MEDC requests that the MSF Board approve total funding of \$3,000,000 to the following university programs: \$1,375,000 for University of Michigan – Technology Transfer Talent Network, \$1,450,000 for University of Michigan – Michigan Corporation Relations Network and \$175,000 for PrecisEd for their 2014 University Technology and Commercialization Programs.

Background

Since 2011 the Michigan Strategic Fund (“MSF”) has provided funding to universities to encourage the State’s public universities to collaborate and identify the commercial potential in advanced technologies from individual institutions, facilitate the bundling of inventions into packages that could be of interest to the public sector, encourage business formation efforts and to increase the number of institution of higher education related start-up companies. The Michigan Economic Development Corporation (“MEDC”) provides administrative services for the university technology commercialization grants. The talent and corporate relations programs have supported collaboration of 7 universities as well as enhanced business engagement activities that support industry and university collaboration throughout the state of Michigan.

On March 25th, 2014 the MSF Board approved:

- 1) Allocation of \$3,000,000 from funds appropriated to the MSF for innovation and entrepreneurship to the 2014 University Technology and Commercialization Program to solicit proposals from organizations that have received prior MSF funding and require additional funding to support them in continuation of the programs.
- 2) 2014 University Technology and Commercialization Program RFP
- 3) Joint Evaluation Committee (JEC) to review the submissions to the RFP and,
- 4) Scoring and evaluation criteria for the review of the University Technology and Commercialization Program proposals.

Results

The MEDC received three proposals totaling \$3,676,035 in response to the RFP. The JEC reviewed the proposals and decided to fund all proposals, though decreased the amount of funding to reflect one year grants, as well as, removed a proposed program from the Technology Transfer Talent Program due to lack of committee support. Exhibit A lists all of the proposals received and their scores. A summary of the proposals follows:

- University of Michigan in collaboration with Michigan State University, Michigan Technological University, Wayne State University, Oakland University, Grand Valley State University and Western Michigan University (\$1,375,000 over 1 year to support continuation of the Technology Transfer Talent Program):** The universities will use these funds to continue programs that support technology commercialization within their technology transfer offices, including; Mentor in Residence, Fellows, Postdocs, Fellow Entrepreneurship Bootcamp and technology commercialization training programs that will support all universities within the state of Michigan. Prior to this award the awardee managed a similar MSF supported program beginning in 2011 in the amount of \$2,430,000 with which they were able to create 16 new companies, 26 new jobs, and leverage \$2,143,671 in additional funds. The companies created were able to obtain an additional \$2,549,715 in Federal grants, \$500,000 in Angel funds, \$7,550,000 in university investments producing 13 patents, 16 license agreements and 2 new products.
- University of Michigan in collaboration with Michigan State University, Michigan Technological University, Wayne State University, University of Michigan – Dearborn, University of Michigan – IRLEE (Institute for Research on Labor, Employment and the Economy), Western Michigan University and the University Research Corridor (\$1,450,000 over 1 year to support continuation of the Michigan Corporate Relations Network):** The universities will use these funds to continue programs that support university and industry engagement across the state of Michigan, including; university business engagement offices, Small Company Innovation and Technology & Commercialization Assistance, Small Company Internship Awards, Faculty Expertise Business Portal and the Library Resources for Small Companies. Prior to this award the awardee managed a similar MSF supported program beginning in 2011 in the amount of \$1,845,000 with which they were able to serve 117 small companies, create 111 jobs through internships, disburse \$545,722 funds to small companies supporting collaboration with universities, leverage \$1,111,735 in additional funds and create a database for use by industry that includes 7,837 research faculty, 318,118 publications, 60,515 awarded grants, 674 patents and 103 core facilities.
- PrecisEd (\$175,000 for 1 year to support the Michigan Translational Research and Commercialization Program):** PrecisEd will use this funding to administer and maintain the Coulter process within the MTRAC programs at the University of Michigan, Michigan State University and Michigan Technological University. PrecisEd will provide programmatic oversight for the MTRAC program to ensure adherence to the Coulter process for maximum success of the MTRAC program in which the MSF had previously supported in 2012 allocating \$6,000,000 for the program. The Coulter process for commercialization of university research has resulted in 9:1 return in investment made by the Coulter Foundation into 10 leading public and private research institutions such as University of Michigan, Stanford, Duke and Drexel. The subject matter expert who will be working with and coaching the individual program Oversight Committees, Commercialization Project Directors and Academic PI's is the former Coulter Program Director at Duke University where she leveraged a \$4.5M grant into \$92M of external follow-on funding and a \$20M endowment for the Department of Biomedical Engineering.

Recommendation

The MEDC requests that the MSF Board approve funding of \$1,375,000 for University of Michigan– Technology Transfer Talent Network, \$1,450,000 for University of Michigan– Michigan Corporation Relations Network and \$175,000 for PrecisEd for their 2014 University Technology and Commercialization Programs.

Exhibit A- Scores of Proposals (Sorted in Descending Order of Consensus Score)

Organization	Requested Amount	Score	Recommended Award
University of Michigan – Technology Transfer Talent Program	\$1,876,035	87	\$1,375,000
University of Michigan – Michigan Corporate Relations Network	\$1,450,000	83	\$1,450,000
PrecisEd	\$350,000	83	\$175,000
TOTAL	\$3,676,035		\$3,000,000

MICHIGAN STRATEGIC FUND

RESOLUTION

2014-

**APPROVAL OF UNIVERSITY TECHNOLOGY ACCELERATION AND
COMMERCIALIZATION PROGRAM AWARDS**

WHEREAS, Public Acts 215 and 225 of 2005 (“Act”) established the 21st Century Jobs Trust Fund initiative;

WHEREAS, pursuant to MCL 125.2088o, the MSF shall create and operate a technology transfer acceleration program;

WHEREAS, on March 25, 2014, the MSF Board issued a Request for Proposals (“RFP”) seeking proposals from non-profit organizations or Michigan institutions of higher education to accelerate the transfer of technology from universities to the private sector for commercialization of competitive edge technologies (the “University Technology Acceleration and Commercialization RFP” or “UTACP RFP”);

WHEREAS, the MSF Board also appointed a Joint Evaluation Committee (“JEC”) to review proposals received in response to the UTACP RFP and approved the scoring and evaluation criteria for use by the JEC

WHEREAS, three proposals were received in response to the UTACP RFP;

WHEREAS, the JEC has evaluated all proposals in accordance with the requirements of the RFP, including all statutory requirements, and the scoring and evaluation criteria adopted by the MSF Board on March 25, 2014;

WHEREAS, the JEC determined that all three proposals satisfied the requirements of the RFP, including all statutory requirements, and earned sufficient scores under the scoring and evaluation criteria adopted by the MSF Board; and

WHEREAS, the JEC recommends that the entities identified in Exhibit A to this resolution receive awards in the amounts listed (the “UTACP Awards”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the UTACP Awards;

BE IT FURTHER RESOLVED, that MSF Fund Manager or the MSF Chairperson, with only one required to act and in coordination with MEDC Staff, is authorized to the negotiate final terms and conditions of the UTACP Awards and to execute all documents necessary to effectuate the UTACP Awards; and

BE IT FURTHER RESOLVED, the MSF Board may, at its sole discretion, extend the grant periods of the UTACP Awards for up to an additional three one year terms and may increase

the amount of the UTACP Awards, subject to available funds for so long as the UTACP Awards are active.

Ayes:

Nays:

Recused:

Lansing, Michigan

May 27, 2014

Exhibit A

Organization	Requested Amount	Score	Recommended Award
University of Michigan – Technology Transfer Talent Program	\$1,876,035	87	\$1,375,000
University of Michigan – Michigan Corporate Relations Network	\$1,450,000	83	\$1,450,000
PrecisEd	\$350,000	83	\$175,000
TOTAL	\$3,676,035		\$3,000,000

MEMORANDUM

Date: May 27, 2014

To: Michigan Strategic Fund (MSF) Board Members

From: Stacy Bowerman, Manager, Business Incentives
Larry Roggenbuck, Program Specialist, CDBG
Christine Whitz, Manager, Community Development Block Grant (CDBG) Program

Subject: *Community Development Block Grant Program
fairlife, LLC (the “Company”) Infrastructure Project
City of Coopersville (the “City”), County of Ottawa*

Request

The City of Coopersville is requesting \$2,400,000 in Community Development Block Grant (CDBG) funds for infrastructure improvements needed for the fairlife, LLC Infrastructure Project located in Ottawa County, Michigan. The City of Coopersville (the “City”) expects that this project could result in private investment of \$96,254,850 and the creation of 100 jobs.

Background

Fairlife, LLC (the “Company”), headquartered in Chicago, Illinois, is a health and wellness company that is based on the natural nutrition of dairy. The Company makes nutrient-rich milk products, including Core Power®, a high-protein muscle recovery drink. The Company is owned by Select Milk Producers and The Coca-Cola Company and has production facilities in Dexter, New Mexico and Fair Oaks, Indiana.

In 2013, the Company was awarded a \$900,000 MBDP performance based grant to offset the cost of constructing a new facility in the City to manufacture nutritionally enhanced liquid milk products at a newly constructed facility in the City. The project was expected to result in investment of \$127 million and the creation of 133 new jobs. Since approval, the Company completed construction of the facility and created 50 jobs.

The Company plans to construct two additional enhanced/nutritious milk product bottling lines in their new Coopersville facility. The new product lines will require the Company to invest \$15,598,815 in new building construction and existing building renovations as well as the acquisition of \$80,656,035 in new machinery and equipment and furniture and fixtures.

In order to support the Company’s increased volume of wastewater due to the expansion, the City must improve the wastewater collection/transmission system serving this site. If the City cannot address the Company’s increased wastewater needs, the Company would be unable to expand its operations in Michigan.

The City is requesting assistance for three dedicated public sanitary sewer infrastructure projects to support the Company’s growth. The infrastructure improvements include a new sanitary pump station and two force mains from the Company’s location to the City’s wastewater treatment plant. The proposed new dedicated sanitary sewer pump station and the two force mains will meet the wastewater discharge requirements of the Company as they continue to grow.

The CDBG Eligible Activities include the public sanitary sewer construction and the local match includes the engineering costs related to the construction of the public sanitary sewer projects.

Program Requirements

The project was evaluated utilizing the CDBG requirements. It has been determined that the project meets the following requirements to qualify as an eligible project under the CDBG program:

- **National Objective:**
This project qualifies for CBDG funding as the project activities are expected to result in the creation of 100 permanent full time equivalent positions over the next two years. The business has agreed that at least 51 of the 100 positions will be provided to low to moderate income persons. The project meets a national objective by providing benefit to at least 51 percent low and moderate income persons. The CDBG cost per job is \$24,000, with an average wage of \$17.60 per hour.
- **Eligible Activity:**
This project involves eligible activities identified in Section 105(a)(2) of Title I of the Housing and Community Development Act of 1974, as amended.

Screening Guidelines

The project was evaluated utilizing the CDBG guidelines. It has been determined that the project meets the following standards to qualify as an eligible project under the CDBG program:

- **Economic Impact:** The economic impact of this project was evaluated. It was determined that this project will result in significant private investment and job creation; will diversify the economic base of the local and state economies; is a redevelopment of a former automotive manufacturing operation; and will result in a positive return to Michigan.
- **Minimum Local Participation:** The City will make an anticipated contribution of \$384,000 which is fourteen percent (14%) of the total infrastructure costs. The funds will be provided by City's water/sewer fund.
- **Minimum Leverage Ratio:** The private leverage contribution, to be provided by the Company, is noted in Attachment A and equals \$96,254,850, which results in a leverage ratio of approximately 40:1 of the CDBG grant.
- **Financial Viability and Background Check:** The business receiving the benefit from this project has completed a background check with no concerns and has been determined to be financially viable.
- **Project Budget:** See Attachment A.

The MEDC staff has concluded that the project meets the minimum program requirements and screening guidelines to be eligible under the CDBG program.

Recommendation

The MEDC Staff recommends:

- A CDBG Infrastructure grant agreement in the amount of \$2,400,000 be authorized for the City of Coopersville for the fairlife, LLC Infrastructure Project.

PROJECT BUDGET
MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

1. Applicant: City of Coopersville		MSC 213022-EDIG		2. Project Title: fairlife, LLC Infrastructure Project		
3. Project Cost Elements		4. Project Funding Sources: (Identify all other funding sources)				
Activities	CDBG	Local	Private			TOTAL
Sanitary Forcemain Construction	\$965,000	\$0	\$0			\$965,000
Sanitary Forcemain Engineering	\$0	\$148,000	\$0			\$148,000
Sanitary Pump Station Construction	\$677,000	\$0	\$0			\$677,000
Sanitary Pump Station Engineering	\$0	\$157,000	\$0			\$157,000
Water Force Main Construction	\$758,000	\$0	\$0			\$758,000
Water Force Main Engineering	\$0	\$79,000	\$0			\$79,000
New Building Construction	\$0	\$0	\$15,148,815			\$15,148,815
New Machinery, Furniture, & Fixtures	\$0	\$0	\$80,656,035			\$80,656,035
Building Renovations	\$0	\$0	\$450,000			\$450,000
TOTAL	\$2,400,000	\$384,000	\$96,254,850			\$99,038,850

MICHIGAN STRATEGIC FUND

RESOLUTION 2014- _____

APPROVAL OF CITY OF COOPERSVILLE FAIRLIFE, LLC INFRASTRUCTURE PROJECT

WHEREAS, Executive Order 1999-1, issued pursuant to Article V of the Michigan Constitution of 1963 and the laws of the State of Michigan, consolidated the State's economic development functions and programs and their accompanying powers in the Michigan Strategic Fund ("MSF");

WHEREAS, Executive Order 1999-1 transferred from the Michigan Jobs Commission to the MSF all authority, powers, duties, functions, grants, and responsibilities, including the functions of budgeting, procurement, personnel, and management related functions, of the Community Development Block Grant ("CDBG") program.

WHEREAS, the CDBG program has policies, criteria, and parameters which are enumerated in the 2013 Program Guidelines, as amended (the "Criteria") and the 2013 Application Guide (the "Guide"). The MSF by Resolution 2012-28 authorized and approved the Consolidated Plan and the Criteria, and by Resolution 2012-67 guidelines for grants;

WHEREAS, the City of Coopersville (the "Community") has submitted a complete application for approval requesting funding to be used to fund the fairlife, LLC Infrastructure Project (the "Project");

WHEREAS, the CDBG program staff reviewed the proposed Project in light of the Criteria, Guide and HUD regulations and concluded the Project is eligible for funding, is not speculative in nature, is economically sound, is ready to proceed, will create jobs and at least 51% of the newly created jobs will be held by persons of low and moderate income; and

WHEREAS, staff recommends that a grant agreement be authorized and entered into with the Community for funds from the CDBG program for the reasons set forth in this Resolution;

NOW, THEREFORE, BE IT RESOLVED, that the MSF authorizes a grant to the Community not to exceed \$2,400,000 for the payment or reimbursement of costs associated with the Project. The MSF allocates \$2,400,000 from the Michigan CDBG program for the purpose of funding the Community's proposed Project contingent upon the MSF's continued receipt of CDBG funds and availability of adequate funds;

BE IT FURTHER RESOLVED, staff is directed to negotiate the terms of a grant agreement for the Project consistent with this Resolution. The Fund Manager or MSF President is authorized to execute, on behalf of the MSF, all documentation necessary to effectuate the proposed Project; and

BE IT FURTHER RESOLVED, if the Community fails to execute and return the grant agreement to staff within 120 days of the date this Resolution is adopted, this Resolution shall be of no further force and effect and shall be void.

Ayes:

Nayes:

Recused:

Lansing, Michigan
May 27, 2014



MEMORANDUM

Date: May 27, 2014

To: Michigan Strategic Fund (“MSF”) Board Members

From: Marcia Gebarowski, Senior Development Finance Manager

Subject: *Challenge Mfg. Company, LLC (“Company” or “Applicant”)*
Michigan Business Development Program Performance-based Grant Request

Request

This is request from the Applicant for a \$2,500,000 performance-based grant. This project involves the creation of 450 Qualified New Jobs, and a capital investment of up to \$50,000,000 in the City of Pontiac, Oakland County.

Background

The Applicant, founded in 1981, is leading Tier 1 manufacturer of engineered modular assemblies and metal formed products and for the automotive industry. The Applicant, headquartered in Walker, Michigan, operates four facilities in West Michigan with over 2,000 employees.

The Applicant has requested confidentiality on confidentiality on proprietary information supplied in their application materials. As a result of new contracts awarded to them, the Applicant needs to establish new assembly operations. The Applicant plans to construct a 400,000 square foot facility in the City of Pontiac (2100 S. Opdyke Road, Pontiac). The project site is a portion of the former General Motors Truck and Bus site, which ceased operations in 2009.

The project involves a commitment of the Michigan Business Development Program grant as well as a commitment of brownfield tax increment financing (TIF) reimbursement which will be brought before the MSF Board at a future date. The estimated value of MSF TIF capture is \$2.2 million. There is also a commitment of Community Ventures funds for eligible employees hired as a result of the project.

The Applicant was approved for a \$1 million BDP grant in March, 2013 to expand manufacturing operations in Holland, Ottawa County and Walker, Kent County. The Applicant proposed the creation of 180 Qualified New Jobs. To date, the Applicant has exceeded this hiring commitment two years ahead of the schedule identified in their agreement and have successfully created all required jobs.

The Applicant plans to construct a new automotive components assembly facility in the City of Pontiac, make investments and create jobs related to the manufacture of automotive components.

Considerations

- a) The Applicant is a “Qualified Business”, as defined in MCL 125.2088r(9)(b), that is located and operates in Michigan.
- b) The project will be located in the City of Pontiac. The city has offered a “staff, financial, or economic commitment to the project” in the form of brownfield tax increment financing (TIF)

Michigan Economic Development Corporation

reimbursement as well as the commitment of a PA 198 related to the project. The estimated length of the brownfield tax capture is 16 years to reimburse approximately \$5 million in eligible activities.

- c) The Applicant has demonstrated a need for the funding. The competing site for this assembly work is an existing building in Ontario, Canada. The Applicant would not have been required to invest in brownfield remediation and new construction costs had they chosen to locate in an existing building. The Applicant cited numerous job creation and job training incentives offered to the project from the Southwestern Ontario Development Fund including cash grant for job creation similar to Michigan's incentive.
- d) The Applicant plans to create 450 Qualified New Jobs above a statewide base employment level of 2,024.
- e) Pursuant to the program guidelines, the following was taken into consideration for the proposed project: The Applicant indicates that investment will begin in the summer of 2014, job creation is expected to commence in 2014, the project is located in a distressed community, the project involves the remediation and redevelopment of a brownfield site, and the project results in a positive ROI for Michigan.

Recommendation

MEDC Staff recommends (the following, collectively, "Recommendation"):

- a) Approval of the MBDP Proposal as outlined in the attached term sheet (collectively, "MBDP Proposal");
- b) Closing the MBDP Proposal, subject to available funding under the MBDP at the time of closing ("Available Funding"), satisfactory completion of due diligence, (collectively, "Due Diligence"), finalization of all MBDP transaction documents, and further subject to the following terms and conditions:
 - a. Commitment will remain valid for 120 days with approval for MSF Fund Manager to extend the commitment an additional 60 days;
 - b. MSF Fund Manager, in coordination with MEDC staff, can negotiate final milestone performance terms from that contained in the Term Sheet, and additional and other terms so long as the additional and other terms are not otherwise materially adverse to the MSF, to accommodate final signing of the Transaction Documents.



MICHIGAN STRATEGIC FUND

RESOLUTION 2014-

**APPROVAL OF A MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT TO
CHALLENGE MFG COMPANY, LLC**

WHEREAS, the Michigan legislature passed legislation establishing the 21st Century Jobs Trust Fund initiative that was signed into law;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Trust Fund programs;

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (“MBDP”) to provide grants, loans and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in Michigan;

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, (ii) adopted the guidelines for the MBDP (“Guidelines”), and (iii) approved the MSF Fund Manager to negotiate the final terms and conditions of the written agreements to be used to memorialize MBDP awards on the MSF’S behalf in accordance with the Guidelines (“Transaction Documents”);

WHEREAS, the Guidelines require that MBDP awards over \$1 million must be approved by the MSF Board;

WHEREAS, Challenge Mfg Company, LLC (“Company”) has requested a performance based MBDP grant of up to \$2.5 million (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

WHEREAS, the MEDC has recommended to the MSF Advisory Committee that the MSF approve the Company’s Grant Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents within 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 60 days (“MBDP Award Recommendation”);

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MBDP Award Recommendation.

BE IT FURTHER RESOLVED, the MSF Board approves the MSF Fund Manager, in coordination with MEDC staff, to negotiate final milestone performance terms from that contained in the Term Sheet, and additional and other terms so long as the additional and other terms are not otherwise materially adverse to the MSF, to accommodate final signing of the Transaction Documents.

Ayes:

Nays:

Recused:

Lansing, Michigan
May 27, 2014



MICHIGAN BUSINESS DEVELOPMENT PROGRAM Performance Based Grant - Term Sheet

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: 5/14/2014

1. **Company Name:** Challenge Mfg. Company, LLC. ("Company" or "Applicant")

2. **Company Address:** 3079 Three Mile Road NW
Walker, Michigan 49534

3. **Project Address ("Project"):** 2100 S. Opdyke Road
Pontiac, Michigan 48341

4. **MBDP Incentive Type:** Performance Based Grant

5. **Maximum Amount of MBDP Incentive:** Up to \$2,500,000 ("MBDP Incentive Award")

6. **Base Employment Level** 2,024 The number of jobs currently maintained in Michigan by the Company based on data submitted by the Company to the MEDC reflecting the Company's statewide employment level in Michigan prior to the proposed project. The Base Employment Level, including identification of the Company data used to establish this level, shall be included in the final MBDP Incentive Award agreement ("Agreement") between the MSF and the Company.

7. **Total Qualified New Job Creation:** 450 The minimum number of total Qualified New Jobs the **Company and Challenge Mfg. Holdings, Inc.** shall be required to create in the City of Pontiac, Oakland County (above the Base Employment Level), in addition to satisfying other milestones if applicable, to be minimally eligible to receive the full amount of the MBDP Incentive Award. Each Qualified New Job must be performed for consideration by a Michigan
(above Base Employment Level)

resident (whose Michigan income taxes are withheld as required), and each Qualified New Job must be in excess of the Base Employment Level. The final terms and conditions of the requirements for the minimum number of Qualified New Jobs that must be created, including provisions addressing disbursements of portions of the MBDP Incentive Award, shall be included in the final Agreement.

a. **Start Date for Measurement of Creation of Qualified New Jobs:** Date of Approval of MSF Award

8. **Company Investment:** \$50,000,000 in land costs, building new construction, machinery and equipment, furniture and fixtures, computers, other personal property, *or any combination thereof, for the Project.*

9. **Municipality supporting the Project:** City of Pontiac

a. **Municipality Support.** One of the conditions of execution of the final Agreement is the requirement that the municipality shall have committed to provide: resolution of concurrence related to a brownfield workplan or approval of a property tax abatement related to the Project. The final terms and conditions demonstrating this support shall be included in the final Agreement.

10. **Disbursement Milestones:** The final terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award shall be included in the final Agreement, including that before any disbursement is made to the Company, the Company must have maintained: (i) the Base Employment Level (exclusive of the number of Qualified New Jobs then created) and (ii) any Qualified New Jobs created for which disbursements by the MSF have been made, must otherwise be in compliance with all terms and conditions of the final Agreement, and further shall include that upon demonstrated creation of each Qualified New Job, the MSF will disburse \$5,556 per Qualified New Job (up to 450 Qualified New Jobs and not to exceed the total amount of \$2,500,000), provided that:

- i. By September 30, 2015, the Company demonstrates creation of at least 10 Qualified New Jobs and submits documentation verifying commitment of local support;
- ii. By September 30, 2016, the Company demonstrates creation of at least 150 Qualified New Jobs); and
- iii. By September 30, 2017, the Company creates at least 300 Qualified New Jobs .
- iv.

10. **Term of Agreement:** Execution of Agreement to September 30, 2019

11. **Repayment Provisions:**

Repayment provisions are required by law. The Repayment terms and conditions will be effective through the Term of the Agreement and shall be defined in the final Agreement. The final repayment provisions may require repayment of some or all of the disbursements made by the MSF, including if the Company

moves 25% or more of their employees out of Michigan, if the Company fails to maintain the Base Employment Level in Michigan, if the Company fails to maintain the Qualified New Jobs incented by this Award.

12. Reporting Requirements:

Periodic reporting will be required with this program. The detailed information needed from the Company will be included in the final Agreement, but will include Project reporting for such things as: amount of proposed incentive, amount of actual incentive received by Company; amount of proposed and actual investment made by Company for Project; the committed number of new jobs and the actual number of new jobs created as a result of the Project; the educational attainment of the employees hired; the number of new patents, copyrights, or trademarks applied for and issued to the Company; the number of licensing agreements by the Company and the number of such licensing agreements entered into by the Company with Michigan based firms; and any products commercialized by the Company.

13. Public Announcements:

The Company shall not make, or cause, any announcement of the proposed MBDP Incentive Award parameters outlined in this letter before the date of approval by the MSF of the MBDP Incentive Award, unless prior authorized and coordinated with the MEDC.

Any final MBDP Incentive Award is contingent upon several factors, including: (i) submission by the Company of a completed application and all other documentation required under the MBDP (ii) satisfactory municipality support (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Agreement containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by May 14, 2014, the MEDC may not be able to proceed with any recommendation to the MSF.

Acknowledged as received by:

Challenge Mfg. Company, LLC

Michigan Economic Development Corporation

By: *Boyd L. Van Broekel*

By: *Marcia Gebarowski*

Printed Name: Boyd L. Van Broekel

Printed Name: Marcia Gebarowski

Its: Vice President

Its: Dev't Finance Manager

Dated: 5/14/14

Dated: May 14, 2014



MEMORANDUM

To: Michigan Strategic Fund Board
From: Chris Cook, Business Capital Relationship Manager
Date: May 27, 2014
Subject: MBGF – Collateral Support Proposal
Kilbourn Produce, LLC/Kilbourn Farms, Inc./2246690 Ontario Inc. o/a Darpa Systems & Technology (and/or related borrower(s))

Request

Kilbourn Produce, LLC (“Kilbourn Produce”) is a new entity that was formed in order to operate a new twelve acre greenhouse facility in Marshall. Kilbourn Produce is a joint venture between two existing companies, Kilbourn Farms, Inc. (“Kilbourn Farms”) and 2246690 Ontario Inc. o/a Darpa Systems & Technology (“Darpa”). The project is anticipated to cost \$11,930,000. Fifth Third Bank (“Bank”) has proposed an \$8,650,000 construction note in order to provide financing for the project, with the remainder of the cost be contributed as equity from Kilbourn Farms and Darpa. In addition, the Bank is proposing a \$1,000,000 non-revolving working capital line of credit.

At its February 25, 2014 meeting, the MSF Board approved a request for collateral support totaling up to \$4,316,350 in order to address an anticipated collateral shortfall of the construction project. The Bank is now requesting an additional \$499,000 in collateral support for a proposed \$1,000,000 non-revolving working capital line. It was anticipated at the time that this project was previously presented to the MSF Board that the Bank may request support for the working capital line. Proceeds of the line would be used to pay start-up and operating costs of the Kilbourn Produce, including the purchase of seed inventory, until the first growing cycle can be completed and revenue begins to be generated. It is anticipated that the line will be fully drawn during the first year of operation of Kilbourn Produce, with repayment anticipated to begin during its second year. The Bank will require that the line be paid down to not more than \$750,000 outstanding by month 15 and to \$0 outstanding by maturity. The Bank has not yet closed the construction note, and is anticipating closing both proposed extensions of credit by the end of this month.

A. Bank Facility and MSF Support

Fifth Third Bank has proposed to provide the following credit facilities:

Draw to Term = Real Estate	\$8,650,000
Non-Revolving Line = Working Capital	\$1,000,000
Multi-Card Product	<u>\$100,000</u>
Total Loans Leveraged	\$9,750,000

In addition to the proposed financing, the borrowers for this project will be contributing \$3,280,000 in land and cash equity to the project. Given the above structure, the proposed MSF exposure is a maximum of:

Draw to Term = Real Estate	\$4,316,350
Non-Revolver Line = Working Capital	<u>\$499,000</u>
Total MSF Contribution	\$4,815,350

Under definitions provided by the US Department of Treasury related to the calculation of leverage, the reported leveraged lending as compared to MSF exposure is 2.71:1.

B. Confidentiality

As part of preparation for closing of the facility, there are numerous underwriting documents which contain financial and other proprietary information that are shared with Staff. The MSF Act, (pursuant to MCL 125.2005(9)) provides the MSF the authority to acknowledge such information as confidential information (“Designated Information”). The Bank and the company seek confidentiality protection from the MSF as described on the attached summary of Designated Information.

Background

The proposed financing will be used to construct a 547,469 sq. ft. hydroponic greenhouse, acquire equipment related to its operation, and provide access to working capital that will be available to pay for start-up and operational expenses. The greenhouse will produce sweet bell peppers utilizing a highly efficient hydroponic watering system which will deliver the precise amount of nutrients to each plant. Plant maintenance and harvesting will be conducted on integrated trolley systems which will provide optimum plant access and a highly efficient system for picking, packing, and shipping. There is a similar hydroponic greenhouse operation located in Coldwater that is being used for the production of tomatoes. Bell peppers require a similar growing environment to tomatoes. The growing environment and automated processes have been proven to significantly reduce the risk of product contamination or pest infestation, as well as shortening the time from picking to retail display.

Kilbourn Produce has an agreement in place in order to sell 100% of product produced to Mastronardi Produce LTD (“Mastronardi”) during Kilbourn Produce’s first year of operations. Mastronardi was willing to enter into a longer agreement, however Kilbourn Produce wanted the ability to negotiate pricing on a yearly basis. Given the demand for locally grown produce, Kilbourn Produce anticipates a strong potential market for its products should it not reach an agreement to renew with Mastronardi.

Employment

Kilbourn Produce anticipates adding 22 employees within 6 months of completion of construction. The average annual salary for employees of the company is anticipated to be \$24,500.

Financial Overview

Proforma income statements provided by Harvest Fresh anticipate gross revenue of \$3.82MM in its first year of operations with modest revenue growth in subsequent years. Resulting cash flow in the first year is anticipated to be \$1.87MM, again with modest increases anticipated in subsequent years. Based on the anticipated annual debt service for this project, the resulting proforma fixed charge coverage ratio would be 2.23:1 for the first year.

The majority of the revenue generated by Kilbourn Farms comes through its agreements for the oil and gas rights on its property. In 2013, revenue generated through this agreement totaled \$1.12MM. Net profit for 2013 was \$928M. Historically the majority of net profit generated by Kilbourn Farms is taken as distributions by its owners for discretionary income. For 2013, ownership distributions totaled \$829M. As a part of the proposed financing package, the Bank will be taking an assignment on the oil and gas rights of Kilbourn Farms. In 2013, Darpa recorded gross revenue of \$3.34MM and net profit of \$592M. A proforma global cash flow analysis, including the income statement projections and anticipated debt service obligation for Kilbourn Produce during its first year of operation and the 2013 financial performance and existing debt service obligations for Kilbourn Farms and Darpa, the resulting debt service coverage for the first year of operations is 2.69:1.

The portion of Kilbourn Produce to be owned by Darpa will be held by a US holding company, Michigan Greenhouse Corp. This entity will be providing a corporate guaranty for the proposed debt.

Source of Information

It is the role of Capital Services Team staff (“CST”) to review for eligibility, completeness, and adherence to industry standards and practices, the information provided by the financial institution and to manage the MSF’s structural risk. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from material submitted by the lending institution and from third party research sources such as Dunn and Bradstreets FirstResearch database.

Recommendation

MEDC Staff recommends (the following, collectively, “Recommendation”):

- a. Acknowledgment by the MSF that the Designated Information set forth on the attached summary is confidential;
- b. Approval of the MBGF-CSP proposal contained herein and:
- c. Subject to available funding under the SSBCI-MBGF-CSP at the time of closing (“Available Funding”), completion of due diligence, the results of which are satisfactory to the MEDC (collectively, “Due Diligence”), finalization of a MBGF-CSP Cash Collateral Deposit Agreement, and further subject to the following terms and conditions:

Facility 1 – Kilbourn Produce, LLC/Kilbourn Farms, Inc./2246690 Ontario Inc. o/a Darpa Systems & Technology (and/or related borrower(s))

Borrower: Kilbourn Produce, LLC/Kilbourn Farms, Inc./2246690 Ontario Inc. o/a Darpa Systems & Technology Inc. (and/or related borrower(s))

Lender: Fifth Third Bank

Loan Amount: Up to \$1,000,000

MSF Cash Collateral: Up to \$499,000

Loan Type: 18-month non-revolving working capital line

Fees: Tier II: 2.25% at Closing
1.00% annually thereafter based on the MSF Share Balance

Other

- Commitment will remain valid for 90 days with approval for MSF Fund Manager to extend the commitment an additional 30 days.
- Unlimited, unsecured personal guaranty of Nathan Kilbourn, Jacob Ketler, and Peter Ketler. Corporate guaranty of Michigan Greenhouse Corp. Guarantees are for the benefit of the MSF, subordinated to the senior lender and limited by senior lender's exposure at time of closing, but the subordination of the guarantees to the MSF in favor of the senior lender may not exceed a principal balance of \$9,750,000 along with reasonable interest and fees.
- The proposed financing will be subject to a minimum fixed charge coverage ratio covenant, as calculated by the Bank. Minimum fixed charge coverage ratio will be set at a level acceptable to Bank and CST.
- The proposed financing will be subject to a minimum tangible capital base covenant, as calculated by the Bank. Required working capital will be set at a level acceptable to Bank and CST.
- The proposed financing will be subject to a limitation on officer compensation. The amount of officer compensation to be allowed will be set at a level acceptable to Bank and CST.

SUMMARY OF DESIGNATED INFORMATION

MICHIGAN STRATEGIC FUND CONFIDENTIALITY LOG

SSBCI-MBGF-CSP

Per MSF Approval of the Staff Recommendation dated May 27, 2014

Name of Applicant	Summary of Designated Information
Kilbourn Produce, LLC/Kilbourn Farms, Inc./2246690 Ontario Inc. o/a Darpa Systems & Technology and any related borrowers and guarantors; and Fifth Third Bank (collectively, "Interested Parties to the Proposed Transaction")	Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.

MICHIGAN STRATEGIC FUND

RESOLUTION 2014-

**SSBCI MBGF-CSP
APPROVAL OF COLLATERAL SUPPORT AGREEMENT FOR
KILBOURN PRODUCE, LLC. AND RELATED BORROWERS**

WHEREAS, under the State Small Business Credit Initiative Act of 2010 (title III of the Small Business Jobs Act of 2010, Public Law 111-240, 124 Stat. 2568, 2582 (the “SSBCI”), the United States Congress appropriated funds to the United States Department of Treasury (“US Treasury”) to be allocated and disbursed to states that have applied for and created programs in accordance with the SSBCI to increase the amount of capital made available by private lenders to small businesses (“SSBCI Programs”);

WHEREAS, At its May 25, 2011 meeting, the MSF Board approved: (i) the creation of the Michigan Business Growth Fund (the “MBGF”), an SSBCI Program created by the MSF to disburse SSBCI funds in accordance with the SSBCI, and (ii) as part of the MBGF, the creation of a collateral support program designed to enhance the collateral position of commercial borrowers to promote advancement of credit facilities from lenders (the “MBGF-CSP”), and (iii) the guidelines for the MBGF-CSP (“MBGF-CSP Guidelines”) and MBGF-CSP Cash Collateral Deposit Agreement (“MBGF-CSP Agreement”), each to be utilized for the operation of the MBGF-CSP, and (iv) the MSF Fund Manager or Chairperson to negotiate and sign the terms and conditions of the MBGF-CSP Agreement as authorized by the MSF Board;

WHEREAS, On June 21, 2011, the US Department of Treasury approved the State of Michigan, through the MSF, to receive and disburse SSBCI funds within the SSBCI Programs created by the MSF;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the Michigan Strategic Fund (“MSF”) for SSBCI Programs, including the MBGF-CSP;

WHEREAS, Fifth Third Bank (“Bank”) has proposed new credit facilities to Kilbourn Produce, LLC/Kilbourn Farms, Inc./2246690 Ontario Inc. o/a Darpa Systems & Technology Inc. and/or related borrowers (the “Proposed Borrowers”) of \$1,000,000 for working capital;

WHEREAS, on February 25, 2014, the MSF Board previously approved collateral support from the MSF to the Proposed Borrowers under the MBGF-CSP in an amount not to exceed the lesser of (i) \$4,316,350 or (ii) up to 49.9% of a Bank loan in the amount of \$8,650,000 for equipment acquisition and construction purposes;

WHEREAS, Proposed Borrowers have now requested collateral support from the MSF under the MBGF-CSP in an amount not to exceed the lesser of: (i) \$499,000 or (ii) up to 49.9% of the total amount of the Bank loan (“MBGF-CSP Support”);

WHEREAS, the MEDC has reviewed the Bank’s current credit documents for the Proposed Borrowers, and recommends that the MSF Board approve the MBGF-CSP Support, subject to: (i) available funding, and final due diligence performed, to the satisfaction of the MEDC; and (ii) execution of the MBGF-CSP Agreement within 90 days of the date of this Resolution (“Time Period”), or the collateral support approvals under this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 30 days;

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the MBGF-CSP Support subject to: (i) available funding, and final due diligence performed, to the satisfaction of the MEDC; and (ii) execution of the MBGF-CSP Agreements within 90 days of the date of this Resolution (“Time Period”), or the loan participation support approvals under this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 30 days; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate all final terms and conditions and to execute the MBGF-CSP Agreement on behalf of the MSF, so long as the final terms and conditions are not materially adverse to the MSF.

Ayes:

Nays:

Recused:

Lansing, Michigan
May 27, 2014



MEMORANDUM

Date: May 27, 2014

To: Michigan Strategic Fund Board

From: Christopher Cook, Business Capital Relationship Manager

Subject: *Private Activity Bond – Bond Authorizing
Dominican Health Care Corporation d/b/a Lourdes Senior Community
Non-Profit - \$14,500,000 – New*

Request:

Dominican Health Care Corporation d/b/a Lourdes Senior Community (“Lourdes”) is requesting private activity bond financing for the conversion of all of its skilled nursing rooms to private rooms. These renovations will be made to Lourdes Nursing Home, which is located on Lourdes’ 38-acre campus in the Charter Township of Waterford, Oakland County. Currently there are 16 private rooms for its skilled nursing residents, and with this project an additional 92 rooms will be available for private residency. The current 4-bed ward and semi-private units are 488 square feet and 255 square feet respectively. As private rooms, they will be converted into 295 square foot resident rooms. The estimated cost of the construction is \$10.2 million and the acquisition and installation of equipment and furnishings is estimated to be approximately \$1.2 million, in addition to capitalized interest and required reserves.

Lourdes currently employs approximately 176 individuals. No new jobs are expected to be created.

Background:

Lourdes is a Michigan nonprofit corporation founded in 1965 which maintains its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Lourdes owns and operates four senior living facilities in Michigan. These facilities allow Lourdes to offer independent and assisted living, Alzheimer’s care, and skilled nursing amenities to their residents.

Plan of Finance:

Lourdes retained the services of B. C. Ziegler and Company to conduct a tax-exempt credit solicitation search process. PNC Bank, National Association was selected and will privately purchase the bonds. On PNC Bank’s terms, Lourdes would realize a savings of approximately \$1,329,780 over ten years against comparable taxable interest rates.

Recommendation:

Based upon a determination by Clark Hill PLC, and the State of Michigan Attorney General’s office that the project complies with state and federal law requirements for tax exempt financing, the staff recommends the adoption of a Bond Authorizing Resolution in the amount not to exceed the amount of \$14,500,000.

Michigan Economic Development Corporation

300 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org



Google earth



RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN STRATEGIC FUND VARIABLE RATE LIMITED OBLIGATION REVENUE BONDS (LOURDES SENIOR COMMUNITY PROJECT), SERIES 2014

Resolution 2014-__

Background

A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270, as amended (the “Act”), to issue bonds for the purpose of making loans to pay the costs of a project (as described in the Act).

B. Dominican Health Care Corporation d/b/a Lourdes Senior Community, a Michigan non-profit corporation, for itself and as Obligated Group Agent on Behalf of the Obligated Group (the “Obligor”), has requested a loan from the Fund to assist the Obligor in: (i) financing the construction of 50 private skilled nursing rooms at 295 square feet, with private bathrooms and showers and to expand the rehabilitation and therapy space at its existing independent living facility located in the Charter Township of Waterford, Oakland County, Michigan (the “Project”), currently there are 16 private rooms for its skilled nursing residents and with this project 100 rooms will be available for private residency, the thirty four semi-private private rooms will be converted into 255 square foot private resident rooms and the four, 4-bed wards will be converted into semi-private rooms with 488 square feet; (ii) paying capitalized interest on the Bonds; and (iii) paying the costs of issuing the Bonds.

C. The Obligor has requested the Fund to issue the Bonds in one or more series in a principal amount not to exceed \$14,500,000 pursuant to this resolution (the “Resolution”), and a bond indenture (the “Indenture”), between the Fund and Amalgamated Bank of Chicago, as trustee (the “Trustee”) relating to the Bonds to obtain funds which will be loaned to the Obligor pursuant to a loan agreement between the Fund and the Obligor (the “Loan Agreement”), to pay costs of the Project, capitalized interest and certain Bond issuance costs.

D. The Bonds will be issued as fully registered bonds in the denomination of \$100,000 and \$5,000 increments in excess thereof.

E. The Bonds will be purchased by PNC Bank, National Association, a national banking association (the “Bank”), pursuant to a bond purchase agreement between the Bank and the Fund (the “Bond Purchase Agreement”).

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund and the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund’s Board of Directors (a “Member”) or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an “Authorized Officer”), and the official seal of the Fund (or a facsimile of the seal) shall be

impressed or imprinted on the Bonds. The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be limited obligations of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Indenture.

SECTION 2. Approval, Execution and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which have been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Bond Purchase Agreement
- b. Loan Agreement
- c. Indenture

Any Member and Authorized Officer are authorized to execute and deliver the Bond Purchase Agreement and any Member or Authorized Officer is authorized to execute and deliver the remaining documents identified in this Section, in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 10.0% per annum, and the principal amount of the Bonds, which shall not be greater than \$14,500,000. Approval of those terms shall be evidenced by the Member's execution of the Bond Purchase Agreement.

SECTION 4. Sale and Delivery of the Bonds. A Member or an Authorized Officer shall execute, seal, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the "Attorney General"),
- b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel, and
- c. an approving opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be paid over to the Obligor in accordance with the Indenture.

SECTION 5. Designation of Certain Parties. Amalgamated Bank of Chicago's acceptance of duties as trustee shall be evidenced by its execution of the Indenture.

SECTION 6. Authorization of Filings, Submissions and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Indenture, the Loan Agreement, or the Bond Purchase Agreement, or as may be necessary to effectuate the valid issuance, sale and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 7. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before June 20, 2014, the authority granted by this Resolution shall lapse.

Adopted.

Ayes:

Nays:

May 27, 2014 Meeting
Lansing, Michigan



MEMORANDUM

Date: May 27, 2014

To: Michigan Strategic Fund Board

From: Christopher Cook, Business Capital Relationship Manager

Subject: *Private Activity Bond – Bond Authorizing
The Young Men’s Christian Association of Metropolitan Detroit
Non-Profit – Not to Exceed \$30,000,000 – Refunding*

Request:

The Young Men’s Christian Association of Metropolitan Detroit, doing business as YMCA of Metropolitan Detroit (“YMCA”), is requesting private activity bond financing for the purpose of refunding the Michigan Strategic Fund’s outstanding Variable Rate Demand Limited Obligation Revenue Bonds (YMCA of Metropolitan Detroit Project), Series 2001, originally issued in the aggregate principal amount of \$15,000,000 (the “2001 Bonds”), and its outstanding Variable Rate Demand Limited Obligation Revenue Bonds (YMCA of Metropolitan Detroit Project), Series 2003, originally issued in the aggregate principal amount of \$20,000,000 (the “2003 Bonds”). The 2001 Bonds and the 2003 Bonds are currently secured by letters of credit which expire on August 31, 2014.

The proceeds of the 2001 Bonds were used by the YMCA to: (i) finance the acquisition, construction, furnishing and equipping of an approximately 32,000 square foot YMCA facility in the Village of Milford, Oakland County; (ii) finance the acquisition, construction, furnishing and equipping of an approximately 45,000 square foot YMCA facility in the City of Auburn Hills, Oakland County; and (iii) pay capitalized interest on the 2001 Bonds and costs of issuance of the 2001 Bonds. The proceeds of the 2003 Bonds were used by the YMCA to: (i) finance the acquisition, construction, furnishing and equipping of an approximately 100,000 square foot YMCA facility in the City of Detroit, Wayne County; and (ii) pay capitalized interest on the 2003 Bonds and costs of issuance of the 2003 Bonds.

Background:

YMCA is a Michigan nonprofit corporation organized in 1874, and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The YMCA is a community organization, affiliated with the YMCA of the USA, dedicated to building “strong kids, strong families and strong communities” through a wide variety of educational, recreational, social and health care programs and services. The YMCA owns and operates 13 community branch facilities in the Metropolitan Detroit area, two camps and a charter school.

The YMCA employs approximately 40 full time employees at the Milford facility, 59 full time employees at the Auburn Hills facility, and approximately 79 full time employees at the Detroit facility.

Plan of Finance:

The Bonds will be purchased by Huntington Public Capital Corporation in a direct purchase transaction for an initial term of approximately seven (7) years. The financing will result in more sustainable net annual debt service by amortizing the principal of the Bonds over a period of twenty (20) years and will eliminate letter of credit and remarketing fees applicable to the 2001 Bonds and the 2003 Bonds. Based on average historical variable interest rates, the financing is expected to result in an overall net reduction in debt service costs of approximately \$1.3 million.

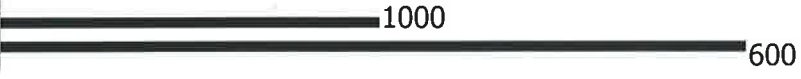
Recommendation:

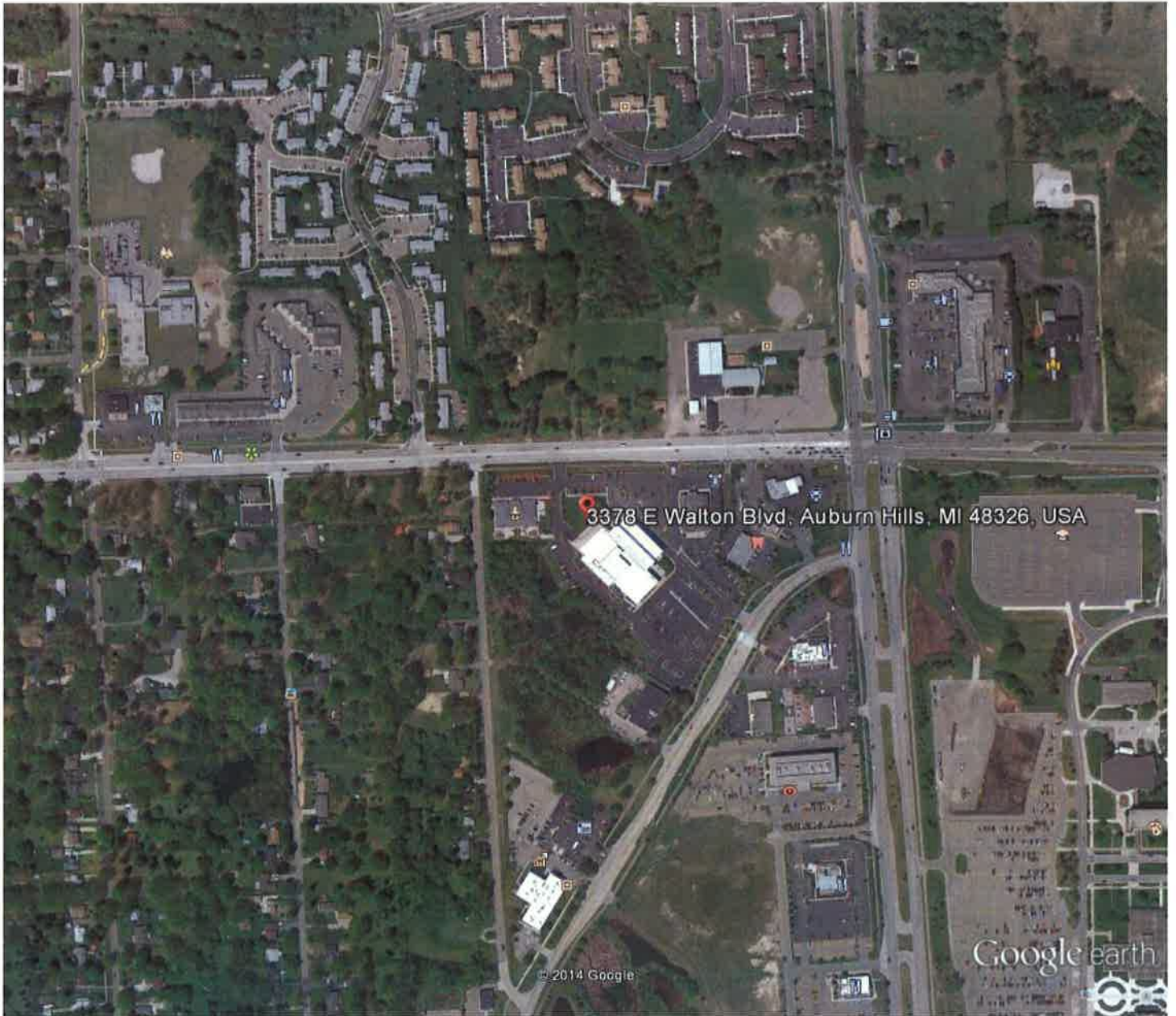
Based upon a determination by Miller, Canfield, Paddock and Stone, P.L.C., and the State of Michigan Attorney General's office that the refunding complies with state and federal law requirements for tax-exempt financing, the staff recommends the adoption of a Bond Authorizing Resolution in the amount of not to exceed \$30,000,000.



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RESOLUTION TO AUTHORIZE THE ISSUANCE OF MICHIGAN STRATEGIC
FUND VARIABLE RATE LIMITED OBLIGATION REVENUE REFUNDING
BONDS (YMCA OF METROPOLITAN DETROIT PROJECT), SERIES 2014

Resolution 2014__

Background

- A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270, as amended (the “Act”), to issue bonds for the purpose of making loans to pay the costs of a project (as described in the Act) and to refund bonds previously issued for such purpose.
- B. The Young Men’s Christian Association of Metropolitan Detroit, doing business as YMCA of Metropolitan Detroit, a Michigan non-profit corporation registered in Michigan (the “Obligor”), has requested a loan from the Fund to assist the Obligor in refunding (i) the Fund’s outstanding Variable Rate Demand Limited Obligation Revenue Bonds (YMCA of Metropolitan Detroit Project), Series 2001, originally issued in the aggregate principal amount of \$15,000,000 (the “2001 Bonds”), and (ii) the Fund’s outstanding Variable Rate Demand Limited Obligation Revenue Bonds (YMCA of Metropolitan Detroit Project), Series 2003, originally issued in the aggregate principal amount of \$20,000,000 (the “2003 Bonds”).
- C. The Obligor has requested that the Fund issue its Variable Rate Limited Obligation Revenue Refunding Bonds (YMCA of Metropolitan Detroit Project), Series 2014 in the principal amount not to exceed \$30,000,000 (the “Bonds”) pursuant to this resolution (this “Resolution”) and a trust indenture (the “Trust Indenture”) between the Fund and U.S. Bank National Association, as Trustee (the “Trustee”), to obtain funds which will be loaned to the Obligor pursuant to a loan agreement (the “Loan Agreement”) between the Fund and the Obligor for the purpose of refunding the 2001 Bonds and the 2003 Bonds and paying costs incidental to the issuance of the Bonds.
- D. The Bonds will be issued as fully registered bonds in the denominations provided for in the Trust Indenture.
- E. The Bonds will be purchased by Huntington Public Capital Corporation, as purchaser (the “Purchaser”), pursuant to a continuing covenant agreement between the Purchaser and the Obligor.

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bonds is authorized. The terms of the Bonds shall be substantially in the form contained in the Trust Indenture, with the changes permitted or required by action of the Fund or the Trust Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund's Board of Directors (a "Member") or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an "Authorized Officer"), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds. The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be limited obligations of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Trust Indenture.

SECTION 2. Approval, Execution and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which have been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. the Loan Agreement
- b. the Trust Indenture

Any Member and Authorized Officer are authorized to execute and deliver the Trust Indenture and any Member or Authorized Officer is authorized to execute and deliver the Loan Agreement, in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the aggregate principal amount of the Bonds, which shall not be greater than \$30,000,000. The Bonds shall bear interest at such rate or rates as shall be determined from time to time in accordance with the provisions of the Trust Indenture; provided, however, that the interest rate or rates on the Bonds shall in no event exceed the maximum rate of interest permitted by the Trust Indenture. The Bonds shall initially bear interest at the Bank Purchase Rate for the initial Bank Purchase Rate Period as provided in the Trust Indenture. The Fund's approval and acceptance of the offer of the Purchaser to purchase the Bonds and of the final terms of the Bonds shall be evidenced by the execution of the Trust Indenture by any Member.

SECTION 4. Sale and Delivery of the Bonds. A Member or an Authorized Officer shall execute, seal, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the "Attorney General"),
- b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel, and
- c. an approving opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be paid over to the Trustee to be credited in accordance with the Trust Indenture.

SECTION 5. Designation of Certain Parties. U.S. Bank National Association's acceptance of duties as Trustee shall be evidenced by its execution of the Trust Indenture.

SECTION 6. Authorization of Filings, Submissions and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Loan Agreement or the Trust Indenture or as may be necessary to effectuate the valid issuance, sale and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 7. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before July 31, 2014, the authority granted by this Resolution shall lapse.

Adopted.

Ayes:

Nays:

May 27, 2014 Meeting
Lansing, Michigan



MEMORANDUM

Date: May 27, 2014

To: Michigan Strategic Fund Board

From: Christopher Cook, Business Capital Relationship Manager

Subject: *Private Activity Bond – Bond Inducement
Green Box NA Michigan, LLC
Solid Waste – \$125,000,000 – New*

Project:

Green Box NA Michigan, LLC (the “Company”) is a Michigan limited liability company and is part of a larger private company called Environmentally Advanced Reclamation Technology HQ, LLC. (“E.A.R.T.H.”) which is a Wisconsin Domestic Limited Liability Corporation headquartered out of De Pere, Wisconsin. The company has a suite of processes and technologies which, along with exclusive license rights to an advanced fiber additive developed by Cargill, Inc., allow it to convert a variety of high volume consumer and commercial waste streams into commodities such as pulp/paper byproduct, fuel, soil enhancements (fertilizer), and electricity. In the paper/pulp space, the company takes the various kinds of raw pulp commodity and completes the value-added step of converting it into finished products such as tissue, napkins, paper cups, paper towels and similar products.

Green Box NA Michigan, LLC, is seeking the inducement of \$125,000,000 in tax exempt bond financing in order to partially finance a \$200,000,000 project in two separate Michigan locations, one in the City of Detroit, Wayne County and the other at the location of the existing operations of Great Lakes Tissue in the City of Cheboygan, Cheboygan County.

In 2011 the MSF induced \$3.2M in bonds for Green Box NA Detroit, LLC related specifically to a facility in Romulus. The company experienced construction related challenges associated with the airport and elected to move the pre-processing project to the City of Detroit (the “Romulus/Detroit Project”). In 2013 the MSF extended Romulus/Detroit Project’s inducement. The company anticipates being able to authorize bonds for the Romulus/Detroit Project in the next 90 to 120 days. The expiration date for the Romulus/Detroit Project’s inducement resolution is December 31, 2015.

The current request to induce \$125,000,000 in tax exempt bonds is separate from the Romulus/Detroit Project’s inducement and will be 100% for the acquisition, renovation, equipping and installation of project related assets (and associated eligible costs) at the Cheboygan facility. The project will be using allocation under the Uniform Volume Allocation Cap which was carried forward from 2011 under the “Solid Waste Facility” classification in the IRS Tax Code. Part of the proceeds will be used to acquire the assets of Great Lakes Tissue, an existing paper processing facility in Cheboygan.

The project will take large amounts of commercial waste, primarily from the restaurant industry, collected from in and around the Detroit metropolitan area and pre-process it in a newly developed facility in the City of Detroit and then ship it via tractor trailer in the form of bails and pellets to Cheboygan for final processing into both commodity and value-added finished product components.

The Cheboygan facility's operations will include production of bath, facial, napkin and towel tissue products. Also included will be the electrical generation of 12 megawatts, 48,000 gallons per day of biofuels, diesel and oil and 38 tons of soil enhancements (carbon and fertilizer) per day. The biofuels, including fuel pellets, will be sold to Colonial Oil headquartered in Savannah, GA. The diesel and oil will be sold to Davis Oil headquartered in Perry, Georgia, and soil enhancement will be sold to The Mosaic Company of Plymouth, MN. Each Green Box system eliminates approximately 22,700,000 cubic square feet of landfill dumping per year.

Job Performance and Timing:

The Company indicates that the Cheboygan and Detroit projects will result in approximately 331 full time permanent jobs. Additionally, 70 existing jobs at the 'to be acquired' Great Lakes Tissue site will be retained as the facility is retrofitted, reconfigured and modernized.

The Company anticipates the completion of the bond transaction upon authorization within 4 months. For the Cheboygan facility the company anticipates the engineering, equipment procurement, delivery and building/installations to take 16 months. The Detroit facility will be operational within 3-6 months of the issuance of the bonds.

The Company, due to the requirements of its national off take agreement partners, is obligated to pursue eight, nearly identical facilities around the country at the same time. This allows them to service these national clients in a comprehensive way. The company has all its processes operational in separate locations in Wisconsin in and around its headquarters. Each Greenbox Facility combines the multiple processes into one facility. The operations in Wisconsin are currently operating continuously at commercial scale.

Regulatory Considerations:

The Company has indicated that local permitting and zoning is in place for both the Detroit and Cheboygan sites. As of the time of drafting, the Company has indicated that it is in compliance with DEQ and EAP requirements. No fees or fines have been levied as a result of non-compliance with environmental or zoning regulations in the past 24 months with any of the projects in which the company has an operational role. Additionally, the processes result in "minor source" discharge permits which are easier to obtain.

The company and its principles have completed the MSF background check process resulting in no findings.

Plan of Finance:

Raymond James & Associates, Inc. has indicated it will provide financial and market related advice and assistance, including, but not limited to, the preparation and analysis of a financial model for the project and a review of the project’s proposed financing structure. Additionally, they may be engaged to place the debt and per the terms of the engagement letter, if asked, to place the debt [and] have exclusive right to do so. The bonds will be backed by a combination of a letter of credit and/or a security comprised of the underlying assets of the project. The project will be privately placed in denominations of \$100,000.00 with investors meeting the “sophisticated investor” test. The issue will not be rated. Operational affiliates of the company have successfully placed and repaid over \$400 million dollars of similar bonds in the past. Those bonds have financed wood fiber/pulping and recycling facilities.

The combined Detroit/Cheboygan “Michigan” project includes the following sources:

Debt

Tax Exempt Bonds (LC / MBS Backed)	\$125,000,000 (Cheboygan Only)
2011/2013 Michigan Tax Exempt Bond Issuance	\$3,200,000 (Detroit Facility Only)

Equity

EB-5 Funding	\$35,000,000 (Detroit Facility Only)
Pre-paid Equity, Design, Technology & Permit costs	\$5,600,000 (Both)
Insider Equity	\$8,000,000 (Both)
LC/Debt Service Reserve (Parent Balance Sheet Equity)	\$12,731,562 (Both)
Parent Sub-debt or Insider Equity	<u>\$11,453,695 (Both)</u>
Total	\$200,985,221

Estimated Cost Savings:

If the bond issuance amount is \$125,000,000 at an initial fixed rate of 8% per annum, savings would total approximately \$4.75m in the first year. Additional savings depend largely on the length of repayment and the size of any balloon payment due at maturity.

Recommendation:

After reviewing the Private Activity Bond application for GreenBox NA, Michigan, LLC, staff recommends the adoption of an Inducement Resolution in the amount of \$125,000,000.



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MICHIGAN STRATEGIC FUND

INDUCEMENT RESOLUTION

GREEN BOX NA MICHIGAN, LLC

2014 –

WHEREAS, Green Box NA Michigan, LLC is a Michigan limited liability company, (the “Company”), presently located at 2077-B Lawrence Drive, DePre, Wisconsin;

WHEREAS, the Company desires to acquire existing facilities and land thereon, renovate the facilities and acquire and install machinery and equipment to be located in the City of Cheboygan, Cheboygan County, and the City of Detroit, Wayne County, Michigan (the “Project”).

WHEREAS, the Company has applied to the Michigan Strategic Fund (the “MSF”) for a loan (the "Loan") to finance the Project, which is a “project” as defined in 1984 PA 270 (the "Act");

WHEREAS, the Company has advised the MSF that the cost of the Project will not exceed One Hundred Twenty Five Million Dollars (\$125,000,000);

WHEREAS, the Act authorizes the MSF to loan moneys to business enterprises for the purpose of financing projects and to obtain the moneys for such loans by the issuance of bonds pursuant to the Act; and

WHEREAS, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141 and 144 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations;

NOW, THEREFORE, BE IT RESOLVED by the Michigan Strategic Fund that:

1. The MSF intends to provide the Loan to the Company subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Company's Evaluation Request submitted to the MSF and dated March 30, 2014.
3. The maximum principal amount of the bonds (the "Bonds") expected to be issued to provide the Loan to finance the Project shall not exceed One Hundred Twenty Five Million Dollars (\$125,000,000). The Company shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.

4. The MSF's obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the bonds under applicable federal and state laws, b) receipt of an allocation from the State Treasurer pursuant to 1988 PA 496 as it relates to limitations on the issuance by states of private activity bonds under the Code, and c) any prioritization, fee schedules or other requirements or limitations implemented by the MSF or the State Treasurer.

5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.

6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the "Attorney General") and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.

7. Subject to compliance with this Resolution, the MSF will authorize a bond resolution approving the issuance of the Bonds (the "Bond Resolution") for the purpose of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds, and enter into a loan agreement and related documents with the Company and a bond purchase agreement with a bond purchaser, which documents shall be subject to the approval of the Attorney General and bond counsel to the MSF.

8. The Bonds shall not be general obligations of the MSF but shall be payable as to principal and interest solely from the proceeds of the payments to be made by the Company to the MSF (or to a trustee appointed by the MSF pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely certain that under no circumstances will the Bonds or this Resolution be a debt or obligation of the State of Michigan or a general obligation of the Michigan Strategic Fund, nor will the State of Michigan be liable on the Bonds.

9. All costs and expenses involved in the authorization, issuance, sale, and delivery of the Bonds and in the making of the Loan shall be paid from the Bond proceeds or, if they are insufficient, by the Company.

10. The staff of the MSF is authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the MSF, with a bond purchaser for the sale of the Bonds. Any authorized signatory is authorized to prepare and file with the Michigan Department of Treasury a request for allocation as it relates to the State limitations on the issuance of private activity bonds.

11. Bond counsel to the MSF and the Attorney General are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the MSF to the United States Internal Revenue Service and to other governmental

agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any authorized signatory is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the bond proceeds or by the Company.

12. A preliminary official statement or other offering materials may be used in connection with the sale of the Bonds; provided, however, that no preliminary official statement or other offering materials shall be circulated unless any description of the MSF, the Bonds and documents to which the MSF is a party shall have been approved by bond counsel to the MSF and the Attorney General.

13. All resolutions and parts of resolutions insofar as they conflict with this Resolution are rescinded.

ADOPTED

Ayes:

Nays:

Recused:

Lansing, Michigan



MEMORANDUM

Date: May 27, 2014

To: Michigan Strategic Fund Board

From: Christopher Cook, Business Capital Relationship Manager

Subject: *Private Activity Bond – Bond Inducement
Middleville Tool & Die Co / Middleton Enterprises, L.L.C.
Manufacturing - \$6,300,000.00 – New*

Request:

Middleville Tool & Die, Co. (“Middleville”) and Middleton Enterprises, L.L.C. (“Middleton”) are requesting private activity bond financing to invest in new machinery, equipment, and office furnishings as well as add an additional 53,000 sq/ft to their current manufacturing facility located in Yankee Springs Township within Barry County.

The project will commence in June of 2014 and is anticipated to be completed by November of 2014 (with certain equipment purchases to follow over the next two to three years). Upon completion, the project is estimated to create a total of approximately 35 new full-time jobs thru 2016.

Background:

Middleville is a family owned business created in 1966 that manufactures stamped tubular products for the appliance, office, and automotive industries. Middleton is the real estate and building holding company in relation to Middleville.

In 1998, the MSF issued \$4,000,000 in tax-exempt bonds for Middleville to support the expansion and relocation of the business to its current location, through building an approximately 51,000 sq/ft new building. Presently, Middleville employs 161 people and is open 3 shifts to support building tooling and metal stamping/assemblies for its customers. Middleville indicates it has become an industry leader in the design and manufacturing of stamped tubular products for the appliance, office and automotive industries.

Middleville spent \$51,000 dollars to define and detail the completed design of the new expansion, which will adjoin their current facility, and will add 53,000 sq/ft. Building investments of \$3.544 million and renovation expense of \$197,500 will be needed to expand the current facility to the north. Additionally, investments in machinery, equipment and office furnishings will total \$2.862

million over the next 3 years commencing from March, 2014. Job creation is estimated at 35 jobs thru 2016.

Plans of Finance:

Middleville and Middleton propose that the bonds would be purchased by Macatawa Bank, for its own account. At the time of application, Macatawa Bank has offered to privately purchase all of the bonds contingent upon completion of its underwriting and due diligence and approval of satisfactory documentation. On these terms, Middleville and Middleton would realize interest cost savings of approximately \$78,750 in the first year alone as compared to the estimated cost of traditional financing, and would realize a savings of approximately \$650,000 to \$700,000 in total.

It should also be noted that Middleville is looking at an additional incentive thru the MEDC's Community Development Block Grant (CDBG) program. If an additional incentive is deemed warranted, delegated approval is required rather than MSF Board approval.

Recommendation:

After reviewing the Private Activity Bond application for Middleville Tool & Die, Co., staff recommends the adoption of an Inducement Resolution in the amount of \$6,300,000.



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MICHIGAN STRATEGIC FUND

INDUCEMENT RESOLUTION
2014-

Middleville Tool & Die Co.
Middleton Enterprises, L.L.C.

WHEREAS, Middleville Tool & Die Co., a Michigan corporation, and co-borrower Middleton Enterprises, L.L.C., a Michigan limited liability company (collectively, the “Company”), are presently located at 1900 Patterson Road, Middleville, Michigan 49333;

WHEREAS, the Company desires to construct an approximately 53,000 square foot addition to their current manufacturing facility as well as invest in new machinery, equipment, and office furnishings, all to be located at 1900 Patterson Road, Township of Yankee Springs, Barry County, Michigan (the “Project”);

WHEREAS, the Company has applied to the MSF for a loan (the “Loan”) to finance the Project as defined in 1984 PA 270 (the “Act”);

WHEREAS, the Company has advised the MSF that the cost of the Project to be financed with the Loan will not exceed 6.3 Million Dollars (\$6,300,000);

WHEREAS, the Act authorizes the MSF to loan moneys to business enterprises for the purpose of financing projects and to obtain the moneys for such loans by the issuance of bonds pursuant to the Act; and

WHEREAS, this Resolution has the purpose of providing the necessary official intent of the MSF to meet the requirements of Sections 141 and 144 of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated in connection therewith and, in particular, Section 1.150-2 of the Income Tax Regulations.

NOW, THEREFORE, BE IT RESOLVED, by the Michigan Strategic Fund that:

1. The MSF intends to provide the Loan to the Company subject to the conditions of this Resolution.
2. The Loan shall be designated for the Project in accordance with the Company’s Tax-Exempt Application Form dated April 30, 2014.
3. The maximum principal amount of the bonds (the “Bonds”) expected to be issued to provide the Loan to finance the Project shall not exceed 6.3 Million Dollars (\$6,300,000). The Company shall be obligated to make loan repayments in an amount sufficient to assure full repayment of the Bonds, establish appropriate reserves and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan
4. The MSF’s obligation to issue the Bonds and make the Loan shall be conditioned upon a) the ability of the MSF to issue, sell and deliver the bonds under applicable federal and state laws, b) receipt of an allocation from the State Treasurer pursuant to 1988 PA 496 as it relates to limitations on the issuance by states of private activity bonds under the Code, and c) any

prioritization, fee schedulers or other requirements or limitations implemented by the MSF or the State Treasurer.

5. The MSF's obligation to make the Loan and issue the Bonds contemplated by this Resolution shall expire two years after the date of this Resolution.
6. The Loan may be evidenced by a promissory note and secured by such instruments as are in form and substance satisfactory to the MSF, the Attorney General of the State of Michigan (the "Attorney General") and bond counsel to the MSF, including a loan agreement, indenture, first mortgage, security agreement and such additional security as may be required by the MSF or purchaser of the Bonds.
7. Subject to compliance with this Resolution, the MSF will authorize a bond resolution approving the issuance of the Bonds (the "Bond Resolution") for the purpose of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds, and enter into a loan agreement and related documents with the Company and a bond purchase agreement with a bond purchaser, which documents shall be subject to the approval of the Attorney General and bond counsel to the MSF.
8. The Bonds shall not be general obligations of the MSF but shall be payable as to principal and interest solely from the proceeds of the payments to be made by the Company to the MSF (or to a trustee appointed by the MSF pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely certain that under no circumstances will the Bonds or this Resolution be a debt or obligation of the State of Michigan or a general obligation of the Michigan Strategic Fund, nor will the State of Michigan be liable on the Bonds.
9. All costs and expenses involved in the authorization, issuance, sale, and delivery of the Bonds and in the making of the Loan shall be paid from the Bond proceeds or, if they are insufficient, by the Company.
10. The staff of the MSF is authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the MSF, with a bond purchaser for the sale of the Bonds. Any authorized signatory is authorized to prepare and file with the Michigan Department of Treasury a request for allocation as it relates to the State limitations on the issuance of private activity bonds.
11. Bond counsel to the MSF and the Attorney General are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the MSF to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any authorized signatory is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the bond proceeds or by the Company.
12. A preliminary official statement or other offering materials may be used in connection with the sale of the Bonds; provided, however, that no preliminary official statement or other offering materials shall be circulated unless any description of the MSF, the Bonds and documents to

which the MSF is a party shall have been approved by bond counsel to the MSF and the Attorney General.

13. All resolutions and parts of resolutions insofar as they conflict with this Resolution are rescinded.

ADOPTED

Ayes:

Nays:

Recused:

Lansing, Michigan

MICHIGAN STRATEGIC FUND

RESOLUTION 2014-

DESIGNATION OF FUND MANAGER

WHEREAS, it is the responsibility of the Michigan Strategic Fund (“MSF”) Board to provide for the management and control of the affairs of the MSF; and

WHEREAS, it is necessary and appropriate that the MSF Board elect officers for the management and control of the affairs of the fund.

NOW, THEREFORE, BE IT HEREBY RESOLVED:

The Chairperson, President and Vice President of the Fund are nominated by the Governor. The Fund Manager, Alternate Fund Manager and other officers may be elected by the Board members. The following individuals may be, and are, elected to serve according to the Bylaws of the Fund:

1. Fund Manager – Mark Morante
2. Alternate Fund Manager – Karla Campbell
3. Alternate Fund Manager and Board Secretary – Diane Cranmer
4. Treasurer – Minesh Mody

BE IT FURTHER RESOLVED, that previously adopted resolutions approving Fund Managers are rescinded.

ADOPTED

Ayes:

Nays: None

Recused: None

Lansing, Michigan
May 27, 2014 Meeting