



STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of
April 30, 2016, between Hawaii Public Housing Authority
State of Hawaii ("STATE"), by its Executive Director
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")),
whose address is 1002 North School Street, Honolulu, Hawaii 96817
("CONTRACTOR"), a
under the laws of the State of
and state taxpayer identification numbers are as follows:

RECITALS

- A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.
B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.
C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").
D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.
E. Pursuant to Section 356D-4, HRS, the STATE is authorized to enter into this Contract.
F. Money is available to fund this Contract pursuant to:
(1) n/a
or (2)
or both, in the following amounts: State \$ -0-
Federal \$

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the CONTRACTOR agree as follows:

- 1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number PMB 2015-22 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), both of which, even if not physically attached to this Contract, are made a part of this Contract.
2. Compensation. The CONTRACTOR shall be compensated for goods supplied

or services performed, or both, under this Contract in a total amount not to exceed _____ DOLLARS

(\$ _____), including approved costs incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR is required to provide or is not required to provide: a performance bond, a payment bond, a performance and payment bond in the amount of _____ DOLLARS (\$ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments and addenda; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of _____ DOLLARS (\$ _____) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

(Signature)

Hakim Ouansafi

(Print Name)

Executive Director

(Print Title)

(Date)

CONTRACTOR

(Name of Contractor)

(Signature)

(Print Name)

(Print Title)

(Date)

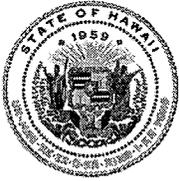
CORPORATE SEAL

(If available)

APPROVED AS TO FORM:

Deputy Attorney General

* Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.



STATE OF HAWAII

CONTRACTOR'S ACKNOWLEDGMENT

STATE OF _____)
) SS.
_____ COUNTY OF _____)

On this _____ day of _____, _____ before me appeared
_____ and _____, to me
known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are
_____ and _____ of
_____, the
CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said
instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said
instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

(Signature)

(Print Name)

Notary Public, State of _____

My commission expires: _____

Doc. Date: _____ # Pages: _____

Notary Name: _____ Circuit

Doc. Description: _____

(Notary Stamp or Seal)

Notary Signature Date

NOTARY CERTIFICATION



STATE OF HAWAII
CONTRACTOR'S
STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of _____, CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR is* is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

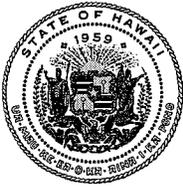
By _____
(Signature)

Print Name _____

Print Title _____

Name of Contractor _____

Date _____



STATE OF HAWAII

SCOPE OF SERVICES

Contractor:**Properties:**

Ka Hale Kahaluu (1061) 78-6725 Makolea St, Kailua-Kona, HI 96740
Hale Hookipa (1053) 81-1038 Nani Kupuna Pl, Kealakekua HI 96750
Kaimalino (1032) 74-5060 Kealakaa St, Kailua-Kona HI 96740
Kealakehe (1070) 74-991 Manawalea St, Kailua-Kona HI 96740
Nani Olu (1063) 81-1011 Nani Kupuna Pl, Kealakekua HI 96750

Services:

Furnish Property Management, Maintenance and Resident Services at
Asset Management Project 43 (AMP 43)

1. It is understood and agreed that the following documents, and any amendments or addenda thereto, comprise the Contract between the parties and are fully a part of this Contract governing the work to be performed by the CONTRACTOR for property management, maintenance and resident services as though attached hereto or set forth at length herein: (1) CONTRACTOR'S accepted proposal and clarifications dated _____, 2016; (2) Request for Proposals No. PMB 2015-22; (3) State General Conditions; (4) Federal General Conditions for Non-Construction Contracts (Form HUD-5370-C); and (5) this Contract. These documents are collectively referred to as the "Contract Documents."
2. The CONTRACTOR shall, in a satisfactory and proper manner as determined by the STATE, and in strict accordance with the terms and conditions of the Contract Documents provide property management, maintenance and resident services at the federally funded projects located on the Island of Hawaii as listed above.
3. The CONTRACTOR shall furnish, in accordance with the Contract Documents, all labor and other means necessary to provide property management, maintenance and resident services as described in Request for Proposals PMB-2015-22 and the CONTRACTOR'S accepted proposal. If there is a conflict between the CONTRACTOR'S accepted proposal and this Contract, the Contract shall prevail.
4. **Work Plan: Miscellaneous Employee Time**

It is understood and agreed that the CONTRACTOR's work plan, includes "Miscellaneous employee time" which is defined as vacation, holiday and sick leave. The CONTRACTOR and its employees shall not be entitled to accrue vacation or sick leave beyond the Contract term or past the Fiscal Year Ending June 30. Vacation and/or sick leave not used during the Contract period shall be forfeited by the CONTRACTOR. Vacation and/or sick leave may not be converted to cash by the CONTRACTOR at the STATE's expense.

5. **Management Requirements**

The STATE's overall objectives in transferring the management responsibilities for AMP 43 to a private management firm shall include, without limitation to the following:



STATE OF HAWAII

SCOPE OF SERVICES

- A. Maintain the overall physical appearance and condition of AMP 43 properties, as well as the maintenance and upkeep of individual units.
- B. Provide a secure living environment, enforcing rules, local ordinances and the STATE policies to reduce or eliminate the number of incidents of crime, vandalism, rule violation and nuisance behavior.
- C. Maintain good communication between tenants and management personnel.
- D. Encourage tenant participation and involvement in AMP 43 activities.
- E. Support tenant pride through improved maintenance by management agent, and swift response to tenant maintenance and emergency maintenance calls.
- F. Maintain the rent collection rate at 98 percent or higher for each AMP 43 property; limit rent delinquencies to 2 percent or lower for each AMP 43 property.
- G. Maintain an occupancy level at 98 percent or better for each AMP 43 property inclusive of HUD-approved modernization units with eligible unit months (EUM) counting towards occupancy.
- H. Rehabilitate and clean vacated units to a marketable condition so that the unit is **ready for occupancy and leased** within seven (7) working days from the date the tenant vacated. Vacated units referred and approved by the STATE that require substantial renovation/construction shall be exempt for the seven (7) working day turnaround requirement.
- I. Complete annual income re-examinations of tenant eligibility and rent determination 60 days prior to the last annual examination date. The supervisor shall review 10 percent of all annual tenant income re-examinations and submit a monthly log of all files reviewed to the STATE.
- J. Achieve a minimum score of 80 points under the REAC physical inspection component for all properties that are currently below this score during the initial 12-month period of the Contract. For properties above 80 points at the start date of the Contract, improve the REAC score for all properties to a minimum of 90 points or higher during the initial 12-month period of the Contract. For the immediate subsequent Contract extension period and all extension period(s) thereafter of the Contract, a minimum score of 90 points shall be maintained, unless there are circumstances beyond the control of the Contractor and it is acceptable to the STATE.
- K. Achieve a good community image and encourage community involvement in support of AMP 43.



STATE OF HAWAII

SCOPE OF SERVICES

- L. Implement and comply with the STATE Language Access Policy and Plan, which provides for language assistance to limited English proficient program participants.
- M. Provide services in compliance with Title VI of the Civil Rights Act, Executive Order 13166, August 11, 2000, and Chapter 321C, Hawaii Revised Statutes, which prohibit the denial of benefits and discrimination on the basis of race, color, or national origin in any program or activity receiving Federal financial assistance, or retaliation, and requires recipients of federal funds to take reasonable steps to ensure meaningful access to their programs and activities by Limited English Proficiency (LEP) persons. This requires the CONTRACTOR to have a Title VI and Language Access Policy and Plan. The STATE may at any time request to review the policy and plan documents.

The CONTRACTOR shall abide by the requirements as specified herein, comply with all instructions relating to the management, rental and maintenance of AMP 43 that may be issued from time to time by the STATE and adhere to all operating policies that have been or may be adopted and promulgated by the STATE.

With respect to new instructions and policies, the CONTRACTOR will generally have the opportunity to submit recommendations to the STATE prior to their issuance or adoption or to recommend subsequent changes as appropriate.

6. Public Housing Assessment System

The Public Housing Assessment System (PHAS) is a reporting system designed by HUD to institute a system of accountability and used to monitor and evaluate operations of Housing Authorities nationwide. Whereas, the current PHAS reporting system is an entity-wide assessment system, HUD has proposed a revision to the PHAS to a property-specific focus. The PHAS will continue to define acceptable public housing management standards for key areas of public housing management. The CONTRACTOR shall achieve an acceptable rating under the PHAS by maintaining the AMP 43 in the following areas:

- 1. General Appearance and Security;
- 2. Follow-up and Monitoring of Project Inspections;
- 3. Maintenance and Modernization;
- 4. Financial Management;
- 5. Leasing and Occupancy;
- 6. Tenant/Management Relations; and
- 7. General Management Practices.

The PHAS standards for which the CONTRACTOR shall be accountable and will report to the STATE on a monthly basis, among other things, will measure the following:



STATE OF HAWAII

SCOPE OF SERVICES

1. Vacancy Rate;
2. Unit Turnaround Time;
3. Work Order Performance;
4. Unit, Systems and Common Area Inspections and Conditions; and
5. Tenant Accounts Receivables.

It is strongly recommended that interested offerors refer to the HUD website to become familiar with the proposed PHAS requirements detailed at the Federal Register 24 CFR Part 902.

7. Administrative Requirements & Minimum Qualifications

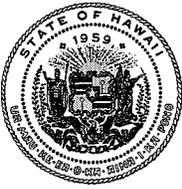
A. Management Representative

1. The CONTRACTOR shall designate a contact person who will be responsible for oversight of AMP 43 and ensure Contract performance. The contact person shall be able to respond to the STATE's inquiries, complaints/ problems within 24 hours, unless otherwise instructed by the STATE.
2. The STATE Contract Administrator will send a monthly monitoring report to the CONTRACTOR's management representative. The monthly monitoring report will document discrepancies or Contract violation(s) which require correction. These discrepancies or Contract violation(s) must be corrected by the time periods provided.
3. The CONTRACTOR shall be solely responsible for adequate communication to its staff regarding Contract terms and conditions.
4. The CONTRACTOR shall ensure adequate and appropriate representation at regular meetings with the STATE. At this time, the STATE anticipates monthly meetings with the CONTRACTOR's contact person who will be responsible for oversight of Contract performance. Additional meetings may be required by the STATE.

B. Personnel

1. All personnel shall be considered employees of the CONTRACTOR.
2. The CONTRACTOR shall ensure that all personnel meet the minimum qualifications, including State licensing laws and experience requirements. The current wage rates and position class specifications for management/maintenance personnel are included as Attachment 24 and available at:

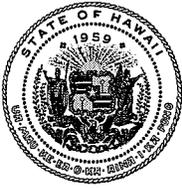
<http://dhrd.hawaii.gov/state-hr-professionals/class-and-comp/salary-schedules/> .



STATE OF HAWAII

SCOPE OF SERVICES

3. All staff training, such as training required to ensure that the minimum services are provided in compliance with State/Federal laws, rules, and regulations shall be the responsibility of the CONTRACTOR. However, should any specific or extraordinary training be required of the CONTRACTOR, the STATE may require attendance at no cost to the CONTRACTOR.
4. The CONTRACTOR shall be responsible for training its own employees on both state and federal laws regarding language access prior to the issuance of the Notice to Proceed. The CONTRACTOR shall provide acceptable documentation as evidence that staff has completed the training such as a sign-in sheet.
5. All staff travel to attend meetings where the STATE requires attendance shall be at no cost to the CONTRACTOR. The STATE shall reimburse the CONTRACTOR for coach class airfare, ground transportation, and per diem at the allowable State/Federal rates.
6. The CONTRACTOR shall be solely responsible for the behavior and conduct of their employees or agents on the STATE property. Supervision and performance evaluation shall be the responsibility of the CONTRACTOR. The STATE shall be provided with access to employee performance evaluations, upon request, for the purposes of monitoring.
7. The CONTRACTOR with the concurrence of the STATE shall hire a responsible employee as the AMP 43 Manager who will be available during normal State of Hawaii operating hours, Monday thru Friday from 7:45 a.m. to 4:30 p.m., **except for holidays observed by the Hawaii State government**, as a point of contact for residents and the STATE. See Attachment 27. The AMP 43 Manager shall, at a minimum, respond to tenant concerns, supervise staff, enforce house rules, inspect the housing units and encourage tenant organization and participation.
8. The AMP Manager shall be a Certified Occupancy Specialist with certification dated within 5 years of the Contract start date; alternatively, the AMP Manager shall obtain re-certification within 6 months from the Contract start date unless there are circumstances beyond the Contractor's control and it is acceptable to STATE.
9. The AMP Manager and Working Foreman or equivalent shall be trained on the Uniform Physical Condition Standards (UPCS) requirements dated within 5 years of the Contract start date; alternatively, the AMP Manager and Working Foreman or equivalent shall obtain re-training within 6 months from the Contract start date unless there are circumstances beyond the Contractor's control acceptable to HPHA.



STATE OF HAWAII

SCOPE OF SERVICES

10. The CONTRACTOR shall employ a licensed journeyman carpenter to repair and improve properties under AMP 43.
11. The CONTRACTOR shall provide the STATE with an email address for the AMP 43 Manager.
12. The CONTRACTOR shall provide the STATE with an after-hour contact phone number for the AMP 43 Manager and Working Foreman or equivalent.
13. The CONTRACTOR shall not institute additional or alternative paid holidays (i.e. closure of business days) at the expense of the STATE and /or without express written consent by the STATE.
14. The CONTRACTOR shall ensure the confidentiality of all information, documents, or materials viewed, discussed or provided to personnel concerning the housing tenant(s) residents of AMP 43. The CONTRACTOR's personnel shall not provide confidential information to the tenants and the general public without express written consent of the STATE by either policy, rules or letter.
15. During the performance of this Contract, the CONTRACTOR agrees not to discriminate against any employee or applicant for employment. The CONTRACTOR will take affirmative action to ensure equal treatment of its employees. Such action shall include but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR shall insert provisions similar to the foregoing in all subcontracts.
16. The CONTRACTOR agrees to remove any of its employees from servicing or providing services to the STATE, upon request in writing by the Officer-In-Charge. At the request of the STATE, the CONTRACTOR shall remove forthwith and shall not employ in any portion of the work, any person who, in the opinion of the STATE, does not perform his/her duties and responsibilities in a proper and skillful manner or is intoxicated or disorderly or is abusive or unable to demonstrate tact and diplomacy in dealing with the public.
17. The CONTRACTOR shall conduct a nationwide criminal background check on all personnel employed at AMP 43 and be made available upon request by the HPHA.
18. The CONTRACTOR agrees to relieve any employee if arrested for any major crime or felony, pending final resolution of the investigation. The STATE has final authority to allow the individual to perform the duties under this Contract pending investigation, resolution or conviction. The resulting conviction will disqualify the individual from performing work in any capacity under this Contract.



STATE OF HAWAII

SCOPE OF SERVICES

19. The CONTRACTOR shall ensure that no employee employed under this Contract has been arrested or convicted of selling, dealing, or using controlled substances such as crystal methamphetamine in or around any state or federal public housing under the jurisdiction of the STATE.
20. The CONTRACTOR shall not employ an employee under this Contract who is a registered sex offender in any State, Indian Country or U.S. territory. At any time during the Contract term, it is discovered by the STATE or by the CONTRACTOR that an employee of AMP 43 is a registered sex offender, the CONTRACTOR shall immediately dismiss this person from employment at AMP 43.
21. The CONTRACTOR shall provide the STATE photo release authorization to use its staff in STATE publication(s) and/or the STATE website.

C. Administrative Policies

The CONTRACTOR shall maintain its own written policies that, at a minimum, address the following:

1. Drug Free Workplace Policy;
2. Sexual Harassment Awareness in the Workplace Policy;
3. Non-Violence in the Workplace Policy;
4. Standards of Conduct;
5. Fair Housing Policy;
6. Language Access Policy;
7. Smoking Policy;
8. Safety Plan or Policies; and
9. Procurement Policy and Procedures.

The CONTRACTOR shall provide written documentation no later than 15 days after the notice to proceed that all staff are informed of its requirements and their agreement to comply with said policies. The CONTRACTOR shall be solely responsible for the conduct of their employees and for their compliance with its administrative policies.

D. Reporting Requirements

The CONTRACTOR shall be responsible for the timely submission of reports on performance or progress including, without limitation:

1. Weekly Vacant Unit Report;
2. Monthly Supervisor's File Review Log;
3. Monthly Income Discrepancy Report;
4. Monthly Pre-Rent Run Report;



STATE OF HAWAII

SCOPE OF SERVICES

5. Quarterly Enterprise Identification Verification Users Authorization;
6. Semi-Annual Crime Tracking Reports;
7. Monthly Community Service Status Report;
8. Monthly Annual Unit Inspection Work Order Log;
9. Monthly General Ledger Report;
10. Semi-Annual Limited English Proficiency Encounter and Cost Report;
11. Reasonable Accommodation Request Log; and
12. Delinquency Account Report.

The STATE may request additional reports as follows:

1. Progress reports on the implementation of corrective action plans;
2. New programs mandated by HUD or the State; and/or
3. Special requests in response to inquiries from other government agencies, including the State Legislature.

8. Property Management Services

A. Rules and Regulations

The CONTRACTOR shall perform basic property management functions such as enforcing all covenants and conditions of the Rental Agreement and the following minimum services:

1. Assist in the revision of the STATE Rental Agreement, upon request by the STATE. The CONTRACTOR shall be responsible to ensure appropriate communication with tenants and the tenant association on proposed changes to the Rental Agreement. See Attachment 10.
2. Post notices of all rules and regulations pertaining to AMP 43 and enforce them. The CONTRACTOR shall ensure that rules and regulations are provided to tenants with language barriers upon request.
3. Assist the STATE to conduct public meetings or hearings approximately twice a year, including but not limited to, issuing/ coordinating notices, securing meeting facilities, serving as hearing official, recording meeting minutes, providing recommendations, and other related duties.
4. Follow-up on delinquent rent and other tenant charges in compliance with the STATE rules and procedures.
5. Manage, maintain, administer and coordinate, where applicable, the use of community rooms, spaces and all common yard areas, including the community playground. Subject to the STATE approval, the CONTRACTOR will be permitted



STATE OF HAWAII

SCOPE OF SERVICES

to use the property's community activity facilities and other non-dwelling space for their intended purposes in accordance with State policies and regulation. The use of such space shall only be solely for the term of the Contract. No permit, lease or written agreement covering use of such space shall be for a period beyond the term of the Contract.

The CONTRACTOR shall be responsible for the loss or theft of any property within the non-dwelling space in the property area. The CONTRACTOR shall review periodically and keep current a listing of agencies and organizations using the STATE space. The listing should include space assigned, name and purpose of organization and program(s) carried out at the property. The listing shall be made available to the STATE upon request.

6. Obtain prior written approval from the STATE and HUD to use dwelling units for non-dwelling purposes. The following are examples of allowable uses of dwelling units for non-dwelling purposes:
 - a. Use by a duly elected tenant association/council for office space and/or meeting facility; or
 - b. Occupancy by a police officer to increase on-site security; or
 - c. Use to promote economic self-sufficiency and anti-drug activities.
7. Implement and comply with the STATE Reasonable Accommodation Policy and Procedures to accommodate tenants with disabilities.
8. Implement and comply with the STATE Language Access Policy and Plan which provides for language assistance to limited English proficiency program participants.
9. Implement and comply with the STATE Pet Ownership Policy which allows for pets in public housing, subject to certain terms and conditions. See Attachment 8.
10. Implement HUD's Community Service Requirement in compliance with HUD and the STATE rules, including tracking and reporting of tenant compliance. See Attachment 9. The CONTRACTOR shall also at a minimum:
 - a. Inform all adult household members of their obligations under the community service requirement and verifying their required participation or exemption;
 - b. Provide referrals to community organizations who afford tenants with opportunities to satisfy community service requirements;



STATE OF HAWAII

SCOPE OF SERVICES

- c. Monitor tenant compliance monthly and provide required reports; and
 - d. Take appropriate action for non-compliance.
11. Implement any program changes as established in the Public Housing Agency Five-Year and Annual (PHA) Plan, the Admissions and Continued Occupancy Policy (ACOP), the Hawaii Administrative Rules (HAR), and/or HUD mandates. Those changes, which are not known at this time, shall be incorporated by reference as though set forth at length herein.

In the event of a conflict between the PHA Plan, ACOP, HAR and HUD mandates, the CONTRACTOR shall be responsible to implement any changes as directed by the STATE.

9. Application, Selection and Placement

- A. The STATE will retain responsibility for assigning initial housing occupants to all housing units, including:
 - 1. Maintaining a waiting list; and
 - 2. Establishing a process with the AMP Manager, in accordance with applicable laws, rules or policies, for effective communication to minimize unit vacancy.
- B. The CONTRACTOR shall be responsible for the following minimum tasks:
 - 1. Determine the eligibility of household members, in accordance with all tenant selection policies instituted by the STATE and in compliance with all applicable Federal Rules and Regulations. The CONTRACTOR shall certify compliance with Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973 as the STATE's agent of Federal Low Income Public Asset Management Project Units as deemed appropriate by the HPHA.
 - 2. Notify applicants when units are to become available.
 - 3. Conduct a walk-through unit inspection with new tenants within 48 hours of vacancy. The CONTRACTOR shall also orient tenants on use, care and maintenance of dwelling unit, appliances, and other assigned areas.
 - 4. Orient new tenants to rules and regulations, financial responsibilities, facilities, community amenities and resident services available.



STATE OF HAWAII

SCOPE OF SERVICES

5. Maintain a tenant file with pertinent information on eligibility, family composition, including a list of family members residing in each unit, and other required information, as instructed by the STATE.
6. Evaluate tenant requests for transfer to other Asset Management Projects, and where necessary prepare request to the STATE.
7. Turn over keys when a tenant occupies and vacates a unit and also maintain the key registry. The AMP Manager must be bonded for the handling of resident's keys and for entering units when residents are not present.

11. Vacates and Move Outs

The CONTRACTOR shall be responsible to ensure the smooth transition for tenants moving out of public housing and provide the following minimum services:

- A. Conduct a vacate inspection within 24 hours with the tenant present to inspect the unit and collect the unit keys from the tenant.
- B. Conduct a final unit assessment and acknowledge any deficiencies that may require correction, follow proper work order procedures, and address deficiencies within three (3) working days. Referrals of uninhabitable units for repair/ renovation are to be handled by the STATE's Construction Management Branch (CMB). Referrals shall be completed within two (2) working days of vacancy. All requests to the CMB shall be submitted through the Contract Administrator.
- C. Communicate effectively with the STATE Application Services Unit to minimize unit vacancy. Applicants shall be processed for placement in a timely manner in order to achieve vacancies at a level of no higher than 2 percent for each property. Individual units shall be re-rented within seven (7) working days from the date of the previous tenant vacating the unit.
- D. Ensure the proper documentation is completed and filed, and a vacant unit is filled within the required time frames.
- E. Ensure that abandoned units are properly assessed and appropriate notice served. The date reflected on the notice will be considered the first day of vacancy.

12. Annual Income Re-examination

The CONTRACTOR shall be responsible for conducting an annual income examination as required, informing tenants of their obligations and responsibilities, and provide the following minimum services:



STATE OF HAWAII

SCOPE OF SERVICES

- A. Re-examinations of tenant eligibility and rent determination shall be completed in accordance with the STATE policies and procedures on prescribed forms.
- B. Re-examinations shall be conducted, supervised, reviewed, and/or approved by staff certified in occupancy and rent calculation. Certification in occupancy and rent calculation must be by an independent third (3rd) party and approved by the STATE.
- C. Upon completion of the tenant re-examination, the CONTRACTOR shall adjust tenant rent in accordance with the Federal Low Income Public Housing program policies and procedures.
- D. Evaluate eligibility status and update income and rent on each tenant's record on re-examination dates as established. The CONTRACTOR shall also advise the tenant of any changes in eligibility status resulting from re-examination and give notification of changes in rent or serve notification to vacate due to an ineligibility finding.
- E. Submit and record appropriate adjustments in rent charges when tenant reports changes of family income and/or composition.

13. **Tenant Defaults, Rental Agreement Terminations and Evictions**

The CONTRACTOR shall be responsible to ensure that it responds to tenant defaults at the federally-funded properties in a timely manner and in compliance with the STATE rules and procedures for Rental Agreement terminations and evictions. The CONTRACTOR shall also provide the following minimum services:

- A. Upon finding a tenant to be in default or in violation of any covenant, condition, provision, rule or regulation of the respective Rental Agreement or the subject property, the CONTRACTOR shall follow the STATE rent collection and eviction procedures. The eviction procedures include without limitation to the securing of services to serve written notices to tenants in default.

The STATE policies on rent collection and evictions can be downloaded from the STATE website and shall be incorporated by reference as though set forth at length herein and may be amended from time to time. See Attachments 5 – 7.

- B. File with the STATE Hearings Board, or other designated hearing body a complaint in accordance with State procedural rules promulgated by the STATE, as may be amended from time to time.
- C. Represent the STATE at scheduled complaint hearings. The STATE shall schedule the hearing at the first available scheduled meeting of the Hearings Board, provided the STATE has served the complaint to the tenant within five (5) working days notice prior to the hearing date.



STATE OF HAWAII

SCOPE OF SERVICES

- D. Be available as a witness at scheduled proceedings.
- E. Comply with all other requirements for Rental Agreement terminations and evictions that are or may hereafter be required by law and the STATE rules and regulations.
- F. Cooperate with local law enforcement to address crime and safety issues in and around the AMP 43.

14. **Maintenance**

The CONTRACTOR shall maintain and repair the properties in a condition acceptable to the STATE and in accordance with local and State laws, codes, and regulations and in accordance with the budget and Maintenance Plan including, without limitation, to providing routine and emergency/urgent repairs, renovating vacant units and providing preventive maintenance services for the units and its equipment, as well as providing grounds maintenance for the common areas and common facilities. Routine and emergency/urgent repairs shall include without limitation plumbing, electrical, carpentry, etc. Common areas and facilities, shall mean and include, without limitation, parking lots, sidewalks, etc. Maintenance activities should follow the STATE's maintenance policies and procedures.

All staff employed and/or subcontracted shall be experienced and fully qualified to engage in the activities and perform the services required, and that all applicable licensing and operating requirements are in compliance with federal, state, and county laws. The CONTRACTOR shall also provide the following minimum services:

- A. Ensure that maintenance staff is qualified and capable of providing minor repair and preventive maintenance for AMP 43. It is the sole responsibility of the CONTRACTOR to ensure that maintenance staff is qualified and properly trained to provide maintenance and repair services.
- B. Ensure that maintenance staff is capable and properly trained in the STATE work order system, including procedures for opening and closing of work orders, prioritization and timely response.
- C. Maintain and repair units on a timely basis. The STATE reserves the right to inspect and closely monitor the CONTRACTOR's activities and efforts to maintain and repair units.
- D. Respond to requests for services as follows:
 - 1. Routine maintenance services within two (2) working days from the date of such request; and/or



STATE OF HAWAII

SCOPE OF SERVICES

2. Emergency/urgent maintenance services shall occur no later than four (4) hours from the time of such request (seven (7) days a week, twenty-four hours each day) and abated or resolved within twenty-four hours.

- E. Maintain the grounds and all common areas of AMP 43 including but not limited to entries, thoroughfares, and lobbies in a clean and presentable condition at all times. The CONTRACTOR shall make certain all parking area surfaces are maintained in good condition, free from need of repair and free from derelict and/or abandoned vehicles.

- F. Rehabilitate and clean vacated units to a marketable condition so that the unit is **ready for occupancy and leased** within seven (7) working days from the date the tenant vacated. Vacated units referred and approved by the STATE that require substantial renovation/ construction shall be exempt for the seven (7) working day turnaround requirement.

- G. Refer units that are considered uninhabitable and require substantial renovations/construction to the STATE within two (2) working days of the final unit assessment/inspection. All referrals to the STATE shall be submitted through the designated Contract Administrator.

- H. Coordinate with the STATE on all garbage and refuse disposal and collection and maintain all refuse areas, enclosures and receptacles in a clean condition and in accordance with local, State, and Federal fire, safety and health codes.

- I. Conduct an annual inspection of every unit, major and regulated systems, and all accessible/inspectable exterior and common areas of each property to ascertain the physical condition in accordance with the Uniform Physical Condition Standards (UPCS) and HUD regulations 24 CFR Part 902.20.

- J. Designate the AMP Manager or the CONTRACTOR's principal-in-charge to participate in the annual REAC physical inspection.

- K. Charge tenants for maintenance work in accordance with the Rental Agreement when work is required to repair damage to such unit other than ordinary wear and tear. The charges shall be consistent with STATE policies.

- L. Purchase services, supplies, materials and equipment as authorized and in accordance with the approved budget. All equipment purchased shall be considered property of the STATE and must be purchased and recorded in compliance with State rules.

- M. Obtain prior written approval from the STATE for maintenance expenditures over and above those authorized in the budget and maintenance plan.



STATE OF HAWAII

SCOPE OF SERVICES

- N. Be responsible to store necessary supplies at AMP 43, maintain a perpetual inventory, and store and maintain equipment at AMP 43 available for the STATE inspection upon request.
- O. Conduct extraordinary maintenance as scheduled, or as approved by the STATE.
- P. Implement a preventive maintenance program, performing preventive maintenance services in each unit at least once a year and perform maintenance check(s) and correction(s) in any unit entered during a tenant requested maintenance repair. A schedule of the preventive maintenance program is to be submitted to the STATE.
- Q. Make all additions, betterments, and replacements as requested and approved by the STATE on a cost-reimbursable basis; whenever possible. The STATE shall make reasonable efforts to provide plans for substantial additions, betterments, and/or replacements to the CONTRACTOR.
- R. Prepare and submit monthly reports on selected maintenance operations.
- S. Procure pest control services as needed.
- T. Procure bulky item disposal as needed.

15. **Accounting and Fiscal Services**

The CONTRACTOR will perform the following minimum services:

- A. Develop an operating budget for each fiscal year (July through June) of this Contract subject to the STATE approval no later than March of the preceding fiscal year or as determined by the STATE, using a format as specified by the STATE. The CONTRACTOR's operations shall conform to the approved operating budget during the term of the Contract. Interested offerors shall budget for STATE mandated trainings, meetings and related expenditures.
- B. Record all tenant accounting transactions and input data pertaining to tenant rents, excess charges, and maintenance charges to the STATE's computer system. All tenants will be billed once per month by the STATE.
- C. Maintain tenant ledgers with records of all accounting transactions, including security deposits and a running balance on each account.
- D. Make appropriate charges for damage to any unit by inspecting such unit with the tenant prior to vacating and submit any such charges to be deducted from the security



STATE OF HAWAII

SCOPE OF SERVICES

- deposit or to be billed to the tenant or request to the STATE for security deposit refund so refund can be made within 14 days of the rental agreement termination date.
- E. Make appropriate purchases for goods and services for the express and specific use for AMP 43, within the approved AMP 43 budget, following its procurement rules and regulations which promote competition and transparency. The CONTRACTOR shall be held responsible for all purchases of goods and services above and beyond the approved AMP 43 budget without prior approval of the STATE.
 - F. Coordinate the subcontracting of the STATE approved services to AMP 43 following the STATE and State procurement policies and any applicable State or Federal procurement rules and regulations.
 - G. Process all purchase orders for approval prior to ordering goods/services, except in the case of an emergency where verbal approval may be obtained. Failure to obtain prior approval on regular/routine purchases shall be considered a serious violation of procurement policy. In the cases where an after-the-fact purchase is not approved, the STATE reserves the right to deduct an amount equal to the amount of the purchase from the CONTRACTOR's management fees.
 - H. The CONTRACTOR shall ensure all payments for goods/services received are made within 30 days of receipt of invoice.
 - I. Make all payments of salaries, wages, benefit contribution, and payroll taxes to or on behalf of the AMP 43 staff, and maintain all payroll records. The CONTRACTOR shall submit a written request for reimbursement of such items to the STATE within 30 days after payroll period.
 - J. Submit a monthly invoice for management fees to the STATE within 30 days of delivery of service.
 - K. Respond to findings of any independent, HUD or the STATE audit of AMP 43 by submitting a corrective action plan and implementing the plan, if applicable.
 - L. Provide additional data requested by the STATE utilizing current staff and personnel power. Special studies or surveys requiring pertinent expertise requested by the STATE shall not be deemed additional data.
 - M. Make all financial records concerning AMP 43 available to the STATE, during normal business hours.



STATE OF HAWAII

SCOPE OF SERVICES

16. Office Space, Equipment, and Supplies

The CONTRACTOR shall be permitted to use any designated administrative office space, maintenance facility, and/or other equipment assigned for the expressed and specific use at the properties under AMP 43. All personal property belonging to the STATE and located at AMP 43 shall be under the custody and control of the CONTRACTOR at all times. The CONTRACTOR shall accept full responsibility for all equipment, normal wear and tear excepted. The CONTRACTOR shall be fully responsible for stolen equipment or items when it is due to the CONTRACTOR's negligence, such as the failure to properly store and secure the STATE properties. The STATE reserves the right to deduct from the 5% retainage for loss or damaged equipment or property.

The CONTRACTOR shall not close the AMP 43 designated administrative office and maintenance facility during normal business hours without prior written approval by the STATE.

The CONTRACTOR will perform the following minimum services:

- A. Conduct an opening and closing inventory of equipment and supplies with the Contract Administrator upon the start and end date of the Contract.
- B. Conduct an annual physical inventory of all equipment, materials and supplies located at AMP 43 or upon 24 hours notice, the STATE, may conduct an inventory audit at AMP 43.
- C. Replace any consumable supplies in the current inventory of AMP 43. The CONTRACTOR may forego the replenishment of supplies that are inventoried in excess of the reasonable needs of the AMP 43 operating budget as developed by the CONTRACTOR and as approved by the STATE.
- D. Purchase supplies, materials, and equipment for the expressed and specific use at AMP 43. Equipment purchases require prior written approval by the STATE, shall be considered property of the STATE and shall follow applicable State and STATE fixed asset rules and regulations.
- E. Comply with all State and Federal laws, regulations, rules, and policies regarding the procurement of goods, services and construction.
- F. Ensure that all materials and supplies are properly entered into the materials inventory database and documented on work orders when used/pulled from inventory.
- G. Use own company letterhead for all correspondence with the STATE.



STATE OF HAWAII

SCOPE OF SERVICES

17. **Tenant Relations**

The CONTRACTOR shall promote and maintain good relations with the tenants and shall perform the following minimum services:

- A. Respond to all tenant requests involving concerns about the conditions or quality of life at AMP 43 in compliance with the STATE complaint procedures such as grievance hearings and resolve all significant or recurring problems.
- B. Work closely with and guide the tenant association toward tenant community involvement and participation in property activities.
- C. Institute and maintain informative tenant communications to advise tenants of any changes in policies, rules, regulations, or pertinent and necessary instructional bulletins such as storm, fire, or hazard regarding the complexes.
- D. Coordinate the use of community rooms with the tenant association.

18. **Supportive Services**

The CONTRACTOR shall coordinate the following minimum services:

- A. Advise residents of community services and programs available within the community to meet their needs.
- B. Provide tenant orientation(s) on available community services and programs to ease their transition into government assisted housing.
- C. Work with community agencies, organizations and tenant groups to promote and encourage improvement of supportive services for tenants.
- D. Provide guidance and/or referral services to appropriate agencies to assist tenants who are experiencing problems in money management, mental health, marital discord, abuse of a family household member, poor housekeeping, and other social problems.
- E. Provide an anonymous tenant suggestion system to be reviewed by the tenant association.
- F. Provide a cohesive community within the property's population.
- G. Provide access to community facilities to community organizations and non-profit agencies that provide services that are consistent with the STATE's mission and goals.



STATE OF HAWAII
SCOPE OF SERVICES

19. Coordination of Renovation, Construction, and Relocation

A. Planned Renovation / Construction / Major Repair Schedule:

Table with 3 columns: Property, Description, Est Start of Construction. Rows include Hale Hookipa, Ka Hale Kahaluu, Kaimalino, Kealakehe, and Nani Olu.

B. Relocation

In the event that a property undergoes major renovation/ modernization that involve the temporary relocation of tenants, the CONTRACTOR shall be responsible to assist with the following minimum services:

- 1. Locate suitable temporary housing such as other public housing sites or private owned housing available on the open residential rental market with maximum rents not to exceed current Section 8 Fair Market Rent (FMR).
2. Execute a Certificate of Right to Return, certifying tenants' right to return upon completion of the modernization construction.
3. Process reimbursable costs to the tenant for all reasonable out-of-pocket expenses incurred, including the cost of moving to and from the temporary housing and incidental expenses to the STATE.
4. Upon completion of modernization construction, conduct walk-through unit inspection and turn over keys with tenant prior to move in.

In the event that a property is to undergo renovation where the entire property is vacated, the CONTRACTOR's management fee will be forfeited during that time period. Upon completion of modernization construction, the STATE will notify the CONTRACTOR of their ability to again earn the management fee on those renovated units.



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

Contractor: Hawaii Affordable Properties, Inc.
Sites: AMP 43
Ka Hale Kahaluu (1061) 78-6725 Makolea St, Kailua-Kona, HI 96740
Hale Hookipa (1053) 81-1038 Nani Kupuna Pl, Kealakekua HI 96750
Kaimalino (1032) 74-5060 Kealakaa St, Kailua-Kona HI 96740
Kealakehe (1070) 74-991 Manawalea St, Kailua-Kona HI 96740
Nani Olu (1063) 81-1011 Nani Kupuna Pl, Kealakekua HI 96750
Services: Property Management, Maintenance and Resident Services at Asset Management Project 43 (AMP 43)

1. The STATE agrees, subject to the receipt of Federal funds under the Annual Contributions Contract and Section 161 of the Housing & Community Development Act of 1992 (HCDA 1992), Public Law 102-550, approved October 28, 1992, to pay the CONTRACTOR, for services satisfactorily performed under this Contract, a sum of money not to exceed _____ and ___/100 Dollars (\$ _____), for the Contract period.
2. Funds are subject to appropriation by the U.S. Congress and allocation by the U.S. Department of Housing and Urban Development (HUD). Funding and period of availability may change upon notice by HUD to the STATE. If there should be insufficient federal funds for any portion of the remainder to the contract period ending April 30, 2017, the STATE may terminate without penalty, the Contract or revise the amount/quantity of services required.
3. The CONTRACTOR shall be reimbursed on a cost reimbursement pricing structure according to the approved budget. Said compensation consists of a (i) Management Fee and (ii) Reimbursements for Expenses (i.e. administrative salaries, administrative medical benefits, administrative payroll taxes, maintenance salaries, maintenance medical benefits, maintenance payroll taxes, staff training, and other reimbursable expenses (e.g. such as liability or automobile insurance premiums) as set forth on the attached Price Proposal dated _____, 2016, attached hereto as Exhibit A and incorporated by reference.
4. It is agreed and understood that the CONTRACTOR shall be paid a management fee on a earned fee basis for property management and maintenance services satisfactorily performed at \$ _____ per month for the initial 12-month period.
5. The STATE shall retain five percent (5%) from each monthly management fee billing as a withholding until final settlement of the initial 12-month period. The STATE shall retain five percent (5%) from each monthly management fee billing as a withholding until final settlement of each extension period. Requests for payment shall be submitted at the end of each contract period and detail the gross amount requested, the five percent (5%) withholding amount and the net amount requested. Release of the five percent (5%) retainage shall be



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

subject to final settlement of each applicable Contract period. The total withholding amount shall not exceed five percent (5%) of the total Contract amount.

6. The cost allocation of the management fee for the purpose of withholding a portion of the CONTRACTOR's management fee in the event that the CONTRACTOR fails to comply with a particular item (items i – vi) of the CONTRACTOR's management work plan shall be calculated as a percentage of the CONTRACTOR's management fee as follows:
 - i. Administrative Requirements – 10%;
 - ii. Re-examination, Rent Collection, and Tenant Account Receivables – 10%;
 - iii. Unit, Common Area & Grounds Maintenance – 30%;
 - iv. Unit Turnover – 10%;
 - v. Work Order System – 20%; and
 - vi. Routine and Preventative Maintenance – 20%.

7. The CONTRACTOR's management fee shall be on an earned basis on occupied units and shall be calculated at not more than \$30 per occupied unit a month for each property under AMP 43 for the initial 12-month period and all subsequent option periods. The CONTRACTOR's management fee shall be calculated on the following:
 - i. Units occupied for the entire reporting month;
 - ii. Units partially occupied for the reporting month;
 - iii. Vacant units slated by the STATE for modernization and approved by HUD;
 - iv. Vacant units referred by the CONTRACTOR to the STATE for repair and
 - i. approved by HUD; and
 - v. Vacant units approved by HUD for special purposes.

8. Upon execution of this Contract, payments shall be paid in accordance with and subject to the following:
 - a. The CONTRACTOR shall submit a monthly invoice, one (1) original for services rendered to:

Hawaii Public Housing Authority
Property Management and Maintenance Services Branch
P.O. Box 17907
Honolulu, HI 96817

 - b. Section 103-10, HRS, provides that the STATE shall have thirty (30) calendar days after receipt of a proper invoice or satisfactory delivery of goods or performance of the services to make payment. Upon receipt of the invoice, the STATE shall date stamp the invoice, and use this receipt date to calculate the thirty (30) day payment



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

period. For the purposes of this paragraph, the CONTRACTOR's invoice date shall not be considered.

- c. Invoice for the month of June shall be submitted to the HPHA by the 30th of June for payment processing in order to comply with the HPHA fiscal year-end close out process.
- d. All invoices shall reference the Contract number assigned to this Contract. Payment shall be in accordance with Section 103-10, HRS, upon certification by the Contract Administrator that the CONTRACTOR has satisfactorily performed the services specified.
- e. Once a month the Contract Administrator will submit a report to the CONTRACTOR listing any discrepancies or Contract violation(s) that require correction(s). These discrepancies or Contract violation(s) must be corrected by the next reporting period in order to earn the full management fee.
- f. For final payment, the CONTRACTOR must submit a valid original tax clearance certificate "Certification of Compliance for Final Payment" (SPO Form-22). If the CONTRACTOR fails to provide a valid tax clearance certificate within six (6) months of the termination date of this Contract, the STATE shall assign the final payment in an amount not to exceed the tax liability to the Department of Taxation or the Internal Revenue Service; provided that the debt owed to the Department of Taxation shall be offset first.

A copy of Form SPO-22 is available at www.spo.hawaii.gov. Select "Forms for Vendors/Contractors" from the Chapter 103D, HRS link.

- 9. The STATE shall consider requests for increases as a result of an increase to public officers and employees during the Contract period or any option period. It is the sole responsibility of the CONTRACTOR to comply with Section 103-55, HRS.



STATE OF HAWAII

TIME OF PERFORMANCE

Contractor:

Properties:

Ka Hale Kahaluu (1061) 78-6725 Makolea St, Kailua-Kona, HI 96740

Hale Hookipa (1053) 81-1038 Nani Kupuna Pl, Kealakekua HI 96750

Kaimalino (1032) 74-5060 Kealakaa St, Kailua-Kona HI 96740

Kealakehe (1070) 74-991 Manawalea St, Kailua-Kona HI 96740

Nani Olu (1063) 81-1011 Nani Kupuna Pl, Kealakekua HI 96750

Services:

Property Management, Maintenance and Resident Services at Asset Management Project 43 (AMP 43)

1. The term of this Contract for Furnishing Property Management, Maintenance and Resident Services at AMP 43 on the Island of Hawaii shall be for a 12-month period beginning on April 30, 2016, 12:01 p.m. and ending on April 30, 2017, 12:00 p.m.
2. No services shall be performed on this Contract prior to April 30, 2016, 12:01 p.m.
3. The option to extend the Contract will be at the sole discretion of the STATE. The Contract may be extended, without the necessity of resoliciting, at the same rates as proposed in the original proposal unless price adjustments are made and approved as provided herein:

Initial term of contract:	12 months starting April 30, 2016, 12:01 p.m.
Length of each extension:	Up to 12 months (may be less than 12 months)
Maximum length of contract:	48 months

4. The initial period shall commence on the Contract start date. The following conditions must be met for an extension:
 - a. The CONTRACTOR experienced cost savings and has unexpended funds available that can be used to provide additional services; or
 - b. The STATE determines there is an ongoing need for the services and has funds to pay for the extension of contracted services, not to exceed two 12 month periods. Contract extensions shall be awarded at the same or comparable rates as the primary Contract.
 - c. A supplemental contract must be executed prior to expiration of the primary Contract.
 - d. The STATE must obtain HUD approval in writing of the extension prior to execution of a supplemental contract.
 - e. The CONTRACTOR must obtain the STATE approval in writing and a notice to proceed with the extension.
 - f. The STATE has determined that the CONTRACTOR has satisfactorily provided service over the current contract term.



STATE OF HAWAII

CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE

1. By Heads of Departments Delegated by the Director of the Department of Human Resources Development (“DHRD”).*

Pursuant to a delegation of the authority by the Director of DHRD, I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, Hawaii Revised Statutes (HRS).

(Signature)

Hakim Ouansafi

(Print Name)

Executive Director

(Print Title)

(Date)

* This part of the form may be used by all department heads and the heads of attached agencies to whom the Director of DHRD expressly has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. If an exemption is based on § 76-16(b)(15), the contract must meet the following conditions:

- (1) It involves the delivery of completed work or product by or during a specific time;
- (2) There is no employee-employer relationship; and
- (3) The authorized funding for the service is from other than the "A" or personal services cost element.

NOTE: Not all attached agencies have received a delegation under § 76-16(b)(15). If in doubt, attached agencies should check with the Director of DHRD prior to certifying an exemption under § 76-16(b)(15). Authority to certify exemptions under §§ 76-16(b)(2), and 76-16(b)(12), HRS, has not been delegated; only the Director of DHRD may certify §§ 76-16(b)(2), and 76-16(b)(12) exemptions.

2. By the Director of DHRD, State of Hawaii.

I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

(Signature)

(Print Name)

(Print Title, if designee of the Director of DHRD)

(Date)



STATE OF HAWAII
SPECIAL CONDITIONS

Contractor: Hawaii Affordable Properties, Inc.
Project/Sites Ka Hale Kahaluu (1061) 78-6725 Makolea St, Kailua-Kona, HI 96740
Hale Hookipa (1053) 81-1038 Nani Kupuna Pl, Kealakekua HI 96750
Kaimalino (1032) 74-5060 Kealakaa St, Kailua-Kona HI 96740
Kealakehe (1070) 74-991 Manawalea St, Kailua-Kona HI 96740
Nani Olu (1063) 81-1011 Nani Kupuna Pl, Kealakekua HI 96750
Services: Property Management, Maintenance and Resident Services at Asset Management Project 43 (AMP 43)

1. The CONTRACTOR shall maintain insurance acceptable to the STATE in full force and effect throughout the term of this Contract. The policies of insurance maintained by the CONTRACTOR shall provide the following coverages:

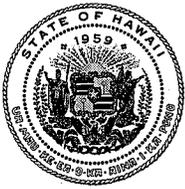
<u>Coverage</u>	<u>Limit</u>
General Liability Insurance (occurrence form)	\$2,000,000.00 combined single limit per occurrence for bodily injury and property damage. Personal injury limits of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate
Automobile Insurance covering all owned, non-owned and hired automobiles.	Bodily injury liability limits of <u>\$1,000,000.00</u> each person and <u>\$1,000,000.00</u> per accident and property damage liability limits of <u>\$1,000,000.00</u> per accident OR \$2,000,000.00 combined single limit.
Workers Compensation as required by laws of the State of Hawaii.	Insurance to include Employer's Liability. Both such coverages shall apply to all employees of the CONTRACTOR and (in case any sub-contractor fails to provide adequate similar protection for all his employees) to all employees of sub-contractors.

- a. The State of Hawaii, the HPHA, its elected and appointed officials, employees, and volunteers are added as additional insured with respect to operations performed under this Contract. The CONTRACTOR agrees to provide the STATE before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the STATE that the insurance provisions of this Contract have been complied with and to keep such insurance in effect and the certificate(s) therefore on deposit with the STATE during the entire term of this Contract. The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the Contract, including supplemental contracts. Upon request by the STATE, the CONTRACTOR shall furnish a copy of the policy or policies.
- b. Failure of the CONTRACTOR to provide and keep in force such insurance shall be regarded as a material default under this Contract, entitling the STATE to exercise any or all of the remedies provided in this Contract for default of the CONTRACTOR.



STATE OF HAWAII
SPECIAL CONDITIONS

- c. The procuring of such required policy or policies of insurance shall not be construed to limit the CONTRACTOR's liability hereunder or to fulfill the indemnification provisions and requirements of this Contract. Notwithstanding said policy or policies of insurance, the CONTRACTOR shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this Contract.
 - d. The CONTRACTOR shall immediately provide written notice to the STATE should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration.
2. The CONTRACTOR shall obtain and maintain, during the entire duration of this Contract, a fidelity bond at a minimum of \$500,000.00, or the minimum amount required by the applicable program, which shall cover all officers, employees, servants, and students (if any) of the CONTRACTOR and which shall protect the CONTRACTOR against loss by reason of, including but not limited to, fraud, dishonesty, forgery, theft, larceny, embezzlement, wrongful abstraction or misappropriation or any other dishonest criminal or fraudulent act, wherever committed and whether committed directly or in connivance with others. The CONTRACTOR shall furnish, at no cost or expense to the STATE, a certificate of such coverage, within thirty days from the award of the Contract.
3. The work to be performed under this Contract is subject to the requirement of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
4. The STATE shall monitor the performance of work on an ongoing basis through desk monitoring, site inspection and/or other appropriate methods.
5. Should the CONTRACTOR fail to comply with the requirements of the Contract, the STATE reserves the right to engage the services of another company to perform the services, to remedy the defect or failure and to deduct such costs from monies due to the CONTRACTOR or to assess the CONTRACTOR directly.
6. In the event the CONTRACTOR fails, refuses, or neglects to perform the services in accordance with the Contract Documents, the STATE reserves the right to purchase in the open market, a corresponding quantity of services, and to deduct from the CONTRACTOR this cost and from any monies due or that may thereafter become due the CONTRACTOR (the cost to the STATE of procuring such services). In case money due to the CONTRACTOR is insufficient for the purpose, the CONTRACTOR shall pay the difference upon demand by the STATE. The STATE may also utilize all other remedies provided under the contract and by law and rules.



STATE OF HAWAII
SPECIAL CONDITIONS

7. In the event there is a conflict between the general conditions from HUD 5370-C (05/2006) and general conditions AG-008 (Rev 4/15/2009) both of which are attached hereto, the more restrictive of the two shall apply.