



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
June 30, 2010, between Hawaii Public Housing Authority,
State of Hawaii ("STATE"), by its Executive Assistant,
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")),
whose address is 1002 North School Street, Honolulu, Hawaii 96817
and
("CONTRACTOR"), a
under the laws of the State of , whose business address and federal
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 Chapter 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) SF 181

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-2010-10 ("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 _____ n/a _____ DOLLARS (\$ _____ 0.00 _____).

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 _____ n/a _____ DOLLARS (\$ _____ 0.00 _____) 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)
Barbara E. Arashiro

(Print Name)
Executive Assistant

(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

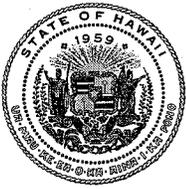
By _____
(Signature)

Print Name _____

Print Title _____

Name of Contractor _____

Date _____



STATE OF HAWAII

SCOPE OF SERVICES

Contractor:

Project(s):

Waimaha-Sunflower (1057) 85-186 McArthur St., Waianae, HI 96792**Kau`iokalani (1091)** 85-658 Farrington Hwy., Waianae, HI 96792**Mali I (1033)** Maliona St, Waianae, HI 96792**Mali II (1042)** Keliikipi Street, Waianae, HI 96792**Nanakuli Homes (1035)** Lualei Pl. & Farrington Hwy., Nanakuli, HI 96792

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 _____, 2010; (2) Request for Proposals No. PMB 2010-10, (3) State General Conditions (AG-008 Rev. 4/15/2009); (4) Federal General Conditions for Non-Construction Contracts (Form HUD-5370-C); and (5) this Contract, attachments S1, S2, S3, S4, and S5. 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 Oahu as listed above. If there is a conflict between the CONTRACTOR's accepted proposal and this Contract, the Contract shall prevail.
3. The CONTRACTOR shall furnish, in strict accordance with the Contract Documents, all labor and other means necessary to provide property management and maintenance services at the federally funded projects located on the island of Oahu as listed above. If there is a conflict between the CONTRACTOR's accepted proposal and this Contract, the Contract shall prevail.
4. **Management Requirements**
 - A. The CONTRACTOR shall be responsible to maintain the overall physical appearance and condition of the properties, including maintenance and up-keep to the exterior an interior of the individual units.
 - B. The CONTRACTOR shall be responsible for the timely submissions of reports on performance or progress including, but not limited to:
 - i. Weekly Vacant Unit Report;
 - ii. Monthly Supervisor's File Review Log;
 - iii. Monthly Income Discrepancy Report;
 - iv. Monthly Pre-Run Report;
 - v. Quarterly Enterprise Identification Verification Users Authorization;
 - vi. Semi-Annual Crime Tracking Reports;
 - vii. Monthly Community Service Status Report;
 - viii. Monthly Annual Unit Inspection Work Order Log;
 - ix. Monthly General Ledger Report; and



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x. Delinquency Account Report.

These reports shall be submitted at a time and place designated by the STATE and using the forms prescribed by the STATE.

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;
3. Special requests in response to inquiries from other governmental agencies, including the State Legislature.

C. Upon full execution of this Contract, the CONTRACTOR shall submit a copy of its written policies on the following to the STATE:

- i. Drug Free Workplace Policy;
- ii. Sexual Harassment Awareness in the Workplace Policy;
- iii. Non-Violence in the Workplace Policy;
- iv. Standards of Conduct;
- v. Fair Housing Policy;
- vi. Smoking Policy;
- vii. Safety Plan or Policies;
- viii. American with Disabilities Act; and
- ix. Purchasing or Procurement Policy.

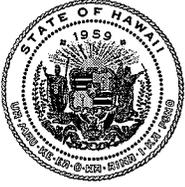
D. The CONTRACTOR shall maintain tenant files and records at the project office for a period of time as determined by the STATE. No files shall be stored off-site without the prior written consent of the STATE.

E. The CONTRACTOR shall not be allowed to accrue vacation or sick leave beyond the term of the Contract. All unused vacation and sick leave must be forfeited at the end of each Contract period and each Supplemental Contract period thereafter.

5. Accounting and Fiscal Services

A. The CONTRACTOR shall submit an operating budget for each fiscal year, July through June no later than March of the preceding fiscal year. The CONTRACTOR shall be allowed to request amendments to the budget based on unforeseen or unanticipated changes to the scope of work or unit, building, or facility conditions (e.g., water main break causes housing units to flood, a burned unit needs repairs).

B. The CONTRACTOR shall record all tenant accounting transactions and input data pertaining to tenant rents, excess charges, and maintenance charges to the STATE's computer system.



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- C. The CONTRACTOR shall maintain ledgers with records of all accounting transactions, including security deposits and a running balance on each account.

6. **Rent Collection and Tenant Account Receivables**

- A. The CONTRACTOR shall maintain and/or improve tenant rent /other charges delinquencies to three percent (3%) or below. The CONTRACTOR shall follow-up on delinquent rent and other tenant charges as instructed by the STATE.

7. **Unit, Common Areas and Ground Maintenance**

- A. The CONTRACTOR shall conduct at least one (1) annual unit inspection of every unit as required by federal requirements and one (1) preventive maintenance inspection to ascertain the physical condition in accordance with the Uniform Physical Conditions Standards (UPCS) and HUD regulations 24 Code of Federal Regulations Part 902.20. The CONTRACTOR may conduct a housekeeping inspection, and an additional inspection prior to the federal inspection by the Real Estate Assessment Center.
- B. The CONTRACTOR shall conduct maintenance on the units, common areas, and grounds, including but not limited to the following: cleaning, painting, landscaping and such other maintenance and repair work as may be necessary.
- C. The CONTRACTOR shall conduct an annual inspection of all major and regulated systems and all accessible/inspectable exterior and common areas of each project to ascertain the physical condition in accordance with the Uniform Physical Conditions Standards (UPCS) and HUD regulations Volume 24 Code of Federal Regulations (CFR) Part 902.20.
- D. It is understood and agreed that upon notification, graffiti will be removed within a 24-hour time period, when possible.

8. **Application, Selection and Placement**

- A. The CONTRACTOR shall accept applications from prospective tenants and select tenants in conformance with the tenant selection criteria as established in Title 17, Chapter 2028, Hawaii Administrative Rules.
- B. The CONTRACTOR shall process applicants on a timely basis in order to limit vacancies to a level of no higher than three percent (3%).
- C. The CONTRACTOR shall conduct a walk-through unit inspection with new tenants prior to or at the time of placement. The CONTRACTOR shall also orient tenants on use, care and maintenance of dwelling unit, appliances, and other assigned areas.



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- D. The CONTRACTOR shall maintain a file with information on eligibility, family composition, including a list of family members residing in each unit, and other required information.
- E. The CONTRACTOR shall evaluate tenant requests for transfer to other public housing projects, and where necessary prepare the request using forms prescribed by the STATE.
- F. The CONTRACTOR shall turnover keys upon tenant vacate and tenant occupancy and maintain the key registry.

9. **Vacates and Move Outs**

- A. The CONTRACTOR shall conduct a final unit inspection/assessment and acknowledge any deficiencies that may require correction and address those within three (3) working days. Referrals of uninhabitable units for repair/renovation are to be handled by the STATE. Referrals shall be submitted within two (2) working days of vacancy. All referrals shall be submitted through the Contract Administrator.
- B. The CONTRACTOR shall ensure that abandoned units are properly assessed and appropriate notice served. The date reflected on the notice will be considered the first (1st) date of vacancy.

10. **Income Re-examination**

- A. The CONTRACTOR shall conduct re-examinations of tenant eligibility and rent determination within twelve months of the previous certification in accordance with the program's policies and procedures on forms prescribed by the STATE.
- B. The CONTRACTOR shall have a supervisor review of no less than ten percent (10%) of all re-examinations conducted and submit a monthly log to the STATE and correct or adjust any part of the re-examination as requested by the STATE.

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

- A. Upon finding a tenant to be in default or in violation of any covenant, condition, provision, rule or regulation of the Rental Agreement or pertaining to the applicable project, the CONTRACTOR shall follow the STATE's rent collection policy and eviction procedures, including the securing of services to serve notices to tenants in default.
- B. The CONTRACTOR shall file or cause to be filed with the STATE's Hearing Board, or other hearing body designated by the STATE for such purpose, a complaint in accordance with established procedural rules promulgated by the STATE, as may be amended from time to time.



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- C. The CONTRACTOR shall represent the STATE at scheduled complaint hearings, which the STATE shall schedule at the first available scheduled meeting of the Hearings Board, provided the STATE has served the complaint to the tenant allowing at least five (5) days notice prior to the hearing date.

12. **Unit Turnover**

- A. The CONTRACTOR shall be responsible for turning over vacant units within twenty days at each project listed above. The turning over of a unit includes all repair work necessary to return a unit to a clean, safe and sanitary condition and the processing of a prospective tenant's application and placement in a unit.
- B. It is understood and agreed that there may be extenuating circumstances outside of the CONTRACTOR's control that affect the CONTRACTOR's ability to lease up a vacated unit within twenty days. The CONTRACTOR shall be responsible to accurately track unit turnaround and to provide a written report to the STATE on units that are not turned around within twenty days, including the reason for the delay and an anticipated date of completion.

13. **Vacancies**

- A. The CONTRACTOR shall be responsible for maintaining a vacancy rate of no higher than three percent (3%) of the housing units available for lease at each project. The three percent (3%) vacancy rate is applied by project. It is agreed and understood that the "housing units available for lease" does not include any unit that has been deprogrammed for non-housing purposes, referred to the STATE for major repairs and/or under construction, approved for demolition, or exempted by the STATE from the unit count.
- B. The CONTRACTOR shall be responsible for accurately tracking unit vacancies and to provide a written report to the STATE on units that are available for lease, but have not been filled on a timely basis. The report shall include a projected timeline for the renting of the vacant unit, if appropriate.

14. **Work Order System**

- A. The CONTRACTOR shall utilize the STATE's work order system or a substitute system as approved by the STATE. The CONTRACTOR shall be responsible for ensuring that its staff are properly trained on the work order system, including the opening, input, coding, and closing of work orders.
- B. The CONTRACTOR shall comply with all rules, regulations or subsequent revisions on the timeline for completion of work orders as instructed by the STATE.



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- C. The CONTRACTOR agrees to submit a written report on open work orders upon request by the STATE.

15. **Routine and Preventive Maintenance**

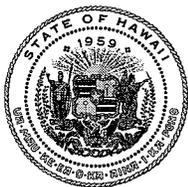
- A. The CONTRACTOR shall ensure that its maintenance staff is qualified and capable of providing minor repair and preventive maintenance for AMP 44.
- B. The CONTRACTOR shall ensure that its administrative/maintenance staff are capable and properly trained
- C. The CONTRACTOR is required to establish and follow a schedule of regular preventative maintenance.
- D. The CONTRACTOR shall train all newly placed tenants on how to properly maintain their units and appliances.
- E. The CONTRACTOR shall respond to requests for maintenance and repair services as follows:
 - i. Routine maintenance services within two (2) working days from the date of such request; and/or
 - ii. Emergency/urgent maintenance services no later than four (4) hours from the time of such request (seven (7) days a week, twenty-four hours a day) and abate within twenty-four hours.

16. **Utilities**

- A. The CONTRACTOR shall monitor electricity and water consumption at the projects for unusually high usage or irregular charges. Any irregularities shall be reported to the STATE on a timely basis.
- B. The CONTRACTOR shall be responsible to work with the tenants to conserve water and electricity on a regular basis.

17. **Refuse Collection and Disposal**

- A. It is understood and agreed that the STATE is responsible to contract for regular refuse collection services. The CONTRACTOR shall be responsible for monitoring the performance of the trash collection agency and for submitting monthly monitoring reports to the STATE.



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- B. The CONTRACTOR shall be responsible for maintaining the areas surrounding the trash bins and for the proper disposal of any excess or bulky materials. The disposal of excess refuse or bulky materials shall be paid on a reimbursement basis.

18. **Pest Control**

- A. The CONTRACTOR shall be responsible for the procurement and contracting of a pest control company. The CONTRACTOR shall obtain prior written approval for pest control services.

19. **Street Sweeping**

- A. The CONTRACTOR shall maintain the parking and common areas in generally neat and presentable condition. The CONTRACTOR shall be responsible to clean the parking lot areas at least once (1) at the beginning of each week, and when necessary.

20. **Capital Needs**

- A. It is understood and agreed that the CONTRACTOR shall provide assistance to the STATE with the repairs, including but not limited to, coordinating on-site inspections, notifications to the tenants, monitoring repair work (as requested), and attending meetings.

21. **Environment, Safety and Health Plan**

- A. The CONTRACTOR shall maintain a safety plan for project staff and shall be responsible for ensuring that the staff are adequately trained and informed.

22. **Tenant Relations**

- A. The CONTRACTOR shall be responsible for implementing the Community Service Requirement, 17-2028-52 (a)(4), HAR using the forms and instructions provided by the STATE.
- B. The CONTRACTOR shall implement and comply with the Pet Ownership Policy, 17-2028-91, HAR which allows for pets in public housing, subject to certain terms and conditions.
- C. The CONTRACTOR shall establish a system to maintain communication with the tenants at each project.
- D. The CONTRACTOR shall actively encourage the formation and maintenance of a tenant association at each project in accordance with Volume 24 CFR Part 964. The



STATE OF HAWAII
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CONTRACTOR shall attend tenant association meetings when requested, upon adequate notice by the tenant association.

23. **Procurement, Equipment and Supplies**

- A. The CONTRACTOR shall ensure compliance with all State and Federal statutes, regulations, rules and policies on procurement, equipment inventory and disposal, and supply management.
- B. It is understood and agreed that any purchase outside the approved Budget requires prior written approval from the STATE. The CONTRACTOR shall submit a request to make an unbudgeted purchase using the forms and instructions provided by the STATE
- C. The CONTRACTOR may requisition from the STATE and charge to AMP 44 (for express and specific use of the AMP) repair parts and supplies available in the STATE's Central Stores facility.
- D. The CONTRACTOR agrees to comply with all State and Federal laws, regulations, rules, and policies regarding the procurement of goods, services and construction and shall maintain written procedures to ensure compliance.
- E. The CONTRACTOR shall ensure compliance with all State and Federal statutes, regulations, rules and policies on procurement, equipment inventory and disposal, and supply management.
- F. The CONTRACTOR shall be allowed to obtain goods and/or services for AMP 44 operations as authorized by the approved budget, up to \$15,000, from an operating checking account established by the STATE. Purchase of goods and services above \$15,000 shall be conducted by the STATE.
- G. The beginning balance of the operating checking account shall be established by the STATE.
- H. The CONTRACTOR shall submit a monthly accounting report to the STATE, by the tenth (10th) of each month, of the previous month's activity, to include but not limited to: operating account monthly statement, receipts with copies of invoices of each purchase and any supporting documentation.
- I. In the cases where a purchase of goods and/or services is not approved by the STATE, the STATE reserves the right to deduct an amount equal to the amount of the purchase(s) from the CONTRACTOR's management fee.



STATE OF HAWAII
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- J. The operating checking account shall be maintained by a regular reimbursement by the STATE by the exact amount expended from the previous month. In the event of a need for funds in excess of the established limit, the CONTRACTOR shall submit a request to the STATE.

- K. In the case where the operating checking account is not available, the CONTRACTOR may process a purchase order for approval prior to ordering goods and/or services. 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.

- L. The CONTRACTOR shall provide written notification to the HPHA within five (5) days of receipt of goods/services in order to ensure that payment by the HPHA may be made within 30 days of receipt of invoice.

24. Contract Monitoring

- A. It is understood that the STATE, its auditors, HUD, the Legislature and other designated representatives may monitor performance under this Contract. Based on monitoring findings, the CONTRACTOR may be requested to provide additional information or reports not previously requested or required, including a written corrective action plan. The STATE also reserves the right to make periodic inspections, scheduled and unscheduled at the project sites.

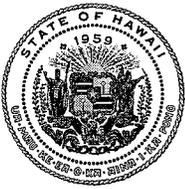


STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

Contractor:**Project(s):****Waimaha-Sunflower (1057)** 85-186 McArthur St., Waianae, HI 96792**Kau`iokalani (1091)** 85-658 Farrington Hwy., Waianae, HI 96792**Maili I (1033)** Maliona St, Waianae, HI 96792**Maili II (1042)** Keliikipi Street, Waianae, HI 96792**Nanakuli Homes (1035)** Lualei Pl. & Farrington Hwy., Nanakuli, HI 96792

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 _____ **xx/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 of the contract period ending June 30, 2010, 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, liability insurance, postage, telephone, copying and other office expenses) as set forth on the attached Price Proposal dated _____, 2010, attached hereto as Exhibit A and incorporated by reference.
4. The CONTRACTOR shall be paid on a management fee on a flat fee basis for property management, maintenance, and resident services satisfactorily performed at \$ _____ per month for the initial 12-month period of the Contract.
5. 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 at a rate of _____ of the CONTRACTOR's management fee as follows:
 - i. Administrative Requirements;
 - ii. Re-examination, Rent Collection, and Tenant Account Receivables;
 - iii. Unit, Common Area & Grounds Maintenance;
 - iv. Unit Turnover;
 - v. Work Order System; and
 - vi. Routine and Preventive Maintenance.



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

6. The CONTRACTOR's management fee shall be calculated at no greater than \$25 per occupied unit a month for each project under AMP 44. 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 approved by HUD; and
 - v. Vacant units approved by HUD for special purposes.

7. 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 original, and three copies for goods and services rendered to:

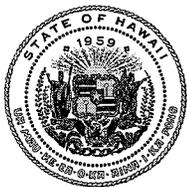
Hawaii Public Housing Authority
Private Management Contracts Section
P.O. Box 17907
Honolulu, HI 96817

 - b. Section 103-10, HRS provides that the STATE shall have thirty calendar days after receipt of invoice or satisfactory delivery of goods or performance of the services to make payment. The aging date of the invoice shall be the latter of the two: 1) date of invoice or 2) postmark of original invoice received via United States Postal Service or other method of delivery.

 - c. 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.

 - d. Once a month the Contract Administrator will submit a report to the CONTRACTOR listing any discrepancies or contract violation(s) which need correction. These discrepancies or contract violation(s) must be corrected by the next reporting period for payment adjustment purposes. Withholding of management fees shall apply for failure to comply.

 - e. 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 months of the termination date of this Contract, the HPHA 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.



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

7. The STATE shall not 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.

8. The STATE shall retain five percent (5%) from each monthly management fee billing as a withholding until final settlement of the Contract. Requests for payment shall detail the gross amount requested, the five percent (5%) withholding amount and the net amount requested. The total withholding amount shall not exceed five percent (5%) of the total Contract amount.



STATE OF HAWAII

TIME OF PERFORMANCE

Contractor:**Project(s):****Waimaha-Sunflower (1057)** 85-186 McArthur St., Waianae, HI 96792**Kau`iokalani (1091)** 85-658 Farrington Hwy., Waianae, HI 96792**Maili I (1033)** Maliona St, Waianae, HI 96792**Maili II (1042)** Keliikipi Street, Waianae, HI 96792**Nanakuli Homes (1035)** Lualei Pl. & Farrington Hwy., Nanakuli, HI 96792

1. The term of this Contract for Furnishing Property Management, Maintenance and Resident Services at Asset Management 44 on the Island of Oahu shall be for a 12-month period beginning on June 30, 2010, 12:01 p.m. and ending on June 30, 2011, 12:00 p.m.
2. No services shall be performed on this Contract prior to June 30, 2010, 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 rebidding, 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 June 30, 2010, 12:01 p.m.
Length of each extension:	Up to 12 months (may be less than 12 months)
Maximum length of contract:	60 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 12 months. 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 may be required to obtain HUD approval in writing of the extension prior to execution of a Supplemental Contract; and
 - d. The CONTRACTOR must obtain the STATE approval in writing and a notice to proceed with the extension; and
 - e. The STATE has determined that the CONTRACTOR has satisfactorily provided service over the current Contract term.



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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)

(Date)

(Print Name)

(Print Title)

* 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.

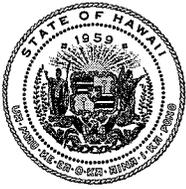
I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

(Signature)

(Date)

(Print Name)

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



STATE OF HAWAII
SPECIAL CONDITIONS

Contractor:

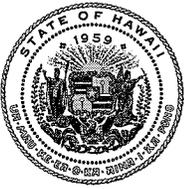
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1. The CONTRACTOR shall maintain insurance acceptable to the STATE in full force and effect throughout the term of this Contract. The policies of insurance maintained by the CONTRACTOR shall provide the following coverages:

<u>Coverage</u>	<u>Limit</u>
Commercial General Liability	\$2,000,000 single limits per occurrence for bodily injury and personal property damage.
Personal Injury Liability	\$1,000,000 single limits per occurrence \$2,000,000 for general aggregate
Automobile Insurance covering all owned, non-owned and hired automobiles.	Bodily injury liability limits of <u>\$1,000,000</u> each person and <u>\$1,000,000</u> per accident and property damage liability limits of <u>\$1,000,000</u> per accident OR \$2,000,000 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.



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- 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 insurer shall notify the STATE in writing of any cancellation or change in provisions thirty calendar days prior to the effective date of such cancellation or change.
2. The Hawaii Public Housing Authority is a self insured STATE agency. The CONTRACTOR's insurance shall be primary. Any insurance maintained by the State of Hawaii shall apply in excess of, and shall not contribute with, insurance provided by the CONTRACTOR.
 3. The CONTRACTOR shall obtain and maintain, during the entire duration of this Contract, a fidelity bond at a minimum of \$100,000.00, 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.
 4. 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.
 5. The STATE shall monitor the performance of work on an ongoing basis through desk monitoring, site inspection and/or other appropriate methods.
 6. 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.
 7. 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.



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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 (2) shall apply.