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 _____, _____, between Hawaii Public Housing Authority,
*(Insert name of state department, agency, board or commission)*
State of Hawaii ("STATE"), by its Executive Director,
*(Insert title of person signing for State)*
(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 _____
*(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)*
under the laws of the State of Hawaii, 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 Section 356D-4, HRS, the STATE
*(Legal authority to enter into this Contract)*
is authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:

(1) n/a
*(Identify state sources)*
or (2) Low Income Public Housing Subsidy
*(Identify federal sources)*
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-2016-40 ("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)*

Hakim Ouansafi
*(Print Name)*

Executive Director
*(Print Title)*

_____
*(Date)*

**CONTRACTOR**

CORPORATE SEAL
(If available)

_____
*(Name of Contractor)*

_____
*(Signature)*

_____
*(Print Name)*

_____ *
*(Print Title)*

_____
*(Date)*

**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: Contract for Goods and Services Based Upon Competitive Sealed Proposals

(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:** **Palolo Valley Homes ((1008)** 2107 Ahe Street, Honolulu, HI 96816
**Services:** Furnish Property Management, Maintenance and Resident Services at Asset Management Project 50 (**AMP 50**)

1. It is understood and agreed that the following documents, and any amendments or addenda thereto, comprise the Contract between the parties and govern the work to be performed by the CONTRACTOR for property management, maintenance and resident services and are fully a part of the Contract: (1) CONTRACTOR's accepted proposal and clarifications dated _____, 2016; (2) Request for Proposals No. PMB 2016-40; (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, provide property management, maintenance and resident services at the federally funded projects, AMP 50, on the Island of Oahu in a satisfactory and proper manner as determined by the STATE, and in strict accordance with the terms and conditions of the Contract Documents.

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-2016-40 and the CONTRACTOR's accepted proposal, which includes its response to clarification and best and final offer. 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 initial 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 50 to a private management firm shall include, without limitation, the following:

   A. Maintain the overall physical appearance and condition of AMP 50 properties, as well as the maintenance and upkeep of individual units.

   B. Provide a secure living environment, enforcing rules, local ordinances and the HPHA policies to reduce or eliminate the number of incidents of crime, vandalism, rule violation and nuisance behavior.

STATE OF HAWAII

# SCOPE OF SERVICES

C. Maintain good communication between tenants and management personnel.

D. Encourage tenant participation and involvement in AMP 50 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 50 property; limit rent delinquencies to two (2) percent or lower for each AMP 50 property.

G. Limit vacated tenant account receivables (TARS), to not greater than 15 percent of the outstanding balance each month.

H. Maintain an occupancy level at 98 percent or better for each AMP 50 property inclusive of HUD-approved modernization units with eligible unit months (EUM) counting towards occupancy.

I. Rehabilitate and clean vacated units to a marketable condition so that the unit is **ready for occupancy and leased** within seven (7) business 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) business day turnaround requirement.

J. 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.

K. Achieve a minimum score of 90 points under the Real Estate Assessment Center (REAC) physical inspection component for all federal properties unless there are circumstances beyond the control of the CONTRACTOR and it is acceptable to the STATE.

L. Achieve a good community image and encourage community involvement in support of AMP 50.

M. Implement and comply with the HPHA Language Access Policy and Plan, which provides for language assistance to limited English proficient program participants.

N. Provide services in compliance with Title VI of the Civil Rights Act, Executive Order 13166, August 11, 2000, and chapter 321C, HRS. These laws 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 require 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.

O. Abide by the specified requirements, comply with all instructions relating to the management, rental and maintenance of AMP 50 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 the issuance or adoption or to recommend appropriate subsequent changes.

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. 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 50 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 monthly to the STATE on the following:

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 the CONTRACTOR refer to the HUD website to become familiar with the proposed PHAS requirements detailed at the Federal Register 24 CFR Part 902.

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# SCOPE OF SERVICES

## 7. Administrative Requirements & Minimum Qualifications

### A. Management Representative

1. The CONTRACTOR shall designate a contact person who will be responsible for oversight of AMP 50 and ensure Contract performance. The contact person shall 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 violations, which require correction. These discrepancies or Contract violations 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. 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 available at:

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

3. All staff training, including without limitation, 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 participate in Fair Housing training, which may be offered by the HPHA or an outside agency. It is the responsibility of the CONTRACTOR to secure training for its staff, including without limitation, the AMP Manager, Public Housing Specialist(s), Maintenance Supervisor and other site staff at a minimum of every two (2) years.

5. 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.

6. 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.

7. 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. Upon request, the STATE shall be provided with access to employee performance evaluations for the purposes of monitoring.

8. The CONTRACTOR with the concurrence of the STATE shall hire a responsible employee as the AMP 50 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**. The AMP 50 Manager shall act as a point of contact for residents and the STATE. At a minimum, the AMP 50 Manager shall also respond to tenant concerns, supervise staff, enforce house rules, inspect the housing units and encourage tenant organization and participation.

9. The AMP Manager shall be certified in the following with certifications dated within five (5) years of the Contract start date:

    i. Certified Specialist Public Housing Manager (CS-PHM) or Accredited Residential Manager (ARM) or Certified Apartment Manager (CAM),
    ii. Public Housing Certified Occupancy Specialist (COS), and
    iii. Public Housing Rent Calculation.

    Alternatively, the AMP Manager shall obtain and maintain renewal of its certification within six (6) months from the Contract start date, unless there are circumstances beyond the CONTRACTOR's control, which are acceptable to the STATE.

10. The AMP Manager and Working Foreman or equivalent shall be trained on the Uniform Physical Condition Standards (UPCS) requirements dated within five (5) years of the Contract start date. Alternatively, the AMP Manager and Working Foreman or equivalent shall obtain re-training within six (6) months from the Contract start date, unless there are circumstances beyond the CONTRACTOR's control, which are acceptable to the STATE.

11. The CONTRACTOR shall employ or subcontract at a minimum a Carpenter, a licensed Plumber, and a licensed Electrician at entry level to repair and improve

properties under AMP 50. The CONTRACTOR shall provide evidence of a valid license for the plumber and electrician or subcontractor licenses to the STATE.

12. The CONTRACTOR shall provide the STATE with an email address for the AMP 50 Manager.

13. The CONTRACTOR shall provide the STATE with an after-hour contact phone number for the AMP 50 Manager and Working Foreman or equivalent.

14. The CONTRACTOR shall not institute additional or alternative paid holidays, including without limitation, the closure of business days at the expense of the STATE and/or without express written consent by the STATE.

15. 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 50. The CONTRACTOR's personnel shall not provide confidential information to the tenants and the general public without express written consent of the STATE.

16. 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, without limitation, 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 similar provisions in all subcontracts.

17. The CONTRACTOR agrees to remove any of its employees from servicing or providing services to the STATE, upon request in writing by the Contract Administrator. At the request of the STATE and in its discretion: The CONTRACTOR shall remove forthwith and shall not employ in any portion of the work, any person who, 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.

18. The CONTRACTOR shall conduct a nationwide criminal background check on all personnel employed at AMP 50 and be made available upon request by the STATE.

19. During the term of this Contract, 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.

20. During the term of this Contract, 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.

21. 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, if it is discovered by the STATE or by the CONTRACTOR that an employee of AMP 50 is a registered sex offender, the CONTRACTOR shall immediately dismiss this person from employment at AMP 50.

22. The CONTRACTOR shall provide the STATE photo release authorization for use of staff photos in STATE publication(s) and/or the STATE website.

23. Smoking of tobacco or any other plant materials is strictly prohibited on the STATE properties. The CONTRACTOR shall agree and adhere to this no-smoking prohibition while on the STATE properties. Such violation may be considered a breach of the resulting Contract and result in suspension or termination.

**C. Administrative Policies**

At a minimum, the CONTRACTOR shall maintain its own written policies that, 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. Safety Plan or Policies; and
8. Procurement Policy and Procedures.

The CONTRACTOR shall provide written documentation not later than 15 days after the notice to proceed that all staff are informed of its requirements and agree 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;
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 including, without limitation:

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.

2. Post notices of all rules and regulations pertaining to AMP 50 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 without limitation, 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 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 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 for the term of the Contract. No permit, lease or written agreement covering use of such space shall exceed 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 programs carried out at the AMP 50 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:

   a. Use by a duly elected tenant association/council for office space and/or meeting facility.

   b. Occupancy by a police officer to increase on-site security.

   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.

10. Implement HUD's Community Service Requirement in compliance with HUD and the STATE rules, including tracking and reporting of tenant compliance. 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;

    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, for effective communication to minimize unit vacancy in accordance with applicable laws, rules or policies.

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 STATE.

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.

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.

10. **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) business 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) business 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 not higher than two percent (2%) for each property. Individual units shall be re-rented within seven (7) business 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.

11. **Annual Income Re-examination**

The CONTRACTOR shall conduct an annual income examination as required, informing tenants of their obligations and responsibilities, and provide the following minimum 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.

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

The CONTRACTOR shall respond to tenant defaults 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, securing 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.

B. File complaints 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) business days prior to the hearing date.

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 50.

13. **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, 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 and carpentry. Common areas and facilities, shall mean and include, without limitation, parking lots and sidewalks. 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 50. 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) business days from the date of such request; and/or

   2. Emergency/urgent maintenance services shall occur no later than four (4) hours from the time of such request and shall be abated or resolved within 24 hours. Such emergency/urgent maintenance services shall be provided seven (7) days a week, 24 hours each day.

E. Maintain the grounds and all common areas of AMP 50, including without limitation, 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) business days from the date the tenant vacated. Vacated units referred and approved by the STATE that require substantial renovation/ construction shall be exempt from the seven (7) business day turnaround requirement.

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

H. 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 CPR Part 902.20.

I. Designate the AMP Manager or the CONTRACTOR's principal-in-charge to participate in the annual REAC physical inspection for the entire inspection process.

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

K. Purchase services, supplies, materials and equipment as authorized and in accordance with the approved budget. All equipment purchased shall be delivered to the STATE Central Storeroom Warehouse and will be forwarded to the AMP unless otherwise specified by the STATE. All such purchases shall be considered property of the STATE and must be purchased and recorded as inventory in compliance with State rules.

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

M. Store and safeguard necessary supplies at AMP 50, maintain a perpetual written inventory and store and maintain equipment at AMP 50. Such supplies, inventory and equipment shall be available for the STATE inspection upon request.

N. Conduct extraordinary maintenance as scheduled or as approved by the STATE.

O. Implement a preventive maintenance program. Perform preventive maintenance services in each unit at least once a year and perform maintenance checks and corrections in all units entered during a tenant requested maintenance repair. Submit a schedule of the preventive maintenance program to the STATE.

P. Make all additions, betterments, and replacements as requested and approved by the STATE on a cost-reimbursable basis. The STATE shall make reasonable efforts to provide plans for substantial additions and/or replacements to the CONTRACTOR.

Q. Prepare and submit monthly reports on selected maintenance operations.

R. Provide pest control services as needed.

S. Provide refuse collection and bulky item disposal services. All refuse areas, enclosures and receptacles shall be kept in a clean condition and in accordance with local, State, and Federal fire, safety and health codes.

T. Maintenance Manager:

The maintenance manager shall perform the following minimum services:

i. Day-to-day on-site general maintenance of Palolo Valley Homes;

ii. Perform variety of semi-scheduled maintenance repair work;

iii. Upkeep of buildings, dwelling units, and grounds as well as assists tenants in emergency situations;

iv. Provide AMP 50 Area Manager with reports, oral or written concerning violations of the Rental Agreements and/or Project Rules as well as maintenance issues; and

v. Assists police, fire and emergency medical service personnel as needed;

vi. The HPHA shall provide a dwelling unit for the Maintenance Manager at Palolo Valley Homes at no cost to the Successful Offeror.

14. **Accounting and Fiscal Services**

The CONTRACTOR shall 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 not 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 deposit or to be billed to the tenant along with the request to the STATE for security deposit refund so a net refund can be issued 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 50, within the approved AMP 50 budget following its procurement rules and regulations to promote competition and transparency. The CONTRACTOR shall be held responsible for all purchases of goods and services above and beyond the approved AMP 50 budget without prior approval of the STATE.

F. Coordinate the subcontracting of the STATE approved services to AMP 50 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 as identified in Exhibit A of the Compensation and Payment Schedule.

H. The CONTRACTOR shall ensure all payments for goods/services received are made within 30 days of receipt of invoice. If a request for payment is made in excess of 30 days from the receipt date, then the CONTRACTOR shall forfeit any obligation due under section 103-10, HRS, and the STATE shall deduct the interest from the CONTRACTOR's management fee. This shall not apply in those cases where delay in payment is due to circumstances beyond the control of the CONTRACTOR and acceptable to the STATE. The CONTRACTOR shall comply with 103-10.5, HRS.

I. Make all payments of salaries, wages, benefit contribution, and payroll taxes to or on behalf of the AMP 50 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. Submit monthly mileage reimbursement claim(s) due from the STATE for the use of privately owned vehicle for AMP 50 business conduct to the STATE by the 15th of the following month. The AMP 50 staff shall forfeit the mileage reimbursement claim

against the STATE if the mileage reimbursement claim is not submitted by the 15th of the following month, unless the delay is due to circumstances beyond the control of the CONTRACTOR and acceptable to the STATE.

L. Respond to findings of any independent, HUD or the STATE audit of AMP 50 by submitting a corrective action plan and implementing the plan.

M. 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.

N. Make all financial records concerning AMP 50 available to the STATE, during normal business hours.

15. **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 50. All personal property belonging to the STATE and located at AMP 50 shall be under the custody and control of the CONTRACTOR at all times. The CONTRACTOR shall accept full responsibility for all equipment, except for normal wear and tear. 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 five percent (5%) maintenance fee retainage for loss or damaged equipment or property.

The CONTRACTOR shall not close the AMP 50 designated administrative office and maintenance facility during normal business hours without prior written approval by the STATE.
The CONTRACTOR shall 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 50. Upon 24 hours notice, the STATE may conduct an inventory audit at AMP 50.

C. Replace any consumable supplies in the current inventory of AMP 50. The CONTRACTOR may forego the replenishment of supplies that are inventoried in excess of the reasonable needs of the AMP 50 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 50. Equipment purchases require prior written approval by the STATE, shall be

considered property of the STATE and shall follow applicable 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.

16. **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 50 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.

17. **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. Establish an anonymous tenant suggestion box system.

F. Encourage a cohesive community within the tenant population of AMP 50.

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.

18. **Coordination of Renovation, Construction, and Relocation**

A. Planned Renovation / Construction / Major Repair Schedule:

| Property | Description | Est Start of Construction |
|---|---|---|
| Palolo Valley Homes | Site and Dwelling Improvements | June 2016 |
| Palolo Valley Homes | Site and Dwelling Improvements | tbd* |
| | | |

* tbd: to be determined

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 a 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:**
**Properties:** **Palolo Valley Homes ((1008)** 2107 Ahe Street, Honolulu, HI 96816
**Services:** Property Management, Maintenance and Resident Services at Asset Management Project 50 **(AMP 50)**, Island of Oahu

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 initial 10-month 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 September 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, including without limitation: administrative salaries, administrative medical benefits, administrative payroll taxes, maintenance salaries, maintenance medical benefits, maintenance payroll taxes, staff training, and other reimbursable expenses such as liability or automobile insurance premiums, as set forth on the attached Price Proposal dated _____, 2016, attached and incorporated as Exhibit A.

4. It is agreed and understood that the CONTRACTOR shall be paid a management fee on an earned fee basis for property management and maintenance services satisfactorily performed per month at not greater than $_____ **and ____/100 Dollars ($_____)** per month for the initial 10-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 10-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 subject to final settlement of each applicable Contract period. The total withholding amount shall not exceed five percent (5%) of the total Contract amount.

STATE OF HAWAII

# COMPENSATION AND PAYMENT SCHEDULE

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 – 35%;
    iii. Unit, Common Area & Grounds Maintenance – 10%;
    iv. Unit Turnover – 25%;
    v. Work Order System – 10%; and
    vi. Routine and Preventative Maintenance – 10%.

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 AMP 50 property 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 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 one (1) original monthly invoice for goods and 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 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 30 day payment period. For the purposes of this paragraph, the CONTRACTOR's invoice date shall not be considered.

STATE OF HAWAII

# COMPENSATION AND PAYMENT SCHEDULE

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. Invoice for the month of June shall be submitted to the STATE by the 20th of June for work performed for the period from June 1st to June 15th for payment processing in order to comply with the HPHA fiscal year-end close out process. For work performed for the period from June 16th to June 30th, the invoice shall be submitted to the STATE not later than July 15th for payment processing.

e. Every four (4) weeks, the STATE will submit a monitoring report to the CONTRACTOR's management representative listing any discrepancies or Contract violation(s) that require correction(s). These discrepancies or Contract violation(s) must be corrected or implemented by the time periods provided 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 two (2) 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:** **Palolo Valley Homes ((1008)** 2107 Ahe Street, Honolulu, HI 96816
**Services:** Property Management, Maintenance and Resident Services at Asset Management Project 50 (**AMP 50**), Island of Oahu

1. The term of this Contract for Furnishing Property Management, Maintenance and Resident Services at AMP 50 on the Island of Oahu shall be for a 10-month period beginning November 30, 2016, 12:01 p.m. HST, and ending September 30, 2017, 12:00 p.m., HST.

2. No services shall be performed on this Contract prior to November 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 dated _____ unless price adjustments are made and approved as provided herein:

| | |
|---|---|
| Initial term of contract: | 10 months starting November 30, 2016, 12:01 p.m. |
| Length of each extension: | Up to 12 months (may be less than 12 months) |
| Maximum length of contract: | 58 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) (Date)

Hakim Ouansafi
(Print Name)

Executive Director
(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:**
**Properties Services:** **Palolo Valley Homes ((1008)** 2107 Ahe Street, Honolulu, HI 96816
Property Management, Maintenance and Resident Services at Asset Management Project 50 (**AMP 50**), Island of Oahu

1. Insurance Requirements

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:

| Coverage | Limit |
|---|---|
| **General Liability Insurance** (occurrence form) | $2,000,000.00 combined single limit per occurrence for bodily injury and property damage.<br><br>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 $1,000,000.00 each person and $1,000,000.00 per accident and property damage liability limits of $1,000,000.00 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. |
| **Professional Liability Insurance** | Errors and Omissions at a minimum of $1,000,000.00 per occurrence and $2,000,000.00 annual aggregate. |

a. The State of Hawaii, the Hawaii Public Housing Authority (HPHA), its elected and appointed officials, and employees shall be named as additional insured, except for Professional Liability Insurance and Workers Compensation Insurance, as respects to operations performed for the State of Hawaii 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 CONTRACTOR is in compliance with the insurance provisions of this Contract and to keep such insurance in effect and the certificate(s) therefore on deposit with the STATE during 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.

STATE OF HAWAII

# SPECIAL CONDITIONS

b. Failure of the CONTRACTOR to provide and keep in force such insurance shall be a material default under this Contract. The STATE shall be entitled to exercise any or all of the remedies provided in this Contract and by law for default of the CONTRACTOR.

c. The procuring of such required policy or policies of insurance shall not be construed to limit the CONTRACTOR's liability under this Contract 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.

e. The STATE 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.

f. To satisfy the minimum coverage limits required by this Contract, the CONTRACTOR may use an umbrella policy in addition to the mandatory insurance policies (i.e., General Liability Insurance, Automobile Insurance, and Workers' Compensation) provided that the STATE approves, and the umbrella policy follows the underlying coverage forms.

2. Fidelity Bond

The CONTRACTOR shall obtain and maintain, at its sole expense during the term of this Contract, a fidelity bond which includes third party liability at a minimum of $500,000.00. The fidelity bond shall cover all officers, employees, and agents 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, whatever committed and whether committed directly or with others.

The CONTRACTOR shall furnish at no cost or expense to the STATE a certificate of such coverage within 30 days from the award of the Contract.

The CONTRACTOR agrees to deposit with the STATE a valid certificate necessary to satisfy the STATE that the CONTRACTOR is in compliance with the fidelity bond provisions of the Contract and shall keep such bond in effect and the certificate on deposit with the STATE during the entire term of the Contract.

Failure of the CONTRACTOR to provide and keep in force such fidelity bond shall be regarded as material default under the Contract. The STATE shall be entitled to exercise any or all of the remedies provided in the Contract for such default of the CONTRACTOR.

STATE OF HAWAII

# SPECIAL CONDITIONS

3. The CONTRACTOR shall have a permanent office in the State where it conducts business and where it will be accessible in person or via telephone calls during normal State of Hawaii government business hours to address concerns or requests that need immediate attention. A telephone answering service is not acceptable.

4. Section 3 of the U.S. Housing Act of 1968

   a. 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.

   b. The parties to this Contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with 24 CFR part 135.

   c. The CONTRACTOR agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or any other understanding a notice advising the labor organization or workers' representative of the CONTRACTOR's commitments under this section 3 clause. CONTRACTOR shall post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, set forth minimum number and job titles subject to hire, availability of apprenticeship/training positions and the qualifications for each. The notice shall also provide the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

   d. The CONTRACTOR shall include this section 3 clause in every subcontract subject in compliance with regulations in 24 CFR part 135. It shall take appropriate action upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135 as provided in an applicable provision of the subcontract or in this section 3 clause. The CONTRACTOR will not subcontract with any subcontractor where the CONTRACTOR has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

   e. The CONTRACTOR shall certify that any vacant employment positions were not filled to circumvent the CONTRACTOR's obligations under 24 CFR part 135. This includes any training positions that are filled (1) after the CONTRACTOR is selected, but before the Contract is executed and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed.

STATE OF HAWAII

# SPECIAL CONDITIONS

f. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Contract for default and debarment or suspension from future HUD assisted contracts.

5. The STATE shall monitor the performance of work an ongoing basis through personal observation, site inspection, and/or other appropriate methods deemed as appropriate by the Contract Administrator and his/her designated representatives(s).

6. In the event the CONTRACTOR fails, refuses, or neglects to perform the services in accordance with the requirements of the Request for Proposals (RFP) No. PMB-2016-40 or the Contract, the STATE reserves the right to purchase in the open market a corresponding quantity of services, and to deduct the cost of such services from any monies due or may thereafter become due the CONTRACTOR. 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.

7. In the event of a conflict between the Federal General Conditions, HUD 5370-C (01/2014) and the State General Conditions, AG-008 103D General Conditions, the more restrictive shall apply.

8. In the event of a conflict between the Special Conditions and the General Conditions, the Special Conditions shall apply.

9. Interchangeable Terms. The following terms shall be one and the same:

   a. "STATE" and "HPHA".

   b. "Contract" and "Agreement".

   c. "CONTRACTOR" and "Successful Offeror".

10. For Federal Public Housing Properties, evictions are governed by 24.C.F.R. Section 966.4. The Grievance Procedure governed by 24.C.F.R. Section 966 and the HPHA administrative rules. Administrative contested case hearings apply.

11. Subject to section 356D-6.5, HRS, smoking of tobacco or any other plant material is strictly prohibited on HPHA properties. The CONTRACTOR agrees and shall adhere to this no-Smoking law while on HPHA property. Such violation may be considered a breach of this Contract and result in suspension or termination. It shall be considered a violation of State law and subject to prosecution to the fullest extend under law.