

REGISTRATION FORM

RFQ DEV-2023-03	PROJECT: KA LEI MOMI REQUEST FOR QUALIFICATIONS FOR MASTER DEVELOPER
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INSTRUCTIONS

Please fill out this sheet and leave original with the Contract & Procurement Office located at 1002 North School Street – Building D, Honolulu, HI 96817 on Oahu when you pick up your Request for Qualifications (RFQ) packet. A copy will be made for you. Take the copy with you as it contains important dates, times and information.

Read this packet carefully. If you have any questions, please call Rick Sogawa at (808) 832-6038.

Pre-Submittal Video Conference:	Monday, February 13, 2023 9:00 a.m. Hawaii Standard Time (HST)
Submittal Deadline:	Sealed proposals will be received until 4:00 p.m. HST on Tuesday, March 7, 2023, at 1002 North School Street, Central Files Office - Building G, Honolulu, HI 96817. Electronic mail and facsimile transmissions shall not be accepted.
Property Visitation:	February 13 – 17, 2023
Selection of Highest Ranked Respondent:	April 2023

	Date: _____
Company: _____	
Address: _____ _____	
Phone No. _____	Cell No. _____
Fax No. _____	
Email Address: _____	
Contact Person: _____	

Signature of Person Picking Up Packet

REQUIRED ATTACHMENTS:

The following must be submitted with the submittal:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Acknowledgement of Addenda

<input checked="" type="checkbox"/> Non-Collusive Affidavit | <input checked="" type="checkbox"/> HUD Form 2992 Certification Regarding Debarment and Suspension |
|---|--|



Hawaii Public Housing Authority
State of Hawaii

RFQ DEV-2023-03

Project: Ka Lei Momi
Request for Qualifications for Master
Developer

Note: If this Request for Qualifications (RFQ) was downloaded from the Hawaii Public Housing Authority's website, each interested respondent must provide the necessary contact information to the listed RFQ Coordinator to be notified of any changes. Please complete, email or mail the Registration form to the RFQ Coordinator. The HPHA shall not be responsible for any missing addenda, clarifications, or other information regarding this RFQ if a response is submitted from an incomplete submittal.

Issued January 23, 2023



Ka Lei Momi

“The Pearl Garland”

Lei are one of the most treasured gifts that can be shared with others and are a symbol of aloha. Whether made with pua (flowers), pupu (shells), or momi (pearls), lei can adorn the wearer for a special occasion, or even be cherished heirlooms passed on from one generation to the next.

Honoring the ‘Ewa and Kona Moku of O‘ahu and the prolific i‘a hamau leo (native oysters) that resided in Pu‘uloa, these 10,000 additional housing units will bring aloha to many ‘ohana and string together a community of our most precious pearls, our people of Hawai‘i.

Notice to Respondents

REQUEST FOR QUALIFICATIONS (RFQ) No. RFQ DEV-2023-03

Notice is hereby given that pursuant to sections 356D-11(g) and 356D-11(h), Hawaii Revised Statutes (HRS), the Hawaii Public Housing Authority (HPHA), will be accepting qualifications for **a Master Developer to play a lead role in transforming a portion of the Hawaii Public Housing Authority's portfolio of public housing properties.** The redevelopment effort is expected to be completed in multiple phases estimated at roughly two (2) years per phase over a total period of at least 10 years. This timeline is contingent upon permit approvals, market forces, funding, and the availability of financing. The HPHA will play a secondary role in the redevelopment effort by lending assistance and support, when necessary, and will conduct normal monitoring activities as dictated by applicable regulations.

The Request for Qualifications may be picked up at the HPHA's Contract and Procurement Office on Oahu located at 1002 North School Street, Building D, Honolulu, Hawaii 96817 or downloaded at the HPHA website at: www.hpha.hawaii.gov beginning Monday, January 23, 2023.

The HPHA's Contract and Procurement Office will conduct a Pre-Submittal Video Conference at 9:00 a.m. Hawaii Standard Time (HST), Monday, February 13, 2023. Please contact the RFQ Coordinator for video conference information. Property visitation of the Portfolio will be allowed from February 13 – 17, 2023. Please contact the RFQ Coordinator to confirm your interest in visiting the properties. Although not required, the HPHA strongly recommends that all interested respondents attend the Pre-Submittal Video Conference and conduct a visitation of all Portfolio properties.

Submission of qualifications shall be received at the HPHA's Central Files Office at 1002 North School Street, Building G, Honolulu, Hawaii 96817 not later than 4:00 p.m. HST, Tuesday, March 7, 2023. Electronic mail submissions **will not** be accepted. The official receipt time shall be the time stamped in at the HPHA's Central Files Office. Deliveries by the United States Postal Service or private mail services, such as Federal Express, shall be considered hand deliveries and **must be received** not later than 4:00 p.m. HST, Tuesday, March 7, 2023. Interested respondents must demonstrate extensive experience in developing low income, affordable housing properties and mixed income/mixed use housing properties.

Questions relating to this solicitation shall be directed to RFQ Coordinator, Mr. Rick Sogawa at (808) 832-6038.

HAWAII PUBLIC HOUSING AUTHORITY
Hakim Ouansafi
Executive Director



RFQ Table of Contents

Section 1 – Administrative Overview

I.	Introduction	1
II.	Authority	1
III.	RFQ Coordinator / Contract Administrator	1
IV.	Procurement Timeline	2
V.	Pre-Submittal Video Conference / Property Visitation	3
VI.	Submission of Sealed Submittals	3

Section 2 – Scope of Services

I.	General Requirements	
A.	Qualifying Requirements	4
II.	General Information	7
A.	Vision and Background	7
B.	The Opportunity	9
C.	Intent, Need and Desired Positive Impacts	10
D.	The Portfolio	11
E.	Alternate Properties	31
F.	State and County Plans	41
III.	Scope of Work	
A.	Summary of Services	46
B.	Program Requirements	47
IV.	Role and Minimum Requirements of the Master Developer	50
A.	General	51
B.	Pre-Development	53
C.	Relocation	55
D.	Financing	55
E.	Construction	56
F.	Ownership and Asset Management	57
V.	Role of the Hawaii Public Housing Authority	
A.	Landowner	57
B.	Provider of Capital Funds	57
C.	Provider of Operating Subsidies	58
D.	HUD/Media Liaison	58
E.	Admissions	58
F.	Property Management	58
G.	Asset Manager	58
H.	Monitor Compliance with Hiring Opportunities	58

VI. Anticipated Major Approvals / Issuing Body59

Section 3 – Submittal Forms and Instructions

I. General Instructions60
II. Submittal Forms60
III. Submittal Application61

Section 4 – Submittal Evaluation and Award

I. Submittal Evaluation/Award.....68
II. Evaluation Criteria69

Section 5 – Appendix

1. Acknowledgement of Addenda	Due March 7, 2023
2. Non-Collusive Affidavit	Due March 7, 2023
3. HUD Form 5369-B Instructions to Offerors Non-Construction	For Information Only
4. HUD Form 5370-C General Conditions for Non-Construction Contracts	For Information Only
5. HUD Form 2992 Certification Regarding Debarment and Suspension	Due March 7, 2023
6. State General Conditions, AG-008 103D General Conditions	For Information Only

Section 1 Administrative Overview

I. Introduction

This Request for Qualifications (RFQ) is being issued to select a Master Developer to assist the Hawaii Public Housing Authority (HPHA) with the redevelopment of a portfolio (hereinafter “Portfolio”) of nine (9) public housing properties: six (6) are on Oahu; one (1) is on Hawaii; one (1) on Kauai; and one (1) on Maui. The nine (9) properties total nearly 80 acres of land. At the sole discretion of the HPHA, one (1) or more alternate properties listed below can be added to or substitute one (1) or more of the nine (9) Portfolio properties.

The redevelopment of the Portfolio is a major strategic initiative by the HPHA to enter into a public-private partnership to redevelop under-utilized state land assets within its public housing inventory. The HPHA intends to leverage its capital resources through a public/private partnership and by utilizing Transit Oriented Development (TOD) and other available entitlement incentives to deliver a minimum of 10,000 additional housing units in addition to the one-for-one replacement of low-income housing units, over the next 10 years while creating more livable, healthy, vibrant and integrated communities for Hawaii residents.

II. Authority

The HPHA was established under Chapter 356D, HRS and provides low-income housing. The HPHA is a public body and a body corporate and politic of the State of Hawaii and is attached to the Department of Human Services for administrative purposes only.

This RFQ is issued under the provisions of sections 356D-11(g) and 356D-11(h), HRS, and the U.S. Department of Housing and Urban Development’s (HUD) regulations. Respondents are charged with presumptive knowledge of all requirements of the cited authorities and other applicable regulations. Submission of a valid submittal by any respondent shall constitute admission of such knowledge on the part of such respondent.

III. RFQ Coordinator / Contract Administrator

The HPHA’s Contract and Procurement Office (CPO) is responsible for overseeing the procurement and issuance of an award of a master programmatic agreement and any subsequent development related agreement(s), resulting from this RFQ. The CPO is located at:

Hawaii Public Housing Authority
Contract and Procurement Office
1002 North School Street, Bldg. D
Honolulu, Hawaii 96817

The RFQ Coordinator is listed below:

Mr. Rick Sogawa
Hawaii Public Housing Authority
Contract and Procurement Office
1002 North School Street, Bldg. D
Honolulu, Hawaii 96817

Email: rick.t.sogawa@hawaii.gov
Telephone: (808) 832-6038

The Contract Administrator is responsible for administering and monitoring the activities performed under any agreements or contracts and is listed below:

Mr. Kevin Auger
Redevelopment Officer
Hawaii Public Housing Authority
1002 North School Street
Honolulu, Hawaii 96817

The HPHA reserves the right to make changes to the RFQ Coordinator or the Contract Administrator at any time. Once the successful respondent has received the Notice to Proceed, all further communication shall be directed to the Contract Administrator.

IV. Procurement Timeline

Activity	Scheduled Dates
Public notice announcing RFQ	January 23, 2023
Distribution of RFQ	January 23, 2023
Pre-Submittal Video Conference	February 13, 2023
Property Visitation	February 13 – 17, 2023
Submittal Deadline	March 7, 2023
Submittal Evaluation	March 13 – 17, 2023
Conduct Interviews / Best and Final Offer	March 22 – 23, 2023
Reference Checks, Due Diligence	March 27 – 30, 2023
Selection of Highest Ranked Respondent	April 2023

The HPHA reserves the right to amend or revise the timetable without prior written notice when it is in the best interest of the State.

V. Pre-Submittal Video Conference / Property Visitation

The HPHA will conduct a Pre-Submittal Video Conference at 9:00 a.m. Hawaii Standard Time (HST), Monday, February 13, 2023. Although not required, the HPHA strongly recommends that all interested respondents attend the Pre-Submittal Video Conference. Please contact the RFQ Coordinator for video conference information.

Impromptu questions will be permitted at the Pre-Submittal Video Conference and verbal answers will be provided. Verbal answers provided by the HPHA are not binding and only intended for general guidance purposes. Requests for formal responses must be made in writing to the RFQ Coordinator.

Visits to the properties will be allowed from Monday, February 13, 2023, to Friday, February 17, 2023. Interested parties should contact the RFQ Coordinator to confirm interest in visiting the properties. All communication with HPHA tenants or HPHA personnel requires prior HPHA approval.

VI. Submission of Submittals

A. Forms/Format. Submittals must be in a form and format as prescribed in in Section 3 – Submittal Form and Instructions of the RFQ.

B. Submittal. Submittals must be hand delivered or mailed to and received by the HPHA Central Files Office at 1002 North School Street, Bldg. G, Honolulu, Hawaii 96817 no later than 4:00 p.m. HST, Tuesday, March 7, 2023.

The official receipt time of hand-delivered and mailed-in submittals shall be the recorded time using the HPHA time stamp clock. Deliveries by mail/courier services, including without limitation USPS and Federal Express, shall be considered hand deliveries. **Electronic mail submissions will not be accepted.**

Submittals should be addressed to:

Hawaii Public Housing Authority
Attn: Mr. Rick Sogawa, RFQ Coordinator
1002 North School Street, Building G
Honolulu, Hawaii 96817

Submittals received after 4:00 p.m. HST, Tuesday, March 7, 2023, will not be accepted.

All submittals shall become the property of the HPHA.

Section 2
Scope of Services

I. GENERAL REQUIREMENTS

A. Qualifying Requirements

1. The Successful Respondent must have no outstanding balances owing to the HPHA. Exceptions may be granted by the HPHA for debts recently acquired and for debts which have a repayment plan approved by the HPHA.

2. Respondents are advised that to be eligible for an award, the respondent must furnish proof of compliance with the following requirements:
 - a. Chapter 237, HRS, tax clearance;
 - b. Chapter 383, HRS, unemployment insurance;
 - c. Chapter 386, HRS, workers' compensation;
 - d. Chapter 392, HRS, temporary disability insurance;
 - e. Chapter 393, HRS, prepaid health care; and
 - f. One of the following:
 - i. Be registered and incorporated or organized under the laws of the State of Hawaii (hereinafter referred to as a "Hawaii business"). A business entity referred to as a "Hawaii business" is registered and incorporated or organized under the laws of the State of Hawaii. As evidence of compliance, the respondent shall submit a CERTIFICATE OF GOOD STANDING issued by the Department of Commerce and Consumer Affairs Business Registration Division (BREG). A Hawaii business doing business as a sole proprietorship is not required to register with the BREG, and therefore not required to submit the certificate. A respondent's status as sole proprietor or other business entity and its business street address will be used to confirm that the respondent is a Hawaii business.

 - ii. Be registered to do business in the State of Hawaii (hereinafter referred to as a "compliant non-Hawaii business").

A business entity referred to as a "compliant non-Hawaii business," is not incorporated or organized under the laws of the State of Hawaii but is registered

to do business in the State. As evidence of compliance, the respondent shall submit a *CERTIFICATE OF GOOD STANDING*.

The above certificates should be applied for and submitted to the HPHA as soon as possible. If a valid certificate is not submitted on a timely basis for an award, the respondent may not receive the award.

3. Certifications of Eligibility

Prior to award, the selected respondent shall submit the following documents to the HPHA to demonstrate compliance with Federal and State laws:

- a. Tax Clearance, Form A-6;
- b. Department of Labor and Industrial Relations, Application for Certificate of Compliance, Form LIR #27; and
- c. Certificate of Good Standing issued by the Department of Commerce and Consumer Affairs Business Registration Division (BREG).

Alternatively, the selected respondent may demonstrate compliance using the Hawaii Compliance Express (HCE), which allows businesses to register online through a simple wizard interface at:

<http://vendors.ehawaii.gov/hce/splash/welcome.html>

The HCE provides the applicant with a “Certificate of Vendor Compliance” with current compliance status as of the issuance date, accepted for both contract award and final payment purposes. Businesses electing to use the HCE services will be required to pay an annual subscription fee of \$12.00.

Prior to execution of an Agreement, the selected respondent shall certify that joint ventures, partnerships, team agreements, new corporations or other entities that either exist or will be formally structured are or will be legal and binding under Hawaii law.

4. Laws, Rules, Ordinances and Regulations

The selected respondent shall comply with all local, state, and federal laws and regulations in performance of services pursuant to this solicitation, including but not limited to:

- a. **Uniform Administration Requirements** contained in 2 CFR Part 200, as amended;
- b. **Executive Order 11246** of September 24, 1965, entitled “Equal Employment Opportunity” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR 60) (*all construction contracts in excess of \$10,000*);
- c. **Sections 103 and 107 of the Contract Work Hours and Safety Standards Act** (40 U.S.C. 327-330) as supplemented by department of Labor regulations (29 CFR Part 5). (*Construction contracts in excess of \$2,000, and in excess of \$2,500 for other contracts that involve the employment of mechanics and laborers*);
- d. **All applicable federal environmental standards, orders and requirements** issued pursuant to the Clean Air Act ([42 U.S.C. 7401-7671q](#)) and the Federal Water Pollution Control Act as amended ([33 U.S.C. 1251-1387](#)) for contracts and subgrants in excess of \$150,000. Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA);
- e. **Copeland “Anti-Kickback” Act** (18 U.S.C. 8754) as supplemented in Department of Labor regulations (29 CFR Part 3). (*All contracts and subgrants for construction or repairs*);
- f. **The Americans with Disability Act of 1990 (H.R. 2273, 8.933)**; Sections 501 and 504 of the Rehabilitation Act of 1973, as amended; the Architectural Barriers’ implementing regulations (24 CFR 40). (*All construction contracts*); and
- g. **HUD Section 3 regulations** (24 CFR Part 75).

5. Conflict of Interest

By responding to this RFQ with a submission, the respondent warrants to the best of its knowledge and belief, and except as otherwise disclosed, that it does not have any organizational conflict of interest. Conflict of interest is understood as a situation in which the nature of the work under this solicitation and the organizational, contractual and financial interest of the respondent are such that:

- a. The respondent may have an unfair advantage; or

- b. The respondent's objectivity in performing work pursuant to this RFQ may be compromised.

Respondents should note that a conflict of interest arises if an employee, officer or agent of HPHA, a member of his/her immediate family, his/her partner, or an organization that employs or is about to employ any of the above (the employee/officer/agent, his or her immediate family or partner) has financial or other interest in the respondent.

I. GENERAL INFORMATION

A. Vision and Background

The HPHA is the sole statewide public housing agency in the State of Hawaii and among the largest public housing agencies in the nation. Established by the Territory of Hawaii in 1935, the HPHA's primary mission is to provide safe, decent, and sanitary housing for low-income residents. The HPHA fulfills its mission through state and federal programs, the redevelopment of public housing, development of affordable rental and supportive housing, and the efficient and fair delivery of housing services to the people of Hawaii without discrimination.



State Seal of Hawaii

Guided by an eleven-member Board of Directors appointed by the Governor of Hawaii, the HPHA is governed by the Hawaii State Legislature under Chapter 356D, HRS. The HPHA's Federal and State Low-Income Public Housing and rental assistance programs include State and Federal Public housing totaling approximately 6,270 rental housing units contained in 85 properties across the state. Additionally, the HPHA has been granted federal voucher authority of approximately 3,840 units. The HPHA also manages 3,169 units through HUD's Performance Based Contract Administration (PBCA). Combined, these programs serve more than 45,000 individuals statewide.

The State of Hawaii is currently experiencing an affordable housing crisis. Solving this crisis is a top priority for the State's Governor and the legislative branches of state and county governments. As the sole statewide public housing agency, with control over a significant inventory of land assets in desirable urban infill locations, the HPHA is uniquely positioned to play a leading role in the effort to resolve this crisis. Redevelopment of its land assets not only provides the state an opportunity to preserve existing affordable housing and stock but creates an exceptional opportunity to increase the supply of affordable housing. By redeveloping its land

inventory, the HPHA's goal is to increase its housing inventory by a minimum of 10,000 additional housing units to help alleviate the state's severe housing shortage.

The HPHA has received zoning and entitlement approval for the development of nearly 1,500 units of affordable housing and has environmental clearance for nearly 2,500 more through its existing public/private partnerships. Accelerating the redevelopment of its land assets by leveraging its Moving To Work (MTW) designation granted by HUD, private sector debt and equity, HUD subsidies, Low Income Housing Tax Credit (LIHTC) equity and tax exempt bonds, 501(c)(3) bonds (IRS Section 145), as well as funding sources from the State of Hawaii and other financial resources, the HPHA believes the expansion of its existing public/private partnership efforts to reposition its public housing properties is the most advantageous, cost effective and efficient method to expand the state's existing housing inventory. To realize these goals, the HPHA is now seeking a Master Developer to lead its redevelopment efforts to deliver 10,000 additional units of which up to 10% (1,000 units) will be 99-year lease homeownership and approximately 90% (9,000 units) will be rental serving between 0 – 120% AMI.

The HPHA is soliciting qualification statements from experienced Master Developers with a documented track record of working collaboratively and cooperatively with public partners, that can marshal the resources necessary to produce multiple successful large-scale mixed-income, mixed-use, mixed-finance developments, while also providing the vision, skills and leadership required to create vibrant communities that are well integrated into the urban and social fabric of Hawaii.

As a state agency, the HPHA brings many resources to its redevelopment efforts such as:

- A portfolio of significant state-owned land assets located in attractive urban Infill locations that are well positioned for redevelopment.
- Broad statutory powers including, but not limited to, the power to acquire, manage, own, operate, develop, and revitalize affordable housing and grant 99-year ground leases over its land assets.
- MTW designation allows the ability to contribute Project Based Vouchers (PBVs) to a single development beyond HUDs typical limit of 20% of the agency's total voucher authority and other flexibilities.
- The ability to apply to HUD to dispose of and/or demolish federal public housing properties for redevelopment under Section 18 of the United States Housing Act of 1937, as amended, (Section 18)

and/or HUD's Rental Assistance Demonstration (RAD) Blend and convert to a voucher funding platform.

- The potential to access public housing operating subsidies for additional ACC units under its "Faircloth limits," which may be converted to RAD once constructed.
- Experience in management and redevelopment of properties as well as track record in working with the governor and the legislature to secure state appropriated gap financing to ensure project feasibility.

To learn more about the HPHA, its history, mission, and programs, please visit the HPHA's website at www.hpha.hawaii.gov.

B. The Opportunity

The HPHA is not unique in the challenges that housing authorities across the United States face. These include chronic underfunding from the federal government for capital improvements to address deferred maintenance across its aging property portfolio.

To address these challenges, the HPHA conducted a strategic top-down analysis of its housing portfolio to determine potential options for portfolio conversion and recapitalization. This undertaking included a thorough review of the physical needs, operating needs, and current financial performance of each of its properties across the state. This included evaluating assets that have potential for conversion under HUD's RAD Blend program or redevelopment of certain properties where it can demolish obsolete units under Section 18 and redevelop those properties under HUD regulations. The HPHA also has federal capital funds, operating subsidy, and Faircloth units it can bring back online.

As a result of this review, the HPHA has identified the Portfolio consisting of properties that it considers to be especially attractive redevelopment candidates. These properties have generally exceeded their intended useful life and are expected to be eligible for redevelopment under Section 18 or RAD blend and may also be eligible for exemptions from state and county statutes, ordinances and rules related to planning, zoning, and construction. Further, many of the Portfolio properties are currently listed on Hawaii's Statewide Transit Oriented Development (TOD) Plans due to their proximity to the Honolulu light rail system stations and would be eligible to seek higher density entitlements available under approved neighborhood TOD plans, which generally encourage higher density housing and rehabilitation of units in disrepair in the residential neighborhood surrounding rail stations.

Leveraging affordable housing development incentives while seeking higher TOD density entitlements creates an exceptional opportunity for the HPHA's goal of delivering a minimum of 10,000 additional housing units on the Portfolio properties in addition to the current number of housing units, to help alleviate the state's severe housing shortage. After the required studies and community engagement, if the Portfolio cannot generate the 10,000 minimum additional units, the HPHA may provide other properties for this purpose. The HPHA further believes the redevelopment of the Portfolio through public/private partnership will expedite delivery of units and improve the living conditions of existing residents with new amenities, while enhancing neighborhoods and creating vibrant communities that are well integrated into the urban and social fabric of Hawaii. This includes compact, walkable blocks with a mix of housing types, community-oriented retail facilities and amenities, and open public spaces.

C. Intent, Need and Desired Positive Impacts of Redevelopment

The State of Hawaii is experiencing an increasingly high demand for housing, coupled with a decades-low housing supply, limited land, and high production cost. Honolulu is consistently ranked among the most expensive residential rental markets in the nation. As housing costs in Hawaii continue to increase, the number of available affordable housing options of any kind continues to decline leaving low to moderate-income households with limited housing options.

Many households are forced to double-up with friends and family or relocate greater distances from their place of work in urban centers. This dynamic results in secondary impacts such as lengthening commute times, exacerbating traffic congestion, increasing pollution, and negative social and environmental impacts associated with traffic congestion and a decreasing quality of life for commuters. In an increasingly worst-case scenario, many of Hawaii's residents have been displaced altogether or choose to leave the islands permanently out of economic hardship driven by the high cost of housing.

Housing is considered "affordable" when a household spends 30 percent or less of their income on shelter and utilities. In Hawaii, finding affordable housing is a serious challenge for low-income residents. In a market with some of the most expensive for-sale homes in the country, approximately 43% of the State's households are renters. Prior to the Covid-19 pandemic, many of these renter households were already "housing burdened", whereby households with lower incomes expend a larger proportion of their income on housing and may suffer from housing-induced poverty, particularly as housing costs have continued to steadily increase, while wages have not.

The major beneficial impacts of redeveloping the HPHA’s Portfolio will be the preservation of existing affordable housing by replacing the current number of housing units while delivering a minimum of 10,000 additional units, in addition of the replacement units, of urgently needed new rental and for sale housing stock that will have an immediate impact in meeting the critical demand for affordable housing across the State of Hawaii. While providing vastly improved housing conditions for HPHA’s current residents, the proposed redevelopment of the Portfolio is also envisioned as a catalytic undertaking with the potential to transform existing, obsolete, state-owned land assets into new, mixed-income, mixed-use, transit-oriented developments designed from the ground up to complement the communities they serve.

D. The Portfolio

Portfolio Properties	Location	Age (Yrs)	T.M.K.	Zoning	Acres	Flood Zone	Existing Units	Potential new units
Mayor Wright Homes	Honolulu	70	(1) 1-7-029:003	A-2	14.8	X	364	2450
Puuwai Momi	Aiea	53	(1) 9-9-003:056	A-2	11.5	X	260	2170
Kaahumanu Homes	Honolulu	64	(1) 1-5-024:001	A-1	7.4	X	152	1550
Kamehameha Homes	Honolulu	25	(1) 1-5-001:001	A-1	16	X	221	2950
Hale Laulima	Pearl City	41	(1) 9-7-094:025	A-1	4	D	36	700
Nanakuli Homes	Waianae	53	(1) 1-8-7-034:004	R-5	4.25	D	36	500
Lanakila Homes	Hilo	0	(3) 2-4-028:007	RD-3.75	10	X	-	250
Kahekili Terrace	Maui	82	(2) 3-4-033:023; (2) 3-4-017:146		5.2	X	82	200
Kapaa	Kauai	36	(4) 4-5-015:007; (4) 4-5-015:038/ 042	R-10	4.3	X	36	110
TOTAL					77.46		1,187	10,880

The Portfolio properties are excellent candidates for redevelopment for many reasons including:

1. They are anticipated to have exceeded their intended useful life and would be eligible for demolition/disposition under HUD’s Section 18 regulations or may use HUD’s RAD Blend.

2. The majority are in urban infill areas ideally situated in the urban core of the City and County of Honolulu, close to existing employment centers, infrastructure, and transportation networks, which reduces the pressure to develop in more rural areas that may be more adversely impacted by a project of similar scale, and which may not have sufficient infrastructure, utilities, or access to transportation networks.
3. Ground up redevelopment creates an opportunity to balance the potential impacts of intensification of use on the Portfolio with the social and environmental considerations of creating high-quality, comfortable, and inviting communities in which to live, work, and play while also having the potential for far-reaching transformative positive community impacts well beyond the boundaries of the Portfolio properties. These include:
 - Opportunities to incorporate recreational spaces together with green building and sustainability concepts that will contribute to improved individual health, well-being, quality of life and sense of connectedness for existing and future residents.
 - Reinvigorated communities with well-connected thoroughfares and interconnected and activated streets that will encourage walking and biking, which in turn support community safety.
 - Reducing urban sprawl, land consumption, traffic congestion, dependence on fossil fuels and greenhouse emissions; and thereby improving the overall health and quality of life for area residents and visitors by minimizing the overall human and environmental impacts upon the island.
4. The City and County of Honolulu, in partnership with the Federal Transit Administration, is building the Honolulu Light Rail Transit System (HRT), a project that will bring rail transit service to the island of Oahu. Several of the properties in the Portfolio are located very near HRT rail stations and are currently listed on the State's TOD Strategic Plan and would benefit from the following:
 - Neighborhood TOD Plans allow increased building heights of up to 400 feet in some locations, and significantly higher densities of up to 7.5 FAR.
 - The TOD Plans provide land use and circulation frameworks to guide future development and encourage higher density

housing and rehabilitation of units in disrepair in the local residential neighborhoods.

- Redevelopment along rail will result in more compact livable communities that can take full advantage of the benefits of transit – specifically creating new transportation options while encouraging economic growth and attractive redevelopment in these areas.

1. The Portfolio:

Mayor Wright Homes, Honolulu (Oahu)

Named for George F. Wright, the seventh mayor of Honolulu, Mayor Wright Homes (MWH) is a federally funded low-income public housing project that is owned and operated by the HPHA. The State land use designation for the property is “Urban District” and the City zoning for the property is A-2 Medium-Density Apartment. The property is not located within a tsunami evacuation zone, and the entire property is in Flood Zone X, based upon the Flood Insurance Rate Map (Community Panel Number 15003C0354G, Revised January 19, 2011). Zone X is defined as areas determined to be outside the 0.2% annual chance floodplain.



MWH in relation to planned HRT rail stations and 1/2 mile walking radius



An aerial view of the MWH property.

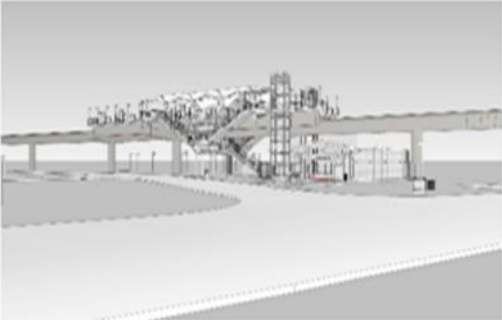


An aerial view of the MWH property.

The neighborhood surrounding MWH is an established mix of residential and commercial uses, churches, community services, and schools including the Princess Victoria Kaiulani Elementary School and the Honolulu Community College located across North King Street. Convenient access to Federal Highways 1 and 201 and the Likelike State Highway allow easy access to the region’s employment hubs and tourism areas. In addition, the planned HRT Iwilei Station will be located near the intersection of Kaaahi

Street and Dillingham Boulevard, just a short walking distance. The Downtown Neighborhood TOD Plan envisions the Iwilei Station area as a “high intensity mixed-use district.”

The area located immediately to the northeast of the property is improved with single family residences, low-rise multi-family apartments, and commercial uses including supermarket, restaurants, several banks, and the Liliha Square Condominium and shopping center facilities. The Palama Settlement, a non-profit, community-based social service agency serving the Kalihi and Palama neighborhoods, is also located nearby.



3D - DILLINGHAM



3D - PARKING



3D - ENTRY HALL



3D - LANDING LEVEL

Planned Iwilei HRT Station



Surrounding Community and Recreational Areas

Master Plan (Mayor Wright Homes)

The HPHA has been engaged in the redevelopment effort for MWH for several years and the redevelopment effort for this asset is the most advanced of the Portfolio properties. In support of this project, the State Legislature has appropriated \$10 million for Phase I predevelopment costs related to this property. A Master Plan for MWH was completed in July 2017 and was developed with extensive input from residents, community leaders, elected officials, government agencies, school officials, service providers and other stakeholders who participated in a series of community meetings held over several months beginning in May 2016 and culminating in a week-long charrette held onsite in August 2016.

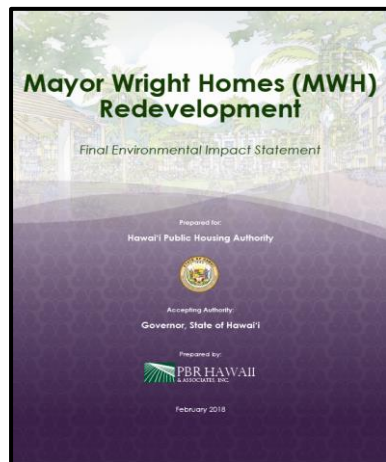
The Master Plan builds on research gathered on MWH's historical, physical, social, and geographic context and technical information provided by consultants performing various property analyses and creates a blueprint for a successful, stable, diverse, safe, attractive, and sustainable mixed-income, mixed use community.



The Master Plan calls for new internal streets and roadways to help improve connections to neighboring uses and is enhanced by its proximity to nearby employment centers and convenient access to multiple forms of transportation including major roads, bus lines, and the planned Iwilei

Transit Station located makai (towards the ocean) of the Dillingham Boulevard and Kaaahi Street intersection. The new street network will create opportunities for ground floor commercial and retail opportunities, with up to 80,000 square feet of new retail and commercial space, while also providing multi-modal access for pedestrians, bicyclists, and drivers consistent with the City and County of Honolulu *Complete Streets* Program.

Environmental Clearance (Mayor Wright Homes)



Preparation of an Environmental Impact Statement (EIS) for MWH pursuant to Chapter 343, HRS and Chapter 200, Title 11, Hawaii Department of Health Administrative Rules has been completed and was accepted by the Governor of Hawaii on April 24, 2018. The mitigation measures identified in the environmental impact statement are summarized in the Final EIS.

An Environmental Assessment was also undertaken pursuant to 24 CFR 58.36 with a Finding of No Significant Impact (FONSI) determination signed by the Certifying Officer

for the Responsible Entity Governor David Y. Ige on February 3, 2020.

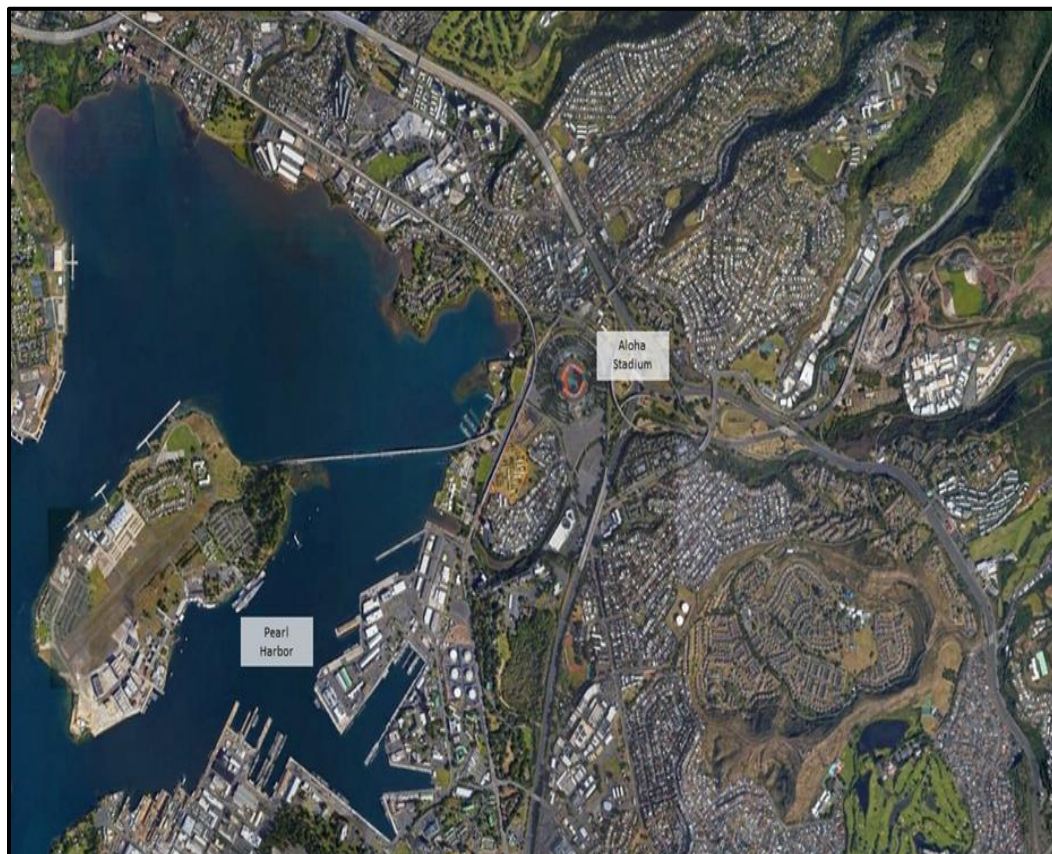
In addition, a Memorandum of Agreement (MOA) relating to the demolition and redevelopment of MWH by and between the State of Hawaii, as the Responsible Entity, the HPHA, the State Historic Preservation Officer and Historic Hawaii Foundation, as an invited signatory, was executed on November 13, 2019. The MOA details certain mitigation requirements to be undertaken by the project as required pursuant to the National Historic Preservation Act under Title 54 of the United States Code.

Gross Massing Options (Mayor Wright Homes)

The Master Plan for MWH has been further refined for overall property massing and internal circulation (Gross Massing Plan) by Lowney Architects, who have created three (3) options for final consideration. Both the Master Plan and the Gross Massing Plan documents will be available to interested respondents.

2. Puuwai Momi, Aiea (Oahu)

The Puuwai Momi property, identified as Tax Map Key (1) 9-9-003:056 & 064, is comprised of three (3) land parcels totaling 11.74 acres and located in the community of Aiea on the island of Oahu. Aiea is located between the residential communities of Pearl City to the west, and Moanalua to the east. This property is situated just south of Aloha Stadium that is planned to be replaced by a new stadium and a surrounding entertainment district, off Kamehameha Highway with access provided by Kohomua Street. The property is bordered by Kamehameha Highway and the Makalapa Neighborhood Park to the west, apartment complexes to the south, and Salt Lake Boulevard to the north.



Aerial plan view of Puuwai Momi in the Halawa area of Honolulu on Oahu

Puuwai Momi was constructed and first occupied in 1969, has 27 two and three-story townhome buildings providing a total of 260 public housing units consisting of one to four bedrooms per unit. One single-story common area building houses administrative offices. The State land use designation for the property is the “Urban District,” and the City zoning for the property is A-2 Medium-density Apartment.

The property is not located within a tsunami evacuation zone, and the entire property is in Flood Zone X based upon the Flood Insurance Rate Map (Community Panel Number 15003C0331H, Revised November 5, 2014). Zone X is defined as areas determined to be outside the 0.2% annual chance floodplain.

This property is considered an especially attractive redevelopment candidate due to the higher density housing available under the City’s Halawa Area TOD Plan recently adopted in December 2020. The Halawa Area TOD Plan presents a community vision for the neighborhood and area surrounding the Aloha Stadium Station, providing a unique opportunity to create synergies between the rail station, Hawaii’s largest sports venue, and the Pearl Harbor and Arizona Memorial which are top visitor destinations.



Aerial view of Puuwai Momi property

The Halawa Area TOD Plan will be a keystone to the State’s efforts to better position Aloha Stadium as a world class sports and entertainment venue, as well as assisting the National Park Service in accommodating the growing number of visitors to the Pearl Harbor/Arizona Memorial complex. The plan embodies a bold vision for redeveloping the stadium site (100 acres) into a mixed-use community surrounding a state-of-the-art 30,000-40,000 seat stadium relocated on-site. The HPHA continues to work closely

with the state Department of Accounting and General Services and the Stadium Authority to coordinate these projects.



Puuwai Momi is within 1/2 mile radius of walking distance to Halawa rail station

3. Kaahumanu Homes, Honolulu (Oahu)

Kaahumanu Homes is located in the Kalihi/Palama community of Honolulu on Oahu and occupies approximately 7.4 acres and is located approximately 1/3 mile from two (2) planned HRT rail stations and just west of the urbanized center of downtown Honolulu. It is currently improved with 152 low-income public housing units.



Aerial view of Kamehameha Homes and Kaahumanu Homes properties.

Kaahumanu Homes, identified by Tax Map Key: (1) 1-5-024:001, is bordered by Waiakamilo Road, Alokele Street, and McNeill Street. & Kaiwiula Street with access provided by Alokele and Kaiwiula Streets. The project was originally constructed in 1958 and renovated in 1994. There are currently 19 two-story townhouses providing 152 public housing units with one, two, or three bedrooms per unit. The property land area totals 7.35 acres.

Kaahumanu Homes is not located within a tsunami evacuation zone, nor within a flood hazard area based upon the Flood Insurance Rate Map (Community Panel Number 15003C0353G, Revised January 19, 2011). The entire property is designated as Flood Zone X (areas determined to be outside the 0.2% annual chance of flood).



Aerial view of Kamehameha Homes and Kaahumanu Homes properties

The surrounding community is largely comprised of single-family residential properties, including the adjacent Kamehameha Homes public housing community. There are three (3) public schools located within a short walking distance: Kalihi-Kai Elementary School, King David Kalakaua Middle School, and Farrington High School. The Kalakaua Recreation Center, the Kalakaua District Park, a public library, and the Honolulu Community College are also located just a short walking distance away.

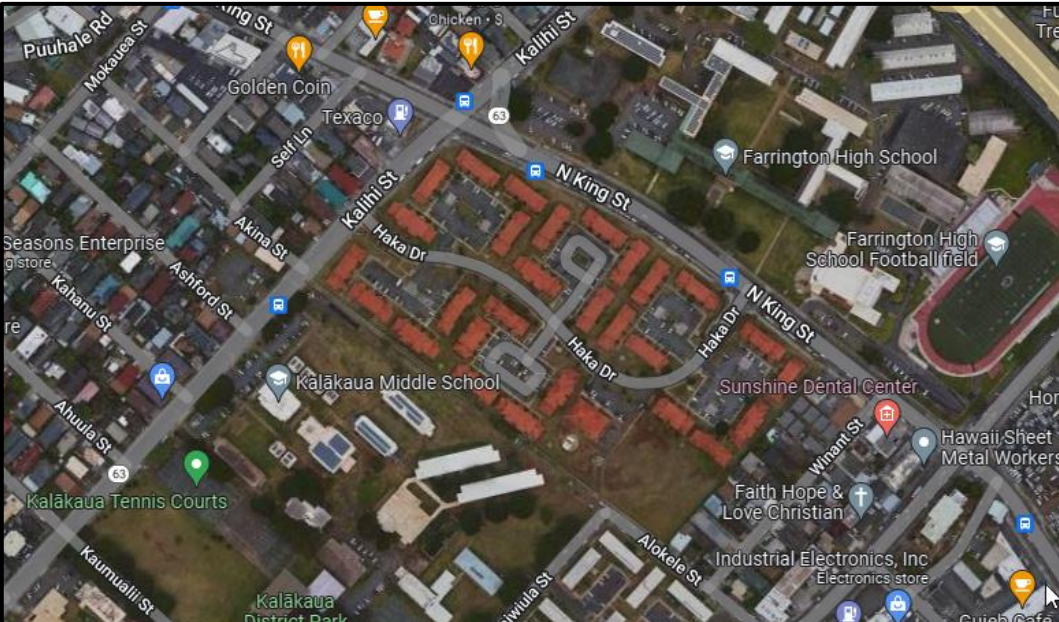
The area also hosts a range of small commercial and industrial businesses and serves as a home to long-time residents and new immigrants. With the

introduction of the HRT, Kalihi has an opportunity to emerge as a vital mixed-use district, with more diverse housing and employment opportunities, reinvigorated educational centers, new open spaces, and a multi-modal circulation network connecting residents and workers to key destinations, homes, and jobs.

Although the State’s land use designation for the property is “Urban District,” and the City’s zoning for the property is A-1 Low-Density Apartment, the transformative vision for the Kalihi Neighborhood TOD Plan, adopted in March 2017, calls for a new high-intensity, mixed-use district with residences, public facilities, and neighborhood shopping services. This includes development of new housing within proximity to schools and the Honolulu Community College, a proposed new linear park/promenade along Kapalama Canal, creating new open space and pedestrian connections for the neighborhood, and new streets and paths to break up large blocks in Kapalama and improve accessibility to HRT rail stations.

4. Kamehameha Homes, Honolulu (Oahu)

Kamehameha Homes, identified by Tax Map Key: (1) 1-5-001-001, is located on N. King Street, Kalihi Street and Haka Drive. With approximately 16 acres of land, this property was originally constructed in 1939 and rehabilitated in 1997. There are currently 28 residential buildings and one (1) building serving as the community hall on the property providing 221 public housing units for families consisting of 62 one-bedroom, 123 two-bedroom and 36 three-bedroom units.



An aerial view of Kamehameha Homes property

The land parcel is not located within a tsunami evacuation zone nor within a flood hazard area based upon the Flood Insurance Rate Map (Community Panel Number 15003C0353G, Revised January 19, 2011). The entire property is designated as Flood Zone X (areas determined to be outside the 0.2% annual chance of flood).

The surrounding community is largely comprised of single-family residential properties, including the adjacent Kaahumanu Homes public housing community. There are three (3) public schools located within a short walking distance: Kalihi-Kai Elementary School, King David Kalakaua Middle School, and Farrington High School. The Kalakaua Recreation Center, the Kalakaua District Park, a public library, and the Honolulu Community College are also located just a short walking distance away.

The area also hosts a range of small commercial and industrial businesses and serves as a home to long-time residents and new immigrants. With the introduction of the HRT, Kalihi has an opportunity to emerge as a vital mixed-use district, with more diverse housing and employment opportunities, reinvigorated educational centers, new open spaces, and a multi-modal circulation network connecting residents and workers to key destinations, homes, and jobs.

Although the State's land use designation for the property is "Urban District," and the City's zoning for the property is A-1 Low-Density Apartment, the transformative vision for the Kalihi Neighborhood TOD Plan, adopted in March 2017, calls for a new high-intensity, mixed-use district with residences, public facilities, and neighborhood shopping services. This includes development of new housing within proximity to schools and Honolulu Community College, a proposed new linear park/promenade along Kapalama Canal, creating new open space and pedestrian connections for the neighborhood, and new streets and paths to break up large blocks in Kapalama and improve accessibility to HRT rail stations.

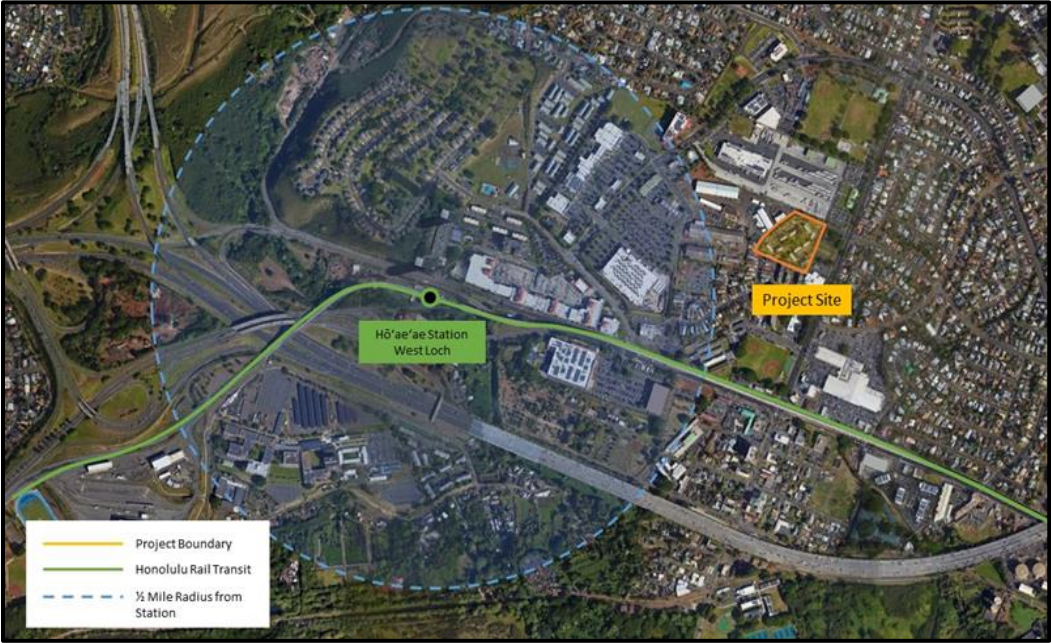
Due to the contiguous land parcels of Kamehameha Homes and Kaahumanu Homes properties, which combined occupy nearly 24 acres, the HPHA recommends the redevelopment of these two (2) properties as one (1) development community.

5. Hale Laulima, Pearl City (Oahu)

Hale Laulima is in the Pearl City district on Oahu at 1184 Waimano Home Road. Pearl City is located between the residential communities of Waipio to the west, and Aiea to the east. The property is located approximately one-half mile from the Pearl Highlands Shopping Center and the Waiawa (Pearl Highlands) HRT station. This station will be a major intermodal facility and connection point for riders coming from ewa and mauka

directions. The station area is envisioned as a revitalized shopping district that carefully balances passengers and workers arriving via transit, on foot, and via automobile.

This property is situated off Waimano Home Road with access provided by Hoomalu Street. The property is bordered by the Pearl City Bus Complex to the north, the Henry and Jeanette Weinberg Pearl City Complex to the east, and a residential area to the south. The Pearl City Elementary School and Pearl City Public Library are also located nearby. Hale Laulima was first occupied in 1981 and has a land area of 3.96 acres identified as Tax Map Key (TMK) No. (1) 9-7-094:025.



Hale Laulima property and proximity to 1/2 mile radius to Hoaeae / West Loch rail station

The existing housing project is comprised of nine 2-story townhome buildings providing a total of 36 housing units with a range of 2-bedrooms and 3-bedrooms per unit, and a one-story common area building which houses administrative offices and management operations. The State's land use designation for the property is the "Urban District," and the City's zoning for the property is A-1 Low-Density Apartment. However, significant additional density is likely achievable given the property's proximity to the HRT rail station and state available zoning entitlements.

6. Nanakuli Homes, Waianae (Oahu)

Nanakuli Homes is located at 87-1606 Farrington Highway in the Nanakuli community on Oahu. Nanakuli is located at the southern end of the Waianae Coast, approximately 30 miles from Honolulu, near the southern end of the Waianae mountain range. The property is accessible from Farrington Highway. The property is bordered by Farrington Highway to the west, and Lualei Place to the north. Ulehawa Beach Park is located directly across the highway.



Aerial plan view of Nanakuli Homes property in the Nanakuli community on Oahu

The property is not located within a tsunami evacuation zone, and almost the entire property is in Flood Zone D, an unstudied area where flood hazards are undetermined, but flooding is possible (Community Panel Number 15003C0194H, Revised January 19, 2011). A small section (about 15 feet) of the project's driveway connection with Farrington Highway is situated within Zone AE (subject to 1% annual chance flood) that is generally associated with flooding that may occur along the highway corridor.



Aerial view of Nanakuli Homes property

Nanakuli Homes was first occupied in 1969. The property consists of 4.24 acres, and it is identified as Tax Map Key (1) 8- 7-034:004. The existing housing project is comprised of 36 single family homes with three bedrooms each. The property is designated for “Urban” use by the State Land Use Commission and is zoned for “R-5 Residential” use by the City and County of Honolulu.



Aerial plan view of Nanakuli Homes property

7. Lanakila Homes, Hilo (Hawaii)

Lanakila Homes is located at 60 Holomalua Street on the windward coast of Hawaii Island, approximately one (1) mile from downtown Hilo. The

property currently occupies 29.3 acres and is identified as Tax Map Key TMK (3) 2-4-028:007. The property is located to the east of Kapiolani Street and south of Wailoa Street. Residential and commercial areas are located to the south and east, a housing development to the west, and St. Joseph School and soccer fields to the north of the property.

The State’s land use designation for the property is the “Urban District” and the County’s zoning for the parcel is RD-3.75 Double-Family Residential District. The property is not located within a tsunami evacuation zone, and the entire property is in Flood Zone X, an area of minimal flood hazard (FIRM Panel: 1551660880C, Panel Effective Date: Sept 16, 1988).

Originally constructed in 1951, Lanakila Homes has undergone significant redevelopment in various phases over the last 20 years. The property is currently improved with 41 one-story residential buildings containing 164 low-income public housing units (14 one-bedroom, 66 two-bedroom, 64 three-bedroom and 20 four-bedroom). A 9.5-acre portion of the property located on the property’s eastern edge is currently vacant. This area had formerly been occupied by 24 buildings originally constructed in 1962 that have been demolished, their structural foundations removed, and the site cleared for development.



Aerial plan view of all phases of Lanakila Homes in Hilo, Hawaii Island

In 2013, a hazardous material survey found lead near the foundation of the former housing units due to lead paint on interiors and exteriors. Additional soil screening in 2019 also found arsenic, mercury and chlordane on various areas of the 9.5-acre vacant portion of the property.

In 2017, the State of Hawaii Department of Health Hazard Evaluation and Emergency Response (HEER) approved the Final Removal Action Report (RAR) to implement a contaminated soil management strategy that involved excavation and placement of contaminated soils in a Soil Management Unit (SMU), located on the eastern portion of the property. Contaminated rubble and structural fill from the former demolished buildings and remaining contaminated soil left in place has been covered with geotextile fabric and warning tape, followed by 18 to 24 inches of clean soil that was capped with grass/groundcover on top. This remediation plan was implemented between 2020 and 2021.



Aerial view of Lanakila Homes property

The HPHA has a grandfathered right to redevelop 62 low-income public housing units while current zoning designation RD-3. 75, would allow a maximum of an additional 95 additional units on the property. However, the project can apply for rezoning through the 201- H process to either RM- 1.5, which would allow a maximum of 263 additional units or RM- 1, which would allow a maximum of 403 additional units. Moreover, the County of Hawaii has expressed an interest in seeing a minimum of 250 units developed on the property.

8. Kahekili Terrace, Wailuku (Maui)

Kahekili Terrace is located in the community of Wailuku on Maui. Wailuku is situated west of Kahului along Maui's north shore. This housing project consists of two (2) separate parcels developed at the same time. Parcel A is bordered by Holowai Place to the northwest and North Market Street to the northeast with access provided by both streets. Parcel B is bordered by North Market Street to the west and Piihana Road to the northwest with access provided by Piihana Road.



Kahekili Terrace property Parcels A & B in Wailuku, Maui

Kahekili Terrace was first occupied in 1966. Parcel A is approximately 3.8 acres and is located at 2015 Holowai Place, while Parcel B is about 1.4 acres and is located at the southeast corner of the intersection of Market Street, Piihana Road, and Kahekili Highway. Parcel A is identified by Tax Map Key (2) 3-4-017: 146, while Parcel B is identified by Tax Map Key (2) 3-4-033:023. The housing project includes 14 two and three-story buildings providing a total of 82 housing units ranging from one, two, three, and four bedrooms per unit. A common area building houses HPHA's administrative offices, a small Boys & Girls Club, and a small Head Start pre-school. The property is designated for "Urban" use by the State Land Use Commission and is zoned for "Wailuku Redevelopment Area – Multi-Family" use by the County of Maui.



Aerial View of Kahekili Terrace property

The project property is not located within a tsunami evacuation zone. As indicated by the Flood Insurance Rate Map and Community Panel Number 1500030391E (Revised September 25, 2009), Parcel A is entirely located in Flood Zone X, an area of minimal flooding (outside the 0.2% annual chance floodplain). The majority of Parcel B lies in Zone X (protected by levee), while the southeastern part of the property is in Zone X (outside the 0.2% annual chance floodplain). Parcel A is also impacted by soil contamination that will require remediation prior to development.

9. Kapaa, Kapaa (Kauai)

Kapaa is located in the town of Kapaa on Kauai. Kapaa is situated along the Island's eastern shoreline, south of Anahola and north of Wailua. The housing property is positioned near the intersection of Kapaa Bypass and Olohena Road and directly east of Kapaa Town Park.



Kapaa property location in Kapaa, Kauai

This property was first occupied in 1966 and has a street address of 4726 Malu Road. The property is comprised of three parcels totaling 4.33 acres and is identified by Tax Map Keys (4) 4-5-015: 007, 038, and 042. The housing project is comprised of 18 single-story duplexes ranging from one, two, or three bedrooms per unit. A single-story common area building serves as a community center. The property is designated for “Urban” use by the State Land Use Commission, and for “R-10 Residential” use by the County of Kauai.

The property is not located within a tsunami evacuation zone. According to the Flood Insurance Rate Map (Community Panel Number 1500020204F, Revised November 26, 2010), nearly the entire property is located in Flood Zone X, an area of minimal flood hazard (outside the 0.2% annual chance floodplain). A very small of land along the northeast side of the property lies within Zone AEF, which is a floodway with base flood elevations (BFE) determined.

E. Alternate Properties

If the Portfolio properties listed above cannot deliver a minimum of 10,000 additional units, the HPHA may include one (1) or more of the Alternate Properties listed below. These Alternate Properties include HPHA’s federal and/or state properties or properties owned by counties in the State of Hawaii.

1. Kekaha Haaheo, Kekaha (Kauai)

Kekaha Haaheo is located in the community of Kekaha on Kauai. Kekaha is a rural community situated directly west from the town of Waimea. The property is positioned between the Kekaha Sugar Mill to the east and H.P. Faye Park to the west.



Kekaha Haaheo property in Kekaha, Kauai

Kekaha Haaheo was first occupied in 1982 and has a street address of 8238 Iwipolena Road. With a total area of 9.25 acres, the property consists of two parcels identified by Tax Map Keys (4) 1-03-008: 020 and 026. The housing project consists of 29 ground-level dwellings containing one, two, or three bedrooms per unit. A single-story common area building houses administrative offices and a community center. The housing property is designated for “Urban” use by the State Land Use Commission and is zoned or “R-6 Residential” use by the County of Kauai.

The property is not located within a tsunami evacuation zone. Most of the property is located in Flood Zone AE, an area subject to inundation by a 1% annual chance flood event with the base flood elevation determined. (Community Panel Numbers 1500020254F and 1500020252F, Revised November 26, 2010). Small sections of land in the southeast and southwest corners of the property fall within Flood Zone XS (shaded), an area subject to inundation by a 0.2% annual chance flood event.

2. Hale Nana Kai O Kea, Kapaa (Kauai)

Hale Nana Kai O Kea is located in the town of Kapaa on Kauai. Kapaa is situated along Kauai's eastern shoreline, south of Anahola and north of Wailua. Hale Nana Kai O Kea is positioned between the Samuel Mahelona Medical Center and Kuhio Highway. Access to the medical center and housing property is provided from Kawaihau Road.



Aerial plan view of Hale Nana Kai O Kea project property in Kapaa, Kauai

Hale Nana Kai O Kea was first occupied in 1977 and has a street address of 4850 Kawaihau Road. The project property encompasses 3.47 acres and is identified by Tax Map Key (4) 4-6-014: 105. The housing project consists of 19 ground-level duplexes containing studio and one-bedroom units. A single-story common area building serves as a community center and laundry facility. The housing property is designated for “Urban” use by the State Land Use Commission and is zoned for “R-1/ST Residential” use by the County of Kauai.



Aerial view of Hale Nana Kai O Kea property

The project property is not located within a tsunami evacuation zone, and the entire property is located in Flood Zone X based upon the Flood Insurance Rate Map (Community Panel Number 1500020210F, Revised November 26, 2010. Zone X is an area of minimal flooding (outside the 0.2% annual chance floodplain).

3. Lokahi, Hilo (Hawaii)

Lokahi is located in the community of Hilo on Hawaii Island. Hilo is the Hawaii County seat, and it is located on the Island’s windward (east) coast. The housing property is positioned to the south of downtown Hilo and is bordered to the west by Lokahi Street.

Lokahi was originally constructed in 1962. It is comprised of 15 semi-detached buildings that sit on a 14.361 acre parcel of land identified as Tax Map Key (TMK) No. (3) 2-4-052:020. The floor plans of the 30 residential units consist of 14 two-bedroom and 16 three-bedroom units. The State’s land use designation for the property is the “Urban District”. The County’s zoning for the parcel is RD-3.75 Double-Family Residential District.



Aerial plan view of Lokahi property in Hilo, Hawaii Island

The property is not located within a tsunami evacuation zone. The entire property is located in Flood Zone X, an area of minimal flood hazard (FIRM Panel: 1551660804F), panel effective date: September 29, 2017.

4. Hale Olaloa, Hilo (Hawaii)

Hale Olaloa is located in the Waiakea neighborhood of Hilo on Hawaii Island. Waiakea is a suburban community located to the east of downtown Hilo. This property is situated along Kamana Street and bordered to the east by Waiakea Stream.



Aerial plan view of Hale Olaloa property in Hilo, Hawaii Island

Hale Olaloa was first occupied in 1976 and has a street address of 144 Kamana Street. The property consists of 6.51 acres, and it is identified by Tax Map Key (3) 2-4-056: 021. The housing property is comprised of 25 single-story duplexes with a total of 50 units comprised of studio and one-bedroom units, and one single-story community building. The property is designated for “Urban” use by the State Land Use Commission and is zoned for “RS-10 Single-Family Residential” use by the County of Hawai`i.



Aerial view of Hale Olaloa property

The property is not located within a tsunami evacuation zone, and the entire property is located in Flood Zone X based upon the Flood Insurance Rate Map (Community Panel Numbers 1551660880C, Revised September 16, 1998. Zone X is an area determined to be outside the 0.2% annual chance floodplain.

5. Koolau Village, Kaneohe (Oahu)

Koolau Village is located in the Kaneohe community on Oahu. Kaneohe is situated in Windward Oahu, to the west of Kailua and the Kaneohe Marine Corps Base. The property is bordered to the southwest by Kahekili Highway and to the southeast by Keahala Road, with vehicular access to the housing property provided by Kamau Place. A residential subdivision is located immediately east of the housing property, and the Windward Community College is situated to the southwest across Kahekili Highway. An unlined drainageway runs along the property's northern boundary.



Aerial plan view of Koolau Village property location in Kaneohe community on Oahu

Koolau Village was first occupied in 1969 and has a street address of 45-1027 Kamau Place. The property consists of 14.02 acres, and it is identified as Tax Map Key (TMK) No. (1) 4-5-023: 008. The property is comprised of 18 two-story townhouses with a range of 1-, 2-, 3-, and 4-bedroom units, and one single-story common area building that serves as a community center. The State's land use designation for the property is the "Urban District." The City's zoning is Medium-density Apartment (A- 2).

The property is not located within a tsunami evacuation zone; however, portions of the property are identified as flood hazard areas. A Flood Hazard Zone AE Floodway runs through the property to the north of the townhouses, and two areas to the south of the townhouses are designated as Flood Hazard Zone A. All of these areas are subject to inundation by the 1-percent-annual-chance flood event (Community Panel Number 15003C0270J, Panel Effective Date: November 05, 2014).



Aerial view of Koolau Village property

6. Palolo Valley Homes, Honolulu (Oahu)

Palolo Valley Homes is located within the Palolo community in urban Honolulu on Oahu. Palolo is situated between the neighborhoods of Kaimuki to the south, Saint Louis Heights to the west, and Wilhemina Rise to the east. The property is bordered by Palolo Stream on the east and Kiwila Street on the south. Access to the property is provided by Ahe Street.



Aerial plan view of Palolo Valley Homes property located in Honolulu on Oahu

Palolo Valley Homes was first occupied in 1957 and has a street address of 2107 Ahe Street. The property is split by Ahe Street and consists of two parcels [TMK No. (1) 3-4-007: 015 and 017] with a combined area of 6.62

acres. The housing project consists of 20 two-story apartment buildings and 118 units with one, two, three, four, or five bedrooms per unit. The property is designated for “Urban” use by the State Land Use Commission and is zoned for “A-1 Low Density Apartment” use by the City and County of Honolulu. The property is not located within a tsunami evacuation zone, and the entire property is located in Flood Zone X based upon the Flood Insurance Rate Map (Community Panel Number 15003C0367H, Revised November 5, 2014). Zone X is an area determined to be outside the 0.2% annual chance floodplain.



Aerial view of Palolo Valley Homes property

7. Kauiokalani, Waianae (Oahu)

Kauiokalani is located in the Waianae community on Oahu. Waianae is situated between the communities of Makaha to the north and Maili to the south. Waianae Intermediate School is north of and adjacent to the property.



Aerial plan view of Kauiokalani property in the Waianae community on Oahu

Access to the property is provided by a driveway located at the end of Kauiokalani Place, which also provides access to the Waianae office of the Department of Motor Vehicles.



Aerial view of Kauiokalani property

Kauiokalani was first occupied in 1995 and has a street address of 85-658 Farrington Highway. The property encompasses 4.04 acres and is identified by Tax Map Key (1) 8-5-028: 045. The housing project consists of 12 two-story townhouses with 3-bedroom units, as well as a single-story

community center. The property is designated for “Urban” use by the State Land Use Commission and is zoned for “R-5 Residential” use by the City and County of Honolulu.

The property is not located within a tsunami evacuation zone. The southwest half of the property is located within Zone XS (0.2% annual chance of flood), while the northeast half of the property is located in Zone X (Outside the 0.2% annual chance of flood) (Community Panel Numbers 15003C0183H, Revised November 5, 2014).

F. State and County Plans that will Impact the Redevelopment Effort

Several State and County plans will impact the master planning of the Portfolio and should be reviewed by potential respondents. These include, but are not limited to, the following:

1. *Primary Urban Center Development Plan*

Adopted in 2004, and currently in the process of being updated, the Primary Urban Center Development Plan (PUCDP) is a policy guide for development decisions and actions to support growth. The PUCDP proposes to redevelop the Honolulu Harbor/ Downtown/ Iwilei waterfront as a prime property for new commercial, hotel, and residential development and increased waterfront entertainment and recreational amenities. The plans require rerouting traffic and replacing a portion of the Nimitz Highway to allow for additional development along the harbor.

<http://www.honoluluodpp.org/Portals/0/pdfs/planning/PUC/PrimaryUrbanCenterDP.pdf>

[Please note that DPP is in the process of updating this document and the latest status of this update, including a Public Review Draft, is available at https://www.pucdp.com/](https://www.pucdp.com/)

2. *Oahu Bike Plan*

The City & County of Honolulu Oahu Bike Plan 2019 Update provides a strategy for encouraging bicycling as part of the City & County transportation system. It stresses the need for integrating bicycling with public transit, by creating a bicycle network that is linked to transit stations, stops, and transfer points and allows riders to bicycle comfortably and safely to and from stops and stations. Coordination can expand transit service areas, reduce the need for vehicle parking, improve mobility, and create denser, mixed-use urban environments.

https://www.honolulu.gov/rep/site/dts/bike_docs/OBP_Final_2019_Oahu_Bike_Plan_Update.pdf

3. *Statewide Pedestrian Master Plan*

The State Department of Transportation has made pedestrian safety a priority area of concern within the Statewide Pedestrian Master Plan. The Plan calls for installing a new traffic signal to provide pedestrians with a dedicated crossing phase. The plan also recommends improvements including the installation of additional pedestrian signage for drivers turning onto congested intersections.

<https://hidot.hawaii.gov/highways/files/2013/07/Pedest-Plan-PedMP.pdf>

4. *Complete Streets Design Manual*

The design of Complete Streets differs from place to place depending on a variety of factors, such as road classification, surrounding land use, and current level of use. The Honolulu Complete Streets Design Manual sets forth design standards specific to Honolulu and provides guidance to planners, designers, and engineers to incorporate Complete Streets principles and features into projects in the City right-of-way. The Manual recommends multi-modal design solutions to increase mobility, improve road safety, and create sustainable communities. Updates since the Manual's 2016 publication are below.

http://www4.honolulu.gov/docushare/dsweb/Get/Document-187742/160908%20Honolulu%20Complete%20Streets%20Design%20Manual_Final.pdf

5. *Kalihi-Palama Action Plan*

The Kalihi-Palama Action Plan provides a vision for the future of the neighborhoods in the Kalihi-Palama area and a series of actions that would improve quality of life. Specifically, the plan proposes a Multi-Cultural Heritage Corridor along North King Street from Liliha Street (the intersection where Mayor Wright Homes is located) northwest to Middle Street (where Kamehameha Homes and Kaahumanu Homes are located). The goal of the corridor is to showcase the historical and cultural resources of the Kalihi-Palama community. Key features include preserving historic structures; protecting, maintaining, and creatively utilizing the area's historical and archaeological sites; creating pedestrian walkways and bikeways that connect cultural areas; developing cultural/historical centers; and sponsoring community festivals highlighting diverse cultures and integrating business and residential activities.

https://www.honolulu.gov/rep/site/dpptom/kapalama_docs/KPAP2004.pdf

6. *Aiea Pearl City TOD Plan*

The Aiea–Pearl City Neighborhood Transit-Oriented Development Plan (Plan) presents a community vision for the existing neighborhoods surrounding the Leeward Community College, Pearl Highlands, and Pearlridge rail stations. The Plan is intended as both an overall framework for growth and a guide for local decision making in the three station areas. The Plan is conceptual in nature, showing possible improvements on both public and private property. Aiea–Pearl City station areas are envisioned as compact, pedestrian-friendly environments that will provide housing, employment, and recreational opportunities. Each station area plan has been developed through an inclusive community-based planning effort to ensure that the goals and ideas of area stakeholders have been integrated into the Plan. The goal of the Plan is to foster more livable communities that take full advantage of the benefits of transit—specifically, creating new transportation options while encouraging economic growth and attractive redevelopment.

https://www.honolulu.gov/rep/site/dpptom/dpptom_docs2/Aiea_Pearl_City_TOD_Plan_Adopted.pdf

7. *Kalihi Neighborhood TOD Plan*

Kalihi is one of the most diverse communities in Honolulu. It hosts a range of small commercial and industrial businesses and serves as a home to long-time residents and new immigrants. With the introduction of rail transit, Kalihi has the opportunity to emerge as a vital mixed-use district, with a new neighborhood in Kapalama, more diverse housing and employment opportunities, reinvigorated educational centers, new open spaces, a promenade along Kapalama Canal, and a multi-modal circulation network connecting residents and workers to key destinations, homes, and jobs. The Kalihi Neighborhood TOD Plan will guide development over the next era of Kalihi’s growth and enhancement. This plan provides a land use and circulation framework to guide future development; identifies more detailed policies and regulatory standards for urban design, parks and community benefits and services; and recommends implementation measures to advance the community’s vision into reality.

https://www.honolulu.gov/rep/site/dpptom/dpptom_docs2/Kalihi_TOD_Plan_Adopted.pdf

8. *Honolulu Downtown Transit Oriented Development Plan*

The Downtown TOD plan for the 20-mile-long Honolulu Rail Transit Corridor integrates land use and transportation planning around the three (3) rail stations to address opportunities for new development and holistically plan for orderly growth and improved accessibility around the proposed stations. MWH is in the center of the TOD area for the Iwilei Transit Station, one (1) of the three (3) proposed in the Downtown Plan. Specific to this station, the plan outlines a new high intensity, mixed-use district in Iwilei to serve as an extension of Downtown and a transition to the Kalihi neighborhood. The new district would be designed to provide housing near Downtown and the rail system and an array of neighborhood amenities that will draw a diverse population of residents. The Plan identifies a concentration of “opportunity sites” in Iwilei that could turn valuable vacant or underutilized land to a more efficient use.

The plan calls for coordinating with the HPHA on a number of actions including:

- i. Redesigning the superblock structure on which Mayor Wright Homes sits to increase walking and biking access and rail ridership.
- ii. Altering the landscape of Mayor Wright Homes footprint to add open space in a mid/high rise setting.
- iii. Replacing public housing but also adding mixed income housing with increased density.
- iv. Adding new streets and paths to break up the existing large blocks and improve accessibility.

https://honolulu.gov/rep/site/dpptom/downtown_docs/Downtown_TOD_Plan_adoped.pdf

9. *Halawa Area TOD Plan*

The Halawa Area Transit-Oriented Development Plan presents a community vision for the neighborhoods surrounding the Aloha Stadium Station. The HPHA’s Puuwai Momi Property is located approximately one (1) block from Aloha Stadium Station. One (1) of 21 planned rail stations along the rail corridor and located ¼-mile away from Aloha Stadium, it provides a unique, one-of-a-kind opportunity in Honolulu to create a synergy between the rail station, Hawaii’s largest sports venue, and the top visitor attraction, the Pearl Harbor/ Arizona Memorial. The Plan will be a keystone to the State’s efforts to better position Aloha Stadium as a world class sports and entertainment venue, as well as assisting the National Park Service in accommodating the growing number of visitors to the Memorial complex.

10. Honolulu Community College Long Range Development Plan

The Honolulu Community College (HCC) is located less than a mile from Mayor Wright Homes and Kamehameha and Kaahumanu Homes is in the process of a master planning effort to redevelop its campus. The Long-Range Development Plan embraces the planned Kapalama Station as a major opportunity to increase accessibility and connectivity to other UH campuses and employment centers to be served by rail by incorporating elements to increase accessibility to that station such as pedestrian connections through campus and an east-west pedestrian-only mall leading to the rail station.

<https://www.honolulu.hawaii.edu/sites/www.honolulu.hawaii.edu/files/lrdp-2011-03.pdf>

11. County of Hawaii General Plan

The County of Hawaii's General Plan is the policy document for the long-range comprehensive development of the island of Hawaii. The purposes of the general plan are to:

- Guide the pattern of future development in this County based on long-term goals;
- Identify the visions, values, and priorities important to the people of this County;
- Provide the framework for regulatory decisions, capital improvement priorities, acquisition strategies, and other pertinent government programs within the County organization and *coordinated with State and Federal programs.*

<https://www.planning.hawaiicounty.gov/general-plan-community-planning/gp/plan>

Other relevant Hawaii County Plans related to development in Hilo can be found at the following links:

<https://www.planning.hawaiicounty.gov/general-plan-community-planning/hilo>

<https://www.planning.hawaiicounty.gov/hawai-i-island-vision/community-planning/community-development-plans/transportation-planning-initiatives>

II. SCOPE OF WORK

A. Summary of Services

Redevelopment of the Portfolio is expected to be completed in multiple phases. This timeline is contingent upon permit approvals, market forces, and availability of financing.

The HPHA is soliciting qualification statements from experienced Master Developers with a documented track record of working collaboratively and cooperatively with public agencies, that can marshal the resources necessary to produce successful large-scale mixed-income, and mixed-finance developments, while also providing the vision, skills and leadership required to create vibrant communities that are well integrated into the urban and social fabric of Hawaii, and the capacity and readiness to perform the required services expeditiously.

Once selected, the Master Developer will be responsible for leading the redevelopment effort for the Portfolio while working collaboratively and cooperatively with the HPHA and the community to guide the repositioning effort. The overall housing program, demographics and income mix will be determined based on market demand and market studies.

Key responsibilities of the Master Developer include:

- Robust community engagement throughout the development, while creating conceptual master plan options for each property to choose from.
- Keeping the HPHA informed and involved in decision making as a partner to expedite the approval process.
- Securing zoning, entitlement, subdivision and/or Condominium Property Regime (CPR) approvals.
- Preparing phase specific development and operating proformas.
- Maintaining and executing complete and accurate project schedules and deadlines.
- Managing and overseeing predevelopment and ultimately the development activities and project consultants, General Contractors, co-developers (if any) to deliver the replacement units for the current Portfolio units and a minimum of 10,000 additional units.
- Identifying all necessary funding commitments in support of implementing phase specific plans.
- Completing financial closing, construction, lease-up and management, when necessary, of completed projects.

Since Ka Lei Momi will be a public/private partnership with both parties needing to understand roles, approval processes, communications and

expectations, a Master Programmatic Agreement (MPA) that delineates the roles and responsibilities of the HPHA and the Master Developer, as well as fee structure and business terms/relationship, will be negotiated and executed between the HPHA and the selected Master Developer. The MPA will be subject to the terms and conditions provided in HUD Form 5370-C, General Conditions Non-Construction Contracts and State of Hawaii General Conditions – See Appendix 4 and Appendix 6. In addition to the master programmatic agreement, the Master Developer will be required to enter into additional agreements to document further required steps and responsibilities for the Portfolio properties. These additional agreements include but not limited to predevelopment agreements for each property to allow for master planning, phase specific development agreements, and ground leases for each specific property.

B. Program Requirements

The scale of the Portfolio redevelopment effort has the potential to reinvigorate the broader communities where the above-listed properties are located, which, in turn, becomes a catalyst for far-reaching and positive implications well beyond the boundaries of any one project. Design and planning decisions for the Portfolio must consider existing HPHA residents, the development's surrounding community and should incorporate well designed space, adequate recreation spaces, commercial spaces if appropriate and confirmed by pre-development studies, green building and sustainability guidelines, TOD equitable development principles and should be consistent with, and supportive of, City, County and State development initiatives, visions, and goals.

Respondents to this RFQ are strongly encouraged to examine the Portfolio and Alternate properties, existing environmental studies, master planning work previously conducted, the proposed minimum program requirements outlined below, the market studies, and the communities surrounding the Portfolio and Alternate properties.

Minimum program requirements summary (the "Program"):

1. Delivery of Minimum of a minimum of 10,000 Additional New Housing Units Over Well Managed Multiple Phases:

Subject to confirmation by a market study by the Master Developer, approximately 10% of these units will be for sale (leasehold) at affordable prices determined by the HPHA and approximately 90% will be rental units. The HPHA, or a non-profit created by the HPHA, shall be the owner or participate in the ownership structure when appropriate. Of the approximately 9,000 rental units, approximately 25-30% will be targeted to 80-120% AMI and the remaining rental units will be targeted to 0-80% AMI using a variety

of financing sources as appropriate to be determined during the predevelopment phase based on market study(ies), analysis and research.

2. **Ability to Add or Exchange Portfolio Properties:** At the HPHA's discretion, if the Portfolio properties are unable to generate an additional 10,000 units, the HPHA may add, or substitute Portfolio properties with any of the alternate properties as described herein.
3. **One-for-One Replacement:** One-for-one replacement of existing public housing units (or conversion to a voucher program) where residents will continue to pay 30% of household income for rent. The HPHA will provide the unit mix for these deeply subsidized housing units based on current household need. The unit mix for the other affordable income and/or market rate housing types will be supported by market study(ies), analysis and research performed by Master Developer during the predevelopment phase.
4. **Mixed-Income Development:** In addition to one-for-one replacement of the existing public housing units, the Program should appeal to a mix of incomes, including affordable tax credit and workforce units. Renters of the tax credit units should be programmed at incomes of up to 80% of AMI or less with an overall average not exceeding 60% AMI (provided Income Averaging is adopted by the Hawaii Housing Finance Development Corporation). Workforce units will not be restricted as to income, but the overall housing is anticipated to achieve a seamless blend of rent distribution by unit and ownership type, location, and design while working to achieve the maximum range of incomes possible.
5. **Unit Integration:** Deeply subsidized replacement units need to be seamlessly integrated with the replacement units, LIHTC and workforce units across all building types located throughout a redeveloped Portfolio property.
6. **Neighborhood Integration:** Create a diverse community that strengthens the economic vitality of the redevelopment area and supports the functions and daily lives of residents including health, education, recreation, retail, and community facilities. Development should consider good urban design principles including Crime Prevention Through Environmental Design (CPTED), Complete Streets principles to promote tree shaded walking and cycling connectivity, and strategies to reduce dependency on car ownership, especially in TOD neighborhoods.

7. **High Quality Design:** The design of the housing units should consider innovative and non-traditional design that maximizes space and resources for greater cost-effective, sustainable, and replicability in an extremely high-cost environment. Energy efficient and low maintenance design features for on-going operations should also be considered. Overall design must be reflective of the local community; provide a variety of modern household typologies appropriate for a mixed-income community; provide culturally appropriate common buildings and gathering spaces to be used by residents and members of the surrounding neighborhood; leverage significant neighborhood amenities and serve as a catalyst for the transformation of the greater community that its residents can take pride in.
8. **Maximize Financing Resources:** Pursuing all potential funding sources appropriate to complete the redevelopment of the Portfolio and leveraging private, non-profit, and philanthropic funding that maximizes the efficiency and effectiveness of public capital resources while reducing the need for state provided gap funding. Working collaboratively with local, state and federal agencies to identify a variety of resources to support the redevelopment effort, including without limitation federal and state tax credits, Hula Mae Bond Program, CDBG/HOME funds, 501(c)(3) bonds, Section 108, Multi-family 40-year low interest HUD loans, HHFDC Rental Housing Trust Funds, private mortgages, deferred developer fee, Federal Home Loan Bank Loans, Affordable Housing Competitive Funding Program Acquisition and Development Loans, New Market Tax Credits, Rental Assistance Demonstration conversion, Project-Based Section 8 Vouchers, and corporate/foundation grants.
9. **Non-Discrimination:** Promoting fair housing and choice through discrimination-free, quality management.
10. **Sustainability:** Project design should meet or exceed industry standards for energy conservation and best practices integrating 'green' technologies and sustainable materials that meet energy efficiency requirements; efficiently manage energy and water consumption; and incorporate landscape design that effectively manages the flow of storm water through the development property.
11. **Accessibility:** Meets all state and federal accessibility requirements within the housing development and programmatic elements. This includes, but is not limited to, requirements of Section 504 of the Rehabilitation Act, Fair Housing Act, Americans with Disabilities Act of 1990, and the Uniform Federal Accessibility Standards per HUD rules. In addition, instead of the minimum 5% for ADA and 2% for

vision and hearing impaired (“VHI”), a study commissioned by HPHA found that the need in Hawaii is 6.8% for ADA and 4.1% for VHI.

12. **Open and Defensible Space:** Provide public open spaces and accessible connections – pedestrian and vehicular – within and between the surrounding neighborhood and public transportation, and safe and convenient access to public transit services that promote safety and defensible space.
13. **Streetscape Improvements:** Conform to county level complete street programs or their equivalents and identify potential streetscape and street section modifications focused on increasing accessibility and pedestrian safety.
14. **Transit Oriented Development:**
Where properties of the Portfolio are in TOD areas, the development should:
 - i. Contribute positively to the economic enhancement of the affected area providing for mixed uses, diverse housing and employment opportunities.
 - ii. Provide measures or facilities, or both, to promote a highly functioning, safe, interconnected, multi-modal circulation system, supporting easy access to, and effective use of the transit system on a pedestrian scale.
 - iii. Provide usable, safe, and highly accessible public accommodations, gathering spaces, pedestrian ways, bicycle facilities, or parks.

IV. ROLE AND MINIMUM REQUIREMENTS OF THE MASTER DEVELOPER

The Successful Respondent must have the experience and capacity to lead this ambitious redevelopment effort. The Successful Respondent will prove through its submittal that it possesses the qualifications and the capacity necessary to implement and oversee this effort in a manner that catalyzes public and private investment in the Portfolio and Alternate properties and surrounding communities. The Successful Respondent will demonstrate its experience in implementing large-scale development plans consistent with state and county objectives, particularly for Portfolio and Alternate properties along the HRT rail line. It is also expected that the Successful Respondent has:

- i. Successfully developed, managed, and completed multiple projects at the same time using multiple financing sources;

- ii. Have experience in national contracts securing construction materials directly from suppliers/manufacturers;
- iii. Have successfully completed multiple projects using Low-Income Housing Tax Credit LIHTC;
- iv. Have successfully financed projects using qualified 501(c)(3) bonds;
- v. Identify a dedicated full-time team to execute this 10,000-unit redevelopment project; and
- vi. Knowledgeable about “start to finish” development processes as well development challenges in Hawaii.

The Successful Respondent will be expected to articulate its preliminary vision on how it intends to successfully execute this redevelopment effort including but not limited to how it intends to work collaboratively with the HPHA, how to identify other investments essential to creating a sustainable and healthy community; how to coordinate housing activities with resident services/programs and how secure state, local, other federal, and private funding for all phases of the project.

The Successful Respondent must be able to work collaboratively with the HPHA and its partners, residents, and the broader community. Throughout the redevelopment effort, the Master Developer will work closely with the HPHA staff, the HPHA’s consultants, and state and county officials. The Successful Respondent will be responsible for developing overall master plans; ensuring that all units in the master plans for the Portfolio and Alternate properties are integrate well into the fabric of the existing neighborhood and supports the HPHA’s aspirational goals of creating a successful, stable, diverse, safe, attractive and sustainable mixed-income, mixed use community; and for implementing the redevelopment plan once financing is secured.

A. General

1. **Coordination:** The Master Developer shall be responsible for leading and implementing all phases of the development of the Portfolio including providing the necessary staffing, supervision and expertise required to implement all aspects of redevelopment fully and expeditiously as required under the master programmatic agreement and subsequent agreements. Unless advised otherwise, the first property of this redevelopment effort to be developed shall be the Mayor Wright Homes property to simultaneously build the first phase of rental and homeownership totaling approximately 650 units.
2. **Managing Consultants:** The Master Developer shall be responsible for procuring and managing all contractors and consultants necessary to implement the redevelopment of the Portfolio. At a minimum, subject to the HPHA’s approval, the Master Developer’s team is expected to include the General Contractor(s), Property Manager(s), and consultants appropriate to address the

environmental review, architectural, civil engineering, geo-technical, mechanical, and electrical engineering design, market analysis, HUD demo dispo, and any other activities or updates that may be required or deemed necessary by the HPHA and the Master Developer. Respondents are encouraged to highlight their development experience in the State of Hawaii and expertise in areas of relevance to the local development process, including financing and construction matters.

3. **Maintaining Project Schedule:** The Master Developer shall be responsible for developing and maintaining an overall prioritized schedule for all Portfolio collectively as well as a detailed project schedule with critical path of events for each property, including pre-development activities, financial closing, construction start and end dates, project lease-up, and stabilization and financial conversion for the redevelopment of the Portfolio.
4. **Quality Control:** The Master Developer shall be responsible for implementing quality assurance and control measures to ensure effective performance by all parties in all aspects of the redevelopment of the Portfolio and for ensuring developed projects are constructed with high-quality materials and workmanship.
5. **MBE/WBE/Section Compliance:** The Master Developer, in coordination with the HPHA, shall be responsible for developing a strategy for fostering Minority Business Enterprise (MBE), Women-owned Business Enterprise (WBE) and Section 3 employment, training and contracting opportunities throughout the redevelopment process for all properties in the Portfolio.
6. **Resident Engagement:** The Master Developer shall be responsible for facilitating and fostering the involvement of public housing residents in the implementation of the redevelopment efforts. In cooperation with the HPHA, keep residents informed of the status of the revitalization effort, plan for providing job opportunities for residents during and after implementation, and assist/encourage resident businesses.
7. **Supportive Services:** At the discretion of the HPHA, the Master Developer shall be responsible for designing and implementing a community and supportive services plan.
8. **Community Interests:** The Master Developer will be expected to be responsive to neighborhood, local community, and county interests and to promote and maintain good relations with community

and neighborhood groups, and federal, state, and local governments.

9. **Compliance with Laws:** The Master Developer will be expected to comply with all applicable federal, state, and local laws, rules, regulations, codes, and ordinances applying to the activities required by the master programmatic agreement.
10. **Debarment:** The Master Developer will be required to provide evidence that neither it nor any of its consultants or subcontractor are debarred, suspended, or otherwise prohibited from professional practice by any federal, state, or local agency.

B. Pre-Development

1. **Developing Master Plans:** Through a comprehensive community engagement process, the Master Developer will work with the HPHA, its residents, community stakeholders and approval agencies to finalize overall masterplans for each Portfolio property. Stakeholder and community engagement will be an integral element of the planning process and will be closely coordinated with local organizations, elected officials, and Neighborhood Boards. The HPHA will seek opportunities for collaboration with County agencies to leverage resources and know-how including, for example, the City and County of Honolulu's Complete Streets and TOD programs. In addition, the consultant's scope of work for the Master Plan development will include stakeholder workshops to engage the public in discussions that will explore how the history, culture, context, and TOD vision for the community may guide the design and to present initial findings. To expedite the delivery of units, it is expected that the work will happen simultaneously at all properties in the Portfolio unless otherwise approved by HPHA.
2. **Environmental and Historic Review:** The Master Developer will undertake environmental and historic review requirements for both the State of Hawaii and HUD, before existing housing can be demolished, replaced, or new housing can be constructed. This includes, but is not limited to, the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq., and its implementing regulations ("NEPA"), National Historic Preservation Act of 1966, as amended ("NHPA") and its implementing regulations at 36 CFR Part 800, and Hawaii Revised Statutes Chapter 343 and 6E.
3. **Zoning and Entitlements:** The Master Developer will complete applications for zoning and entitlements which support final redevelopment Master Plans for the Portfolio and Alternate

properties seeking all appropriate exemptions from statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions/CPR, development and improvement of land, and the construction of units thereon provided that:

- The project primarily or exclusively includes affordable housing units,
- The project meets minimum requirements of health and safety,
- The development of the project does not contravene any safety standards, tariffs, or rates and fees approved by the public utilities commission for public utilities or various Boards of Water Supply,

4. **Subdivision/Condominium:** Subject to HPHA's approval, the Master Developer shall complete subdivision or Condominium Property Regime (CPR), whichever is most beneficial to expedite delivery of units, for the Portfolio, as required for Master Plan zoning and entitlement or permit approvals.
5. **Prepare Market Analysis:** The Master Developer shall prepare market analysis addressing both residential and non-residential components based on area economics and demographics to determine the proper income mix of rental units consistent with the HPHA's vision outlined above.
6. **Design Development Process:** During the schematic design and design development phases, the Master Developer shall, at minimum, meet weekly with the HPHA and regularly with its residents, and the neighboring community and county agencies and representatives (as requested) to review all aspects of the design including, but not limited to, securing 3rd party reports relating to environmental Phase I and Phase II investigations, title, infrastructure, geotechnical, civil engineering, etc.
7. **Demolition and Environmental Remediation:** The Master Developer shall assume primary responsibility for the demolition and any related environmental remediation of the existing public housing units, and the HUD required applications.
8. **Plans and Specifications:** The Master Developer shall be responsible for the preparation of the infrastructure and building plans and specifications which will be subject to the HPHA and then county review and approval.

9. **Cooperation Agreements:** The Master Developer shall develop the deeply subsidized units in a manner which will qualify them for any Payment in Lieu of Taxes (“PILOT”) or related Cooperation Agreements with the State of Hawaii or its counties as authorized by law if the HPHA determines it will be in the best interest of the development.
10. **Development Agreement:** Once a property and phase specific development program have been agreed on, the HPHA and the Master Developer shall enter into a Phase Specific Development Agreement which will be the basis for moving forward to financial closing, construction and lease-up.

C. Relocation – The Master Developer will be responsible for any required tenant relocation during all phases of the redevelopment. The Master Developer is expected to know and/or comply with the Uniform Relocation Act and coordinate with the HPHA.

D. Financing

1. **Overall Financing Plan:** The Master Developer shall be required to produce an attainable financing plan for all financing necessary to implement each phase of redevelopment of the Portfolio and Alternate properties. The financing plan must pursue all reasonable sources and demonstrate an effective use of public funds that maximizes leverage of public funds with private resources in the most efficient manner and to the greatest extent possible. This may include but not be limited to items listed above in this document such as tax credits, tax-exempt bonds, state and local funds, private grants, and conventional debt. The Master Developer shall coordinate all discussions and negotiations with financial institutions with the HPHA’s knowledge. All financing terms shall be subject to review and approval by the HPHA.
2. **Equity Investments:** Using an approved competitive process, the Master Developer shall obtain equity financing commitments and lending commitments on the most beneficial terms available.
3. **Guarantees:** The Master Developer shall provide all guarantees required for the successful financing required for each phase of redevelopment of the Portfolio, including completion guarantees, operating deficit guarantees, and tax credit adjuster or recapture guarantees and guarantees of performance under a master programmatic agreement. The Master Developer will be required to

demonstrate financial capacity to provide the guarantees and indicate how they intend to honor the guarantees if necessary.

4. **HUD Program Proposals:** The Strategic Partner shall prepare and provide for HPHA's approval, successful applications needed for any Mixed-Finance Proposal (MFP), RAD Financing Plan, Section 18 demolition/disposition or other programs necessary for HUD review and approval.
5. **Operating Feasibility:** The Master Developer shall structure reserves, and other devices as will reasonably guarantee the long-term operating feasibility of the project, utilizing no more subsidy than is made available or committed by the HPHA. It is expected that the non-public housing replacement units will cross subsidize the HPHA replacement units as much as possible.
6. **Accounting/Financing:** The Master Developer shall maintain accounting records and ensure project financing is available at the appropriate times and utilized in the appropriate manner. The HPHA will be given access to this information at any time requested.

E. Construction

1. **Construction Activities:** As to be provided for under the master programmatic agreement and/or Phase Specific Development Agreement, the Master Developer shall create and implement a process for selecting the most qualified General Contractor and sub-contractors. During construction, the Master Developer shall provide oversight and management as deemed necessary of construction activities by coordinating with all development team members and attending job-site meetings to ensure the expeditious implementation of construction activities. All construction contracts shall be subject to the HPHA approval. The Master Developer is expected to submit said qualified General Contractor as part of its original team.
2. **Procuring Building Materials:** The Master Developer shall be responsible for developing strategies for the bulk procurement, shipping, storage and staging of building materials to reduce building material, fixtures, and appliance costs to the maximum extent possible using national manufacturer direct contracts.
3. **Implement Development Program:** The Master Developer shall initiate and complete site work and infrastructure construction in accordance with Master Plans and the final construction plans and schedule approved by the HPHA, constructing all improvements

associated with the development program, including residential units, community facilities and any commercial space.

F. Ownership and Asset Management

1. **Organize Ownership Entity:** The Master Developer will be responsible for organizing ownership entities and structures approved by the HPHA, for both the residential and non-residential components. This may include affiliates of the HPHA as special limited partners. For the rental units, subject to negotiations, the HPHA or its non-profit shall be the owner or participate in the ownership structure.
2. **Market and Lease-up of Rental Units:** The Master Developer will be responsible for creating and implementing a marketing and lease-up strategy for the rental units to ensure that stabilized occupancy is achieved in compliance with all applicable financing and land use agreements and HUD requirements.
3. **Long-Term Viability:** The Master Developer will be responsible for developing and implementing marketing, re-occupancy, asset, and property management plans that will ensure the short-term and long-term viability of the repositioned Portfolio. This may include the participation of the HPHA or an affiliate as the eventual property management firm, subject to investor and lender approval. For units not initially owned by the HPHA, the HPHA will require the right of first refusal using the minimum purchase price permitted under federal tax law at the end of any LIHTC initial tax credit compliance period.

V. ROLE OF THE HAWAII PUBLIC HOUSING AUTHORITY

The HPHA will play many roles in the planning and redevelopment of the Portfolio such as:

- A. **Landowner** – The HPHA will remain the long-term owner of the land required for the redevelopment of the Portfolio and Alternate properties and will enter into long-term ground leases with the owner entity for the various development phases of the redeveloped Portfolio.
- B. **Provider of Capital Funds** – Subject to Legislative appropriation, the HPHA may grant, loan, or otherwise make available to the Master Developer federal, or state funding specifically targeted for the replacement of the public housing units in an amount to be negotiated based upon the Master Developer’s ability to demonstrate such need and in accordance with HUD Cost Containment and Safe Harbor Guidelines. The Master Developer will be required to achieve the maximum leverage of public

resources, including land, by securing private, other federal, City and State funding and to secure all funding for non-public housing units.

- C. Provider of Operating Subsidies** – Depending on the replacement program chosen for the public housing units at property (e.g., Section 18, RAD, Public Housing), the HPHA will contribute either public housing operating subsidy or PBV assistance it receives from HUD to support the ongoing operations of those units minus a negotiated fee for the HPHA’s management.
- D. HUD/Media Liaison** – The HPHA will manage all communication with HUD. After preparation of all required applications by Master Developer, HPHA will submit and obtain all HUD approvals including but not limited to demolition/disposition approval and Mixed-Finance and/or RAD applications and approvals. The HPHA will expect the Master Developer to prepare all program and evidentiary documents required by HUD or as the HPHA may direct. The HPHA shall be the official spoke-person for this redevelopment effort and will manage all media inquiries and public statements.
- E. Admissions** – When required by law, all existing public housing residents will have the right to return to the redeveloped property if they are lease compliant and continue to qualify for a specific unit based on occupancy standards per the HPHA’s current lease and criteria, the HPHA Admissions and Continued Occupancy Policy (ACOP), and HUD program related rules. No additional screening criteria will be imposed.
- F. Property Management** – The HPHA is interested in playing a role in property management – subject to investor approval – and the Master Developer must provide a description of how the HPHA might participate in and/or develop experience managing mixed-income and tax credit communities over time.
- G. Asset Manager** – The HPHA will continue to have asset management responsibilities related to the public housing replacement units. The HPHA will monitor and enforce the terms of the Lease(s) and the Regulatory and Operating Agreements with the Master Developer and require that all housing units be managed in accordance with applicable local, state, and federal requirements. The HPHA will also review annual budgets for approval as well as annual audits.
- H. Monitor Compliance with Hiring Opportunities** – The HPHA will monitor the Master Developer's plans and efforts for reaching Section 3, MBE, and WBE goals and objectives. Section 3 requirements include not only resident employment but also contracting with Section 3 business entities. In addition, the HPHA desires that the Master Developer will work to ensure

that neighborhood residents and businesses have opportunities to participate in the development process through Community Work Agreements to the extent possible and will facilitate partnerships with community-based pre-apprenticeship and small business development programs where possible.

VI. ANTICIPATED MAJOR APPROVALS / ISSUING BODY

- A. City and County of Honolulu Department of Planning and Permitting
 - City and County of Honolulu City Council Chapter 201H, HRS Zoning Entitlements and Fee Waivers
 - Grubbing, Grading, and Stockpiling Permits
 - Foundation Permit
 - Superstructure Permit
 - Building Permits for Building, Electrical, Plumbing, Sidewalk/Driveway, and Demolition Work
 - Sewer Connection Permits
 - Subdivision

- B. City and County of Honolulu Department of Transportation Services
 - Street Usage Permit

- C. State of Hawaii Department of Health:
 - National Pollutant Discharge Elimination System (NPDES) Permit
 - Noise Permit

- D. State of Hawaii Department of Transportation:
 - Permit to Perform Work within a State Right of Way

- E. State Historic Preservation Division:
 - Historic Site Review

- F. State Office of Planning
 - State Transit-Oriented Development (TOD) Development Plan Approval

- G. Federal Department of Housing and Urban Development:
 - National Environmental Policy Act (NEPA)
 - Section 106 Review (in conjunction with the Advisory Council on Historic Preservation)
 - Mixed Finance Application: Evidentiary Submission(s)
 - Demolition and Disposition Application
 - Subsidy Layering Review

Section 3 Submittal Forms and Instructions

I. General Instructions

A respondent shall submit **one (1) original submittal marked “ORIGINAL”, five (5) copies of the submittal marked “COPY” and one (1) electronic copy in PDF format on a flash drive.** It is imperative that the respondent submit only one (1) original and the required number of copies. The outer envelope or packaging of the submittal shall be clearly marked with the RFQ number and title, the respondent’s name, address, telephone number, and address it to the attention of the RFQ Coordinator.

All corrections to a submittal shall be initialed in ink by the respondent’s authorized person signing the submittal. Any illegible or otherwise unrecognizable corrections or initials may result in rejection of the submittal.

Submittal shall be submitted to the HPHA in the prescribed format outlined in this RFQ. A written response is required for each item, unless indicated otherwise.

No supplemental literature, brochures or other unsolicited information should be included in the submittal.

II. Submittal Forms

- A. The submittal forms must be completed and submitted to the HPHA by the required due date and time, and in the format prescribed by the HPHA. Electronic mail submissions shall not be accepted.
- B. Respondents shall submit its submittal under the respondent's exact legal name that is registered with the State of Hawaii Department of Commerce and Consumer Affairs and shall indicate this exact legal name.
- C. Respondent's authorized signature shall be an original signature in ink. If the submittal is not signed by an authorized representative as submitted on the corporate resolution or the affixed signature is a photocopy, the submittal may be rejected unless waived by the HPHA.
- D. A submittal security deposit is not required for this RFQ.
- E. Include the respondent’s name, RFQ identification information, titles/subtitles, and a numerical outline information on the top right corner of each page.
- F. Include consecutive page numbering on the submittal, which should begin with page one (1) and end with the last numbered page of the complete submittal.

- G. Submittals must be submitted on white, 8 ½” x 11” paper and shall be bound and tabbed by sections.
- H. Include the following information on the upper, left-hand corner of the submittal package:

Respondent Name
Respondent Address
Respondent Contact Number
RFQ No. and Title
Date and Time responses are due

III. **Submittal Application:**

A. **Outline**

Listed below are the sections that must be included in the written submittal. Each section must be clearly labeled using the bold-faced titles listed below and shall be assembled in the order described herein.

Respondents must compile responses using the following outline:

1. Letter of Interest
2. Team Description
3. Experience
4. Past Performance
5. Capacity
6. Section 3 Participation Plan
7. Business Terms
8. Required Certifications

B. **Letter of Interest**

A transmittal cover letter of interest shall be included and shall identify the primary contact person for the submittal. Please include contact person’s telephone number and electronic mail (email) address. The transmittal letter must be signed by an authorized person of the respondent’s organization and include:

1. A statement indicating that the respondent is a corporation or other legal entity and the taxpayer identification number of the legal entity.
2. A statement that the respondent is or will be registered to do business in Hawaii and has or will obtain a State General Excise Tax License before the start of the work.

3. A statement that the submittal will remain valid for not less than 180 days from the date of the HPHA Board of Directors' approval of the selected respondent.

C. Contact Information

In typical large development projects, respondents normally form teams consisting of consultants and contractors necessary to implement the redevelopment project.

Provide information to include the following:

1. Respondent's contact person, title, telephone number, facsimile number, and email address.
2. Consultant(s) and/or Contractor(s) on the respondent's team, main address, telephone number, facsimile number, and email address.

D. Experience

1. Identify respondent's key staff, including the individual who will serve as project manager for the team and who will direct and coordinate the development effort through completion. Provide resume for respondent's key staff and describe the project manager's prior experience with projects of similar scope and size, with particular emphasis on experience directing a multi-disciplinary team and facilitating a community involvement process.
2. Provide an overview of the respondent and team's experience in the efficient planning, construction and management of multiple projects at the same time and/or projects similar to what is proposed under this RFQ.
3. Describe role of the respondent within the team and willingness, if necessary, to team up with other developers to expedite delivery of units.
4. Provide examples of the respondent and the team's experience with public housing requirements, including the rule and requirements applicable to mixed-finance development and/or RAD using public housing capital funds, and public housing operations.
5. Provide examples of the respondent and the team's experience with affordable and mixed-income rental housing projects successfully completed nationwide and in the State of Hawaii, including familiarity with State of Hawaii development requirements and challenges.

6. Provide evidence of respondent and team's experience with property management of mixed-income, mixed-finance, and mixed-use rental developments of similar size, either directly or through supervision of property management provided by a third party. Include information about income groups served, current occupancy levels, operating deficit history, and ability to provide funding for community and supportive services programs.
7. For team members not directly employed by the respondent, provide a narrative overview of their experience within their respective disciplines on the planning, development, and operation of mixed-income, mixed-finance, and mixed-use developments of comparable size and complexity in urban areas.

E. Past Performance

1. List all affordable and mixed-income rental housing projects (preferably involving public housing units) successfully completed within the past five (5) years, identifying the states where the projects are located, sources of financing including the size of the tax credit allocations and tax-exempt bond allocations received, the name of the investor(s) and dollar amount the investor(s) paid for the tax credits (expressed in cents per tax credit dollar). Specify the number of units, unit size, and income groups served and cost of each project. Provide evidence of timely development demonstrating that projects were on schedule and within budget.
2. Indicate the projects which employed alternative construction techniques, such as deconstruction, prefabricated buildings, etc. Indicate projects employing sustainable development techniques and all LEED-certified development projects.
3. Provide a narrative description of the respondent and respondent team's previous experience in integrating community and supportive services into the overall development and maintenance of similar projects.
4. Provide examples of the respondent and team's prior experience in the planning and construction of mixed-income, mixed-finance and mixed-use housing development projects of comparable size and complexity in urban areas within the past five (5) years. Discuss the team's experience in obtaining, structuring, and implementing layered financing for such projects, including four per cent (4%) and nine per cent (9%) tax credits, State LIHTC, Hawaii Tier 2 funding and other sources of financing, particularly in Hawaii.

5. Provide a narrative description of successfully developing, managing, and completing projects of similar scope and/or executing multiple projects at the same time using multiple financing sources.
6. Provide examples of experience in national contracts securing construction materials directly from suppliers/manufacturers.
7. Provide examples of successfully financing projects using qualified 501(c)(3) bonds that are tax-exempt qualified private activity bonds issued by a state or local government, the proceeds of which are used by a 501(c)(3) organization to continue their mission and exempt purpose. Tax-exempt bond holders are exempt from federal taxation and generally from local taxation if the obligations are issued within the state of residence.
8. Provide evidence of competence with meeting requirements of LIHTC program and whether the respondent or respondent's team has ever been cited with any program violations by any state housing finance agency.
9. Provide information on the respondent and team's prior experience working together.
10. Indicate whether the respondent and/or any team member has ever been terminated from a contract, and if so, describe the circumstances and outcome.
11. Indicate whether the respondent and/or any team member has ever sued or been sued by a Housing Authority, and if so, describe the circumstances and the outcome.

F. Capacity

1. Provide profiles of respondent's key staff, including the project manager, who will be involved in the development effort. Specify the roles of key staff in carrying out this development initiative.
2. Description of the respondent and team's organization size, number of employees, and a description of type, location, scheduled completion and dollar value and number of units of any projects in the pipeline. Description of the respondent's approach to master planning of multiple properties at once, as well as respondent's ability to move forward with implementation at Mayor Wright Homes.
3. Describe how the respondent will pursue financing for the redevelopment efforts and leverage HPHA resources to include land, rental assistance, and HUD and HPHA capital funds. Identify the

various funding sources that are appropriate for creating mixed-income developments and the respondent's capacity to obtain LIHTC awards in Hawaii.

4. Submit three (3) concurrent years of the respondent's audited or Certified Public Accountant prepared **financial statements** and from each member of the respondent's team who will be providing any guarantees in connection with the development and operation of the project. The financial statements must include the most current year for which audited or CPA prepared financial statements are available. The statements must include an Income Statement as well as a Balance Sheet showing assets, liabilities and net worth of the entity. Financial statements and bank references may be placed in a separate sealed envelope marked "confidential."
5. Submit one (1) bank reference for the respondent.
6. Provide a statement indicating how the respondent will honor all financial guarantees, should the need arise.
7. Five (5) references must be submitted for the respondent. References shall be relevant to the type and scope of work as anticipated in this RFQ to include one (1) from a public sector and four (4) among the following entities:
 - a) Construction and permanent lenders;
 - b) LIHTC limited partner investor;
 - c) General contractor on a comparable development;
 - d) State Housing Finance Authority, if available; and
 - e) A community group or public housing resident group that worked with the Developer on a specific project.

References shall include contact name, title, organization, telephone number, and email addresses. **Please reference the name of the project with which the reference is familiar with.** Ensure that all names and contact information are current.

8. Provide three (3) references as described in subparagraph 6 above for each member of the team.

References shall include contact name, title, organization name, telephone number, and email addresses. **Please reference the name of the project with which the reference is familiar with.** Ensure that all names and contact information are current.

9. Provide an organization chart of the team. All entities that comprise the team must be identified including consultants, contractors, and attorneys, indicating their specialization(s), specific contribution to the team, and whether they are a Section 3 business.

G. Section 3 Participation Plan

1. Describe the approach and methods the respondent and respondent's team will utilize to assure significant employment of residents of HPHA and other individuals eligible as Section 3 participants.
2. Provide a narrative description how the respondent and the team will utilize Section 3 businesses.

H. Business Terms

1. **Role of the HPHA.** In consideration of contribution of resources including funding and land, the HPHA anticipates a return on its investment. The form of this return may include a share of developer fees and cash flow, rent on the land that is ground leased, or by other mechanisms proposed by the respondent and acceptable to the HPHA or a combination thereof. The respondent should describe the specific role for the HPHA in the ownership structures for both the residential and non-residential components as appropriate (e.g., special limited partner, co-developer, lender, ground lessor, etc.) that allows the HPHA to receive an investment return and does not negatively impact the underlying project economics.

The HPHA is interested in expanding its capacity in mixed finance and tax credit property management and the respondent must provide a description regarding how the HPHA and/or its staff can participate in and/or develop experience managing mixed-income communities over time. The HPHA understands that any role it plays in development and/or property management is subject to the approval of equity investors and lenders.

2. **Fees and Cost Limitations.** HUD's Cost Control and Safe Harbor Guidelines will be the maximum basis for negotiating business terms.

These guidelines set limits for developer, contractor and property management fees, govern the use of, contribution to, and pay out of reserves and developer fees, control the HPHA's contribution to funding predevelopment activities, and determine how much public housing funding can be provided to fund a development. Funds may

be provided for the development of the public housing units in accordance with regulatory and policy restrictions.

The respondent must state its position and reasoning for each of the following development cost areas:

- a. Respondent's expected amount and method of compensation for predevelopment activities.
- b. Respondent's proposed development fee, stated as a percentage of total development costs as defined by HUD.
- c. Compensation and return on investment to be paid to the HPHA, including a share of development fees, ground lease payments, property management fees, incentive fees, interest earnings on loans, and/or residual cash flow.

These terms are intended to be the basis for starting business terms negotiations.

3. **Development guaranty.** The respondent shall provide an unlimited guaranty of completion and performance from a financially responsible entity satisfactory to the HPHA to ensure that the development is completed. The guaranty shall cover development costs in excess of contingencies agreed to by the HPHA. **Further details of the guaranty will be negotiated and included in the master programmatic agreement.**
4. **Right of first refusal and/or purchase option.** The HPHA will be provided a right of first refusal and purchase option using the minimum purchase price permitted under federal tax law to secure the right to purchase public housing units and/or the mixed-income rental development in which they are a part upon expiration of mortgages, refinancing, or notification of interest/readiness to sell housing developments.

I. **Required Certifications**

The following documents must be included in the submittal and must be properly executed and/or notarized:

1. Acknowledgement of Addenda. See Appendix 1.
2. Non-Collusive Affidavit. See Appendix 2.
3. HUD Form 2992 Certification Regarding Debarment and Suspension. See Appendix 5.

Section 4 Submittal Evaluation and Award

I. Submittal Evaluation/Award

Submittals received in response to this solicitation will be evaluated using a two-stage evaluation process. Stage I of the evaluation process will be used to determine the respondents that will comprise the competitive range from which final selection for contract award will be made. Stage II of the evaluation process will be reserved for the competitive range respondents only. Scoring will be based on how well the submittal meets the criteria established in this RFQ.

During Stage I of the evaluation process, all responsible and responsive submittals will be evaluated and scored by an Evaluation Committee approved by the HPHA Executive Director or designee. Scoring will be based on evaluation criteria contained in this solicitation. The available points associated with each criterion of consideration are provided. The results of the evaluation will be used to determine those respondents to be included in the competitive range.

The competitive range shall include those respondents determined to be most qualified through the evaluation process and due diligence review. These respondents may be requested to supply additional information to assist in completing the due diligence review. Failure to satisfactorily complete the request for additional information for the due diligence review within the timeframe established by the HPHA may result in exclusion from the short list to proceed to Stage II of the evaluation process.

Stage II of the evaluation process will entail presentation/interviews with the respondents on the short list. Respondents not in the competitive range will not proceed to Stage II of the evaluation process. The purpose of the presentations/interviews is to provide the Evaluation Committee an opportunity to pose questions emanating from their review of the submittals and obtain clarifications. The HPHA may also provide an opportunity for respondents to submit Best and Final Offers based on questions and discussion at the interviews. The Evaluation Committee reserves the right to schedule property visits to existing projects completed by the short-listed respondents. Stage II evaluation will be conducted upon completion of the presentations/interviews in accordance with the same procedures and criteria outlined above for Stage I evaluation.

The respondent with the highest score from Stage II of the evaluation process will be selected to proceed to the Contract negotiation stage. Negotiations will be terminated with the highest scored respondent if a master programmatic agreement cannot be negotiated. The HPHA will then initiate negotiations with the next highest rated respondent on the short list. This process will continue until a mutually satisfactory agreement has been negotiated.

The HPHA reserves the right to not issue an award or decline to enter into negotiations should it believe that respondent(s) to this RFQ will not be capable of delivering the necessary level of services within an acceptable price range and/or time period. The HPHA further reserves the right to forego Stage II of the evaluation process and enter into negotiations with the highest ranked respondent from Stage I of the evaluation process. Contract award will be subject to approval by the HPHA Board of Directors and possibly the United States Department of Housing and Urban Development.

The HPHA shall enter into negotiations with the highest ranked respondent according to the evaluation criteria contained herein for a master programmatic agreement describing the Respondent’s role and responsibilities, provided the award is in the best interest of the HPHA. The highest ranked respondent will be notified at the earliest practical date. No award may be made to respondents that are on the HUD list of limited denial or participation, excluded entity in the United States Government System for Award Management, or suspended and/or debarred by the State Procurement Office to do business in the State of Hawaii. The HPHA reserves the right to not award a contract if respondents are deemed not qualified or not responsive to the submittal requirements of this RFQ. The HPHA also reserves the right to request replacement of specific members of the Respondent’s team. If the HPHA is unsuccessful in contract negotiations with the highest ranked respondent, the HPHA reserves the right to enter into negotiations with the next highest ranked respondent.

II. Evaluation Criteria

The evaluation of submittals will be solely based on the evaluation criteria set forth as follows:

<i>Evaluation Criteria</i>	<i>Points</i>
<p>A. Experience</p> <p>The degree to which the submittal demonstrates the respondent and the respondent’s team experience and professional qualifications relevant to the project. Points will be awarded based on the following:</p> <ol style="list-style-type: none"> 1. The respondent and the team’s experience with developing multiple projects at the same time and/or projects of similar scope, size, and particular emphasis in directing a multidisciplinary team and facilitating a community involvement process and willingness to team up with other developers to expediate the delivery of units. 	<p>40</p>

<ol style="list-style-type: none"> 2. The respondent and team’s experience in efficiently planning, construction, and management of projects similar to those proposed in the RFQ and familiarity with Hawaii development requirements and challenges 3. The respondent and team’s experience with public housing requirement, including the rule and requirements applicable to mixed-finance development and/or RAD using public housing capital funds, and public housing operations. 4. The respondent and team’s experience with property management of mixed-income, mixed-finance, and mixed-use rental developments of similar size, either directly or through supervision of property management provided by a third party. 	
<p>B. Past Performance</p> <p>The degree to which the submittal demonstrates the respondent and the respondent’s team experience on projects of similar size and scope and/or experience in executing multiple projects at the same time for public agencies and/or private industry. Points will be awarded based on the following:</p> <ol style="list-style-type: none"> 1. The respondent and team’s ability to complete a project on schedule, within budget, employed alternative construction techniques and integrated community and supportive services into the overall development and maintenance of projects similar to those proposed in the RFQ. 2. The respondent and team’s experience in obtaining, structuring, and implementing layered financing for such projects, including four per cent (4%), nine per cent (9%) tax credits, State LIHTC, Hawaii Tier 2 funding, LIHTC and other sources of financing, particularly in Hawaii. 3. The respondent and team’s history of successful development, management, and completion of multiple projects of similar scope using multiple financing sources and national contracts in securing construction materials directly from suppliers/manufacturers. 	<p>30</p>

<ol style="list-style-type: none"> 4. The respondent and team’s history of successfully financing projects using qualified 501(c)(3) bonds. 5. The extent to which the respondent and team has no program violations issued by a state housing finance agency, terminated contract(s) and/or lawsuits involving a Housing Authority. 	
<p>C. Capacity</p> <p>The degree to which the submittal demonstrates the respondent and the respondent’s team capacity to complete projects of similar size and scope for public agencies and/or private industry. Points will be awarded based on the following:</p> <ol style="list-style-type: none"> 1. The respondent and team’s organization size, number of employees, and a description of type, location, scheduled completion and dollar value and number of units of any projects in the pipeline. 2. The extent to which the respondent clearly demonstrates how they will pursue financing for the redevelopment efforts and leverage HPHA resources to include land, rental assistance, and HUD and HPHA capital funds and LIHTC awards in Hawaii. 3. The respondent’s financial capacity (as developer and provider of guarantees) as evidenced by financial statements, most recent audit and bank references, and how it intends to honor all guarantees should the need arise. 4. The extent of the respondent team’s organization chart clearly demonstrates the team’s capacity to meet the requirements of the RFQ. 	<p>20</p>

<p>D. Section 3 Employment and Business Terms</p> <p>Points will be awarded based on the respondent's approach and methods to engage Section 3 business and employ Section 3 individuals</p> <p>Points will be awarded based on the reasonableness of the respondent's business terms and determined most beneficial to the HPHA.</p>	<p>10</p>
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**Section 5
Appendix**

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|----|--|----------------------|
| 1. | Acknowledgement of Addenda | Due March 7, 2023 |
| 2. | Non-Collusive Affidavit | Due March 7, 2023 |
| 3. | HUD Form 5369-B Instructions to Offerors
Non-Construction | For Information Only |
| 4. | HUD Form 5370-C General Conditions for
Non-Construction Contracts | For Information Only |
| 5. | HUD Form 2992 Certification Regarding
Debarment and Suspension | Due March 7, 2023 |
| 6. | State General Condition, AG-008 103D General
Conditions | For Information Only |

APPENDIX 1

ACKNOWLEDGEMENT OF ADDENDA
RFQ DEV-2023-03

Request for Qualifications for Master Developer

The Respondent has received the following Addenda, receipt of which is hereby acknowledged:

Addendum Number: _____ Date Received: _____

Addendum Number: _____ Date Received: _____

Addendum Number: _____ Date Received: _____

Addendum Number: _____ Date Received: _____

Addendum Number: _____ Date Received: _____

(Respondent Name)

(Signature)

(Printed Name)

APPENDIX 2

NON-COLLUSIVE AFFIDAVIT
RFQ DEV-2023-03

Request for Qualifications for _____
(Prime Respondent)

State of _____)
) SS
City/County of _____)

On this _____ day of _____, _____ before me
appeared _____ to me known, to be the person and being duly
sworn, deposes and says that he/she is _____
_____(A partner or officer of the firm of, etc.)

The party making the foregoing submittal, that such submittal is genuine and not collusive or sham: that said Respondent has not colluded, conspired, connived or agreed, directly or indirectly with any respondent or person, to put in a sham offer or to refrain from participating, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person to fix the submittal offer price or affiant or any other respondent, or to fix any overhead profit or cost element of said offer price, or that any other respondent, or to secure any advantage against the Hawaii Public Housing Authority or any personal interest in the proposed contracts; and that all statements in said submittal are true.

Signature of

Respondent, if the respondent is an individual

Partner, if the respondent is a partnership

Officer, if the respondent is a corporation

Doc. Date: _____ # Pages: _____

Notary Name: _____ Circuit

Doc. Description: _____

(Notary Stamp or Seal)

Notary Signature

Date



Instructions to Offerors

Non-Construction

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

1. Preparation of Offers

(a) Offerors are expected to examine the statement of work, the proposed contract terms and conditions, and all instructions. Failure to do so will be at the offeror's risk.

(b) Each offeror shall furnish the information required by the solicitation. The offeror shall sign the offer and print or type its name on the cover sheet and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the HA.

(c) Offers for services other than those specified will not be considered.

- (2) Have a satisfactory performance record;
- (3) Have a satisfactory record of integrity and business ethics;
- (4) Have a satisfactory record of compliance with public policy (e.g., Equal Employment Opportunity); and
- (5) Not have been suspended, debarred, or otherwise determined to be ineligible for award of contracts by the Department of Housing and Urban Development or any other agency of the U.S. Government. Current lists of ineligible contractors are available for inspection at the HA/HUD.

(b) Before an offer is considered for award, the offeror may be requested by the HA to submit a statement or other documentation regarding any of the foregoing requirements. Failure by the offeror to provide such additional information may render the offeror ineligible for award.

2. Submission of Offers

(a) Offers and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation, and (2) showing the time specified for receipt, the solicitation number, and the name and address of the offeror.

(b) Telegraphic offers will not be considered unless authorized by the solicitation; however, offers may be modified by written or telegraphic notice.

(c) Facsimile offers, modifications or withdrawals will not be considered unless authorized by the solicitation.

6. Late Submissions, Modifications, and Withdrawal of Offers

(a) Any offer received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it -

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
- (2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the HA/ HUD that the late receipt was due solely to mishandling by the HA/ HUD after receipt at the HA;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays; or
- (4) Is the only offer received.

(b) Any modification of an offer, except a modification resulting from the HA's request for "best and final" offer (if this solicitation is a request for proposals), is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.

(c) A modification resulting from the HA's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the HA after receipt at the HA.

(d) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(e) The only acceptable evidence to establish the time of receipt at the HA is the time/date stamp of HA on the offer wrapper or other documentary evidence of receipt maintained by the HA.

3. Amendments to Solicitations

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Offerors shall acknowledge receipt of any amendments to this solicitation by

- (1) signing and returning the amendment;
- (2) identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer,
- (3) letter or telegram, or
- (4) facsimile, if facsimile offers are authorized in the solicitation. The HA/ HUD must receive the acknowledgment by the time specified for receipt of offers.

4. Explanation to Prospective Offerors

Any prospective offeror desiring an explanation or interpretation of the solicitation, statement of work, etc., must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

5. Responsibility of Prospective Contractor

(a) The HA shall award a contract only to a responsible prospective contractor who is able to perform successfully under the terms and conditions of the proposed contract. To be determined responsible, a prospective contractor must -

- (1) Have adequate financial resources to perform the contract, or the ability to obtain them;

(f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

(g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the HA will be considered at any time it is received and may be accepted.

(h) If this solicitation is a request for proposals, proposals may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before award. Proposals may be withdrawn in person by a offeror or its authorized representative if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer before award. If this solicitation is an invitation for bids, bids may be withdrawn at any time prior to bid opening.

7. Contract Award

(a) The HA will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the HA, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The HA may

- (1) reject any or all offers if such action is in the HA's interest,
- (2) accept other than the lowest offer,
- (3) waive informalities and minor irregularities in offers received, and (4) award more than one contract for all or part of the requirements stated.

(c) If this solicitation is a request for proposals, the HA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. If this solicitation is a request for proposals, before the offer's specified expiration time, the HA may accept an offer, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the HA.

(e) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract.

8. Service of Protest

Any protest against the award of a contract pursuant to this solicitation shall be served on the HA by obtaining written and dated acknowledgment of receipt from the HA at the address shown on the cover of this solicitation. The determination of the HA with regard to such protest or to proceed to award notwithstanding such protest shall be final unless appealed by the protestor.

9. Offer Submission

Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show **the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope.**

It is very important that the offer be properly identified on the face of the envelope as set forth above in order to insure that the date and time of receipt is stamped on the face of the offer envelope. Receiving procedures are: date and time stamp those envelopes identified as proposals and deliver them immediately to the appropriate contracting official, and only date stamp those envelopes which do not contain identification of the contents and deliver them to the appropriate procuring activity only through the routine mail delivery procedure.

[Describe bid or proposal preparation instructions here:]

General Conditions for Non-Construction Contracts

Section I – (With or without Maintenance Work)

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (exp. 11/30/2023)

Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$150,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 905.100) **greater than \$2,000 but not more than \$150,000 - use Section II;** and
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$150,000 – use Sections I and II.**

Section I - Clauses for All Non-Construction Contracts greater than \$150,000

1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

- proposal submitted before final payment of the contract.
- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
 - (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

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- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
- (i) appeals under the clause titled Disputes;
 - (ii) litigation or settlement of claims arising from the performance of this contract; or,
 - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

5. Rights in Data (Ownership and Proprietary Interest)

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

6. Energy Efficiency

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

7. Disputes

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach there of which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

8. Contract Termination; Debarment

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

9. Assignment of Contract

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

10. Certificate and Release

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

11. Organizational Conflicts of Interest

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
 - (i) Award of the contract may result in an unfair competitive advantage; or
 - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

12. Inspection and Acceptance

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

16. Equal Employment Opportunity

During the performance of this contract, the

Contractor/Seller agrees as follows:

(a) The [contractor/seller] will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. The

[contractor/seller] will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(b) The [contractor/seller] will, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, disability, or national origin.

(c) The [contractor/seller] will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the [contractor/seller]'s legal duty to furnish information.

(d) The [contractor/seller] will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the [contractor/seller]'s commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) The [contractor/seller] will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) The [contractor/seller] will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The [contractor/seller] will include the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub[contractor/seller] or vendor. The [contractor/seller] will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the [contractor/seller] becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the [contractor/seller] may request the United States to enter into such litigation to protect the interests of the United States.

17. Equal Opportunity for Workers with Disabilities

1. The [contractor/seller] will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The [contractor/seller] agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices, including the following:

- i. Recruitment, advertising, and job application procedures;
- ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
- iii. Rates of pay or any other form of compensation and changes in compensation;
- iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- v. Leaves of absence, sick leave, or any other leave;
- vi. Fringe benefits available by virtue of employment, whether or not administered by the [contractor/seller];
- vii. Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- viii. Activities sponsored by the [contractor/seller] including social or recreational programs; and
- ix. Any other term, condition, or privilege of employment.

2. The [contractor/seller] agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

3. In the event of the [contractor/seller] noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

4. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the [contractor/seller]'s obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities.

The [contractor/seller] must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (e.g., providing Braille or large print versions of the notice, or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the [contractor/seller], a [contractor/seller] will satisfy its posting obligations by posting such notices in an electronic format, provided that the [contractor/seller] provides computers, or access to computers, that can access the electronic posting to such employees, or the [contractor/seller] has actual knowledge that such employees otherwise are able to access the electronically posted notices. Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the [contractor/seller] to notify job applicants of their rights if the [contractor/seller] utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The [contractor/seller] will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the [contractor/seller] is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, individuals with physical or mental disabilities.

6. The [contractor/seller] will include the provisions of this clause in every subcontract or purchase order in excess of \$ 10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

7. The [contractor/seller] must, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

18. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

19. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

20. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

21. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

22. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (a) The work to be performed under this contract is subject to the requirements 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 the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will 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, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and 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 agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. 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) 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
- (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.

22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of

recovered materials practicable consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract

Certification Regarding Debarment and Suspension

U.S. Department of Housing
and Urban Development

Certification A: Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief that its principals;

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal debarment or agency;

b. Have not within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (A)

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded**, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of these regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines this eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph (6) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

Certification B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (B)

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded**, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of these regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph (5) of these instructions, if a participant in a lower covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies including suspension and/or debarment.

Applicant		Date
Signature of Authorized Certifying Official		Title

GENERAL CONDITIONS

Table of Contents

	<u>Page(s)</u>
1. Coordination of Services by the STATE.....	2
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.....	2
3. Personnel Requirements	3
4. Nondiscrimination	3
5. Conflicts of Interest	3
6. Subcontracts and Assignments	3
7. Indemnification and Defense.....	4
8. Cost of Litigation.....	4
9. Liquidated Damages	4
10. STATE'S Right of Offset.....	4
11. Disputes	4
12. Suspension of Contract.....	4
13. Termination for Default.....	5
14. Termination for Convenience.....	6
15. Claims Based on the Agency Procurement Officer's Actions or Omissions.....	8
16. Costs and Expenses	8
17. Payment Procedures; Final Payment; Tax Clearance	9
18. Federal Funds	9
19. Modifications of Contract.....	9
20. Change Order.....	10
21. Price Adjustment	11
22. Variation in Quantity for Definite Quantity Contracts	11
23. Changes in Cost-Reimbursement Contract.....	11
24. Confidentiality of Material	12
25. Publicity.....	12
26. Ownership Rights and Copyright	12
27. Liens and Warranties	12
28. Audit of Books and Records of the CONTRACTOR.....	13
29. Cost or Pricing Data	13
30. Audit of Cost or Pricing Data	13
31. Records Retention.....	13
32. Antitrust Claims.....	13
33. Patented Articles.....	13
34. Governing Law	14
35. Compliance with Laws	14
36. Conflict between General Conditions and Procurement Rules	14
37. Entire Contract.....	14
38. Severability.....	14
39. Waiver	14
40. Pollution Control	14
41. Campaign Contributions.....	14
42. Confidentiality of Personal Information.....	14

GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
 - a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.
 - b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.
 - c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.
 - d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.
 - e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.
 - f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

- g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

- a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.
- b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

- (1) The Assignee assumes all of the CONTRACTOR'S obligations;
- (2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and
- (3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

- c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.
 - d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.
7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
 8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.
 9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.
 10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.
 11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.
 12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.
 - a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified

period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

- (1) Cancel the stop performance order; or
- (2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

- (1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and
- (2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and

necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

- c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.
- d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.
- e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.
- f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

- a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.
- b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.

- c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

- (1) Any completed goods or work product; and
- (2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

- d. Compensation.

- (1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.
- (2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.
- (3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:
 - (A) Contract prices for goods or services accepted under the Contract;
 - (B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;
 - (C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);
 - (D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the

total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

- (4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

- (1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

- (A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

- (B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

- (C) Within such further time as may be allowed by the Agency procurement officer in writing.

- (2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

- (3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

- (4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

- a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.
- b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.
- c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

- a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.
- b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.
- c. Prompt payment.
 - (1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and
 - (2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.
- d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

- a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.
- b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.

- c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:
 - (A) Changes in the work within the scope of the Contract; and
 - (B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.
 - d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.
 - e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.
 - f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.
 - g. Head of the purchasing agency approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least \$25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.
 - h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.
 - i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.
20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:
- (1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;
 - (2) Method of delivery; or
 - (3) Place of delivery.
- a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By

proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

- b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.
- c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.
- d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

- a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:
 - (1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
 - (2) By unit prices specified in the Contract or subsequently agreed upon;
 - (3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;
 - (4) In such other manner as the parties may mutually agree; or
 - (5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.
- b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

- a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:
 - (1) Description of performance (Attachment 1);
 - (2) Time of performance (i.e., hours of the day, days of the week, etc.);
 - (3) Place of performance of services;

- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;
 - (5) Method of shipment or packing of supplies; or
 - (6) Place of delivery.
- b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.
 - c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.
 - d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.
 - e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.
24. Confidentiality of Material.
- a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.
 - b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.
25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.
26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.
27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:
- a. The cost or pricing data, and
 - b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over \$100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.

34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.
35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.
36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.
37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.
38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.
40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.
41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.
42. Confidentiality of Personal Information.
- a. Definitions.
- "Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:
- (1) Social security number;
 - (2) Driver's license number or Hawaii identification card number; or

- (3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

- (1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.
- (2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.
- (3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.
- (4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.
- (5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.
- (6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

- (1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.
- (2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:
 - (A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;
 - (B) Access to the personal information will be allowed only as necessary to perform the Contract; and
 - (C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

- (1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or
- (2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

- (1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

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