

RICHMOND HOUSING AUTHORITY (RHA)
Housing Advisory Commission Meeting

DATE: Monday, July 12, 2021

TIME: 3:30 p.m.

Access Meeting by Computer, Tablet or Mobile Device

Please click the link below to join the webinar:

<https://zoom.us/j/95576042883?pwd=R3IBOE1KN0ZiOFBBNXUyR1dLZ3drdz09>

Passcode: 458970

By Telephone: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or
+1 312 626 6799 or +1 929 205 6099

Webinar ID: 955 7604 2883

Passcode: 458970

CORONAVIRUS DISEASE (COVID-19) ADVISORY

Due to the coronavirus (COVID-19) pandemic, Contra Costa County and Governor Gavin Newsom have issued multiple orders requiring sheltering in place, social distancing, and reduction of person-to-person contact (See, for example, Contra Costa County Health Order extending the shelter-in-place order and statewide shelter-in-place order). Accordingly, Governor Gavin Newsom has issued executive orders that allow cities to hold public meetings via teleconferencing (Executive Order N-29-20).

Both <https://www.coronavirus.cchealth.org/> and <http://www.ci.richmond.ca.us/3914/Richmond-Coronavirus-Info> provide updated coronavirus information.

DUE TO THE SHELTER IN PLACE ORDERS, attendance at the Housing Advisory Commission Meeting will be limited to Housing Advisory Commission members, essential Richmond Housing Authority (RHA) and City of Richmond staff, and members of the news media. Public comment will be confined to items appearing on the agenda and will be limited to the methods provided below. Consistent with Executive Order N-29-20, this meeting will utilize teleconferencing only. The following provides information on how the public can participate in this meeting.

Public comments may be submitted in multiple ways:

1. Via email to NBeacham@rhaca.org by **2:30 p.m. on July 12, 2021** or during the meeting as set forth below. Email must contain in the subject line public comments – not on the agenda or public comments – agenda item #. Email must contain in the subject line **public comments – not on the agenda or public comments – agenda item #**.

Comments received via email or telephone during the meeting will be handled as follows:

Comments received via email during the meeting and up until the public comment period on the relevant agenda item is closed, will be read into the record and will be limited to a maximum of three minutes, depending on the number of commenters, as more fully described in the City Council meeting procedures below]. For public hearing items, the time will be limited to a maximum of three minutes. The staff will stop reading comments into the record after the allotted time of three minutes for such comments.

Comments received by telephone 510-621-1300, during the public comment period shall not to exceed the allotted time of three minutes – for such comments as provided above.

2. Via mail received by 2:30 p.m. Monday, July 12, 2021 sent to Richmond Housing Authority 330 24th Street, Richmond, CA 94804.

3. Via phone voice message received by 2:30 p.m. Monday, July 12, 2021, phone: 510-621-1300. Please leave your comment on the voicemail or with staff member that answers the phone.

4. Via Telephone. If you would like to give your public comment via telephone, please email your telephone number with area code to aarredondo@rhaca.org during the public comment period. You will be called during the public comment period and you will be given the opportunity to verbally submit public comment (not to exceed the allotted time – three minutes – for such comments as provided below).

The RHA cannot guarantee that its network will be uninterrupted. To ensure that the Housing Advisory receives your comments, you are strongly encouraged to submit your comments in writing in advance of the meeting.

Comments received by 2:30 p.m. July 12, 2021 during the day of the meeting will be handled as follows:

All email, phone, and mail comments received **by 2:30 p.m. on Monday, July 12, 2021**, will be provided to the Commissioners.

Record of all public comments:

All public comments will be considered a public record, put into the official meeting record, and considered before Commission action. All public comments will be available after the meeting as supplemental materials and will be posted as an attachment to the meeting minutes when the minutes are posted.

Accessibility for Individuals with Disabilities

Upon request, the RHA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services and sign language interpreters, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested. Requests should be emailed to NBeacham@rhaca.org or submitted by phone at 510-620-1300. Requests can be made by mail to Nannette Beacham 330 24th Street, Richmond, CA 94804. Requests will be granted whenever possible and resolved in favor of accessibility.

Effect of Advisory on In-person public participation

During the pendency of the Executive Order N-29-20, the language in this Advisory portion of the agenda supersedes any language below in the meeting procedures contemplating in-person public comment.

Commissioners

**Carol Hegstrom
Chair**

**Jaycine Scott
Vice-Chair**

**Dena Nelson
Secretary**

Preston Lam

Toni Autry

Y'Anad Burrell

**Gayle
McLaughlin
Council Liaison**

AGENDA

1. Call to Order and Pledge of Allegiance (1 min.)
2. Roll Call (1 min.)
3. Welcome and Meeting Procedures (1 min.) – Individuals who would like to address the commission on matters not listed on the Agenda may do so under Open Forum. Please file a speaker's card with the note taker prior to the commencement of Open Forum. Individuals, who want to comment on an individual item, please file a speaker's card before the item is called. The standard amount of time for each speaker will be three minutes.
4. Agenda Review and Adoption (4 min.)
The order in which items will be heard may be adjusted at this time. Items may be removed from the Agenda at this time.
5. Approval of Minutes (1 min.)
 - June 2021
6. Introduction of Invited Guests
7. Executive Director's Update
 - FY 2021-22 Budget Update
8. Housing Advisory Commissioners' Reports (3 min.)
9. Housing Advisory Commissioner Appointments
10. Presentations
11. Recommendations to the Housing Authority Board of Commissioners (3 min.).
 - ADOPT a resolution approving standing purchase orders with W.W. Grainger, Inc. for an amount not to exceed \$40,000 and HD Supply for an amount not to exceed \$80,000, for maintenance, repairs, and unit turnover activities for an initial two year period - Richmond Housing Authority (Nannette Beacham 621-1300).
 - AUTHORIZE an extension of negotiating period for Richmond Housing Authority (RHA) to reach agreement with McCormack Baron Salazar (MBS) and Community Housing Development Corporation of North Richmond (CHDC), through September 30, 2021 with up to two 30-day extensions at the discretion of the Executive Director and issue a Request for Proposals (RFP) to solicit a new owner/operator for Richmond Village in the event RHA fails to reach agreement with MBS and CHDC - Richmond Housing Authority (Nannette J. Beacham 621-1300).
12. Open Forum (Limit to 3 minutes per person)
13. Old Business
 - Asset Repositioning Update
- Nevin Plaza

At 4:30 p.m., any items remaining on the Agenda that require immediate attention may be moved to this time.

Commissioners

**Carol Hegstrom
Chair**

**Jaycine Scott
Vice-Chair**

**Dena Nelson
Secretary**

Preston Lam

Toni Autry

Y'Anad Burrell

**Gayle
McLaughlin
Council Liaison**

AGENDA

- Nystrom
- Hacienda
- Administration Building
- Richmond Village

14. New Business

15. Next Scheduled Meeting

This Commission meets every 2nd Monday at 3:30 p.m. To request disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact Bruce Soublet, ADA Coordinator, at (510) 620-6509 at least three business days before the meeting date. The next meeting is scheduled for

Monday, September 13, 2021 at 3:30 p.m.

HOUSING ADVISORY COMMISSION
Monday, June 28, 2021 – 3:30 PM
450 Civic Center Plaza, Richmond, CA 94804
Zoom

MINUTES

1. CALL TO ORDER, ROLL CALL, PLEDGE

The meeting was called to order at 3:33 pm by Housing Advisory Commissioner and Chair Carol Hegstrom.

2. Roll Call

Present: Carol Hegstrom (Chair), Dena Nelson (Secretary), Y’Anand Burrell, Toni Autry,
Preston Lam

Absent: Council Liaison Gayle MchLaughlin, Jaycine Scott (Vice Chair)

Vacancies: 1

Staff: Nannette Beacham, RHA Executive Director – Present
Jose Urquilla, City of Richmond – Present
Gabino Arredondo, City of Richmond – Present
Sheba Gage, City of Richmond – Present

3. WELCOME AND MEETING PROCEDURES

4. AGENDA REVIEW AND ADOPTION – No change.

5. APPROVAL OF MINUTES– May minutes approved unanimously.

6. INTRODUCTION OF INVITED GUESTS:

None

7. EXECUTIVE DIRECTOR’S UPDATE:

Director Beacham:

- Successful clean-up at Nystom Village with city staff for neighborhood clean-up
- Hacienda officially closed on its transfer to Mercy Housing and construction is already underway. Scheduled for completion by late December 2022.

8. HOUSING ADVISORY COMMISSIONERS’ REPORTS

Chair Hegstrom:

- Front door at Nevin is unlocked and has been unlocked for awhile
- Parking gate is broken
- Pigeon problem continues

- Concern about building stability following building collapse in Florida
 - Director Beacham: There have been several inspections in the past two years where the building has passed tests—this resulted in the decision to rehabilitate Nevin rather than to knock it down

9. HOUSING ADVISORY COMMISSIONER APPOINTMENTS

None

10. PRESENTATIONS

11. RECOMMENDATIONS TO THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

- ADOPT a joint resolution approving the proposed Fiscal Year (FY) 2021-2022 Richmond Housing Authority's budget with estimated revenues of \$3,971,267 and total expenditures of \$5,113,095; and APPROVE an RHA subsidy from the City of Richmond General Fund in the amount of \$1,141,828, which will provide sufficient revenue to match anticipated expenditures and balance the RHA budget to \$5,113,095 in estimated revenues and \$5,113,095 in expenditures.
 - *Summary:* This is the budget for 2021-2022 as outlined in the attachments. Gabino and staff have been working hard to budget as carefully as possible to keep residents safe and be fiscally responsible. Revenues come in HUD subsidy, tenant rent, city funding from Capital fund, rent from Administration building, and operating transfer. Major costs are for salaries and pay, including adding new positions because the RHA has been so inadequately staffed as well as operating expenses, professional and equipment services.
 - Commissioner Question: are you expecting pushback from the council?
 - Director Beacham: No, but council members are concerned about the continued need for subsidy and other departments also have deficits and there may be competition between departments
 - Commissioner Question: why do we need to spend so much on Nevin if we are transferring it to a developer?
 - Director Beacham: During rehabilitation RHA is still responsible for Nevin. Hasn't been transferred yet. Only property that has been transferred is Hacienda.
 - Shasa Curl: We are being proactive and transparent. Tomorrow will be a joint meeting between the housing board and the city council. It is important for commissioners to be present and vocal to advocate for RHA's budget request. There is also an auditor meeting coming up due to continued concerns about RHA financial management and planning.
 - Commissioner Question: Can we use American Rescue Plan Act (ARPA) funds?
 - Shasa Curl: There has been a stakeholder proposal to use \$1 million of ARPA funds toward housing but it is focused on homelessness and transitional housing.
 - Commissioner Question: What happens if the funding doesn't come through for the developer we are working with for re-positioning, after we have invested so much?
 - Director Beacham and Shasa Curl: The developer has a certain amount of time to get funding. For Nevin, we are feeling optimistic but there is always a risk. The project will be phased and the major source of funding from the HUD project-based vouchers has been secured.

- ADOPT a resolution approving a contract amendment with Vacant Property Security, LLC (VPS) to secure Nystrom Village vacant units, in an amount of \$117,216, for a new total not to exceed amount of \$432,216 ending July 1, 2024.

- Summary: Security to ensure vacant units are not broken into

- ADOPT a resolution approving a sole source license agreement with Yardi Computer Systems, Inc. to provide the computer software required to administer the Low-Income Public Housing Program in an amount not to exceed \$65,000 (approximately \$21,000 annually depending on use of support hours) ending July 1, 2024.

- Summary: This is an annual recertification for computer systems

Advisory Commission unanimously approves all 3 resolutions

12. OPEN FORUM

- Hasn't seen security doing rounds
- Concern about temp agencies
- Mayor is going to announce vacancy tomorrow on the council meeting
- Future agenda item: Should we continue these meetings on zoom or in person?

13. OLD BUSINESS

- Expecting agreement with McCormick Baron and CHDC for Richmond Village
- Concerns remain about Nystrom but coming to a close on review of developer proposals and expect to make a recommendation to the board in the next month

14. NEW BUSINESS

15. NEXT SCHEDULED MEETING

Monday July 12, 2021

16. ADJOURNMENT 4:07 pm

HOUSING AUTHORITY OF THE COUNTY OF CONTRA COSTA
ANNOUNCES THE OPENING OF THE LISTED
PROJECT-BASED VOUCHER (PBV) WAITING LIST

Monday, August 2, 2021 at 10 AM and will remain open until further notice.

Beginning Monday, August 2, 2021 at 10 AM, pre-applications will be accepted for the property listed below ONLY:

THIS IS NOT FOR THE HOUSING CHOICE VOUCHER WAITING LIST.

Pre-applications can only be submitted on-line at:

www.contracostahousing.org

Note: There will not be any on-site applications and HACCC office locations will not be distributing pre-applications. **ALL PRE-APPLICATIONS MUST BE SUBMITTED ON-LINE.**

Incomplete pre-applications or partially completed pre-applications will not be accepted.

Eligible families will be referred to units subsidized with Section 8 Project-Based Vouchers from the Housing Authority of the County of Contra Costa in partnership with non-profit housing owners. The housing assistance is only available at the designated properties for families meeting the property restrictions as indicated in this notice. After twelve months of residency, families will be eligible for a Housing Choice Voucher, *subject to availability*.

All requests for Reasonable Accommodation will be considered. Pre-Applications are available in foreign languages. All questions can be directed to (925) 957-7081.

SEE NEXT PAGE FOR AVAILABLE PROPERTIES



ONLY THE FOLLOWING PROPERTY IS AVAILABLE AT THIS TIME

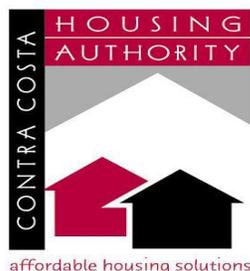
PROPERTY NAME	ADDRESS	0 BR	1 BR	2 BR	3 BR	4 BR	PROPERTY RESTRICTIONS
The Terraces Senior Apartments	2100 Nevin Ave., Richmond, CA 94801	X	X	X	X	X	Senior - 62 or older

TO APPLY, YOU MUST BE 62 YEARS OF AGE OR OLDER.

LARGE HOUSEHOLDS FOR THREE AND FOUR BEDROOM UNITS ARE HIGHLY ENCOURAGED TO APPLY

ALL NON-ELDERLY APPLICATIONS, WILL BE REJECTED.

NOTE: The Terraces Senior waiting list will remain open on an on-going basis until further notice.



HOUSING AUTHORITY OF THE COUNTY OF CONTRA COSTA (HACCC)

ANUNCIA AVERTURA DE LA LISTA DE ESPERA DE VOUCHER PROYECTOS BASADOS (PBV)

A partir de Lunes, 2 de Agosto del 2021 a las 10:00 AM y permanecerá abierta hasta fecha indefinida.

Comenzado el Lunes, 2 de Agosto a las 10:00 AM, se estarán aceptando pre-solicitudes SOLAMENTE para las siguientes propiedades:

ESTO NO ES PARA LA LISTA DE ESPERA DE HOUSING CHOICE VOUCHER.

Los pre-solicitudes solo se pueden enviar por el internet en:

www.contracostahousing.org.

Attn: No habrá solicitudes disponibles en los apartamentos ni tampoco se distribuirán pre-solicitudes en las oficinas del HACCC. **TODAS LOS PRE-SOLICITUDES DEBEN SER ENVIADAS SOLAMENTE POR EL INTERNET.**

No se aceptarán pre-solicitudes que son incompletas o pre-solicitudes parcialmente completadas.

Las familias elegibles serán recomendadas a unidades subsidios por la Sección 8 Proyecto Basado por el Housing Authority of the Contra Costa County junto con propietarios de viviendas sin fines de lucro. La asistencia de vivienda solo está disponible en las propiedades designadas para las familias que cumplen con los requisitos de la propiedad como se indicó anteriormente. Después de doce meses de residencia, las familias serán elegibles para un Housing Choice Voucher, dependiendo disponibilidad.

Todas las solicitudes de Alojamiento Razonable se tomaran en considerarán. Las pre-aplicaciones estarán disponibles en diferentes idiomas. Todas preguntas que tienen pueden dirigirse al (925) 957-7081.

**CONSULTE LA PÁGINA SIGUIENTE PARA VER
LAS PROPIEDADES DISPONIBLES**



SÓLO EL SIGUIENTE PROPIEDAD ESTÁ
DISPONIBLE PARA SOLICITUD EN ESTE MOMENTO

NOMBRE DE LA PROPIEDAD	DOMICILIO	0 BR	1 BR	2 BR	3 BR	4 BR	RESTRICCIONES DE LA PROPIEDAD
The Terraces Senior Apartments	2100 Nevin Ave., Richmond, CA 94801	X	X	X	X	X	Personas de la tercera edad – 62 años o mas

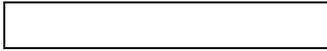
PARA APLICAR TIENE QUE TENER 62 AÑOS DE EDAD O MÁS.

SE LES RECOMIENDA A FAMILIAS GRANDES QUE COMPLETAN SOLICITUDES PARA LAS UNIDADES DE TRES Y CUATRO DORMITORIOS.

TODAS LAS SOLICITUDES QUE NO SEAN DE PERSONAS DE 62 AÑOS DE EDAD O MÁS SERÁN RECHAZADAS.

NOTA: La lista de espera para The Terraces permanecerá abierta permanecerá abierta hasta fecha indefinida.





Housing Choice Voucher - Assisted Housing Division
2870 Howe Road, Martinez, CA 94553
Phone (925) 957-7001 **Fax** (925) 957-1280 **TDD** (925)957-1685
www.contracostahousing.org





AGENDA REPORT

DATE: July 20, 2021

TO: Chair Butt and Members of the Richmond Housing Authority Board of Commissioners

FROM: Nannette J. Beacham, Richmond Housing Authority Executive Director
Gabino Arredondo, Project Manager

SUBJECT: PROPOSED STANDING PURCHASE ORDERS FOR MAINTENACE REPAIR AND UNIT TURNOVER ACTIVITIES FOR PUBLIC HOUSING SITES

STATEMENT OF THE ISSUE

The Richmond Housing Authority (RHA) is seeking approval to establish standing purchase orders with W.W. Grainger, Inc. and HD Supply for maintenance, repair, and unit turnover activities for RHA Public Housing sites.

RECOMMENDED ACTION

ADOPT a resolution approving standing purchase orders with W.W. Grainger, Inc. for an amount not to exceed \$40,000 and HD Supply for an amount not to exceed \$80,000, for maintenance, repairs, and unit turnover activities for an initial two year period - Richmond Housing Authority (Nannette Beacham 621-1300).

FINANCIAL IMPACT OF RECOMMENDATION

The proposed expenditure will be funded from the RHA Operating Budget and Capital Fund. W.W. Grainger (FY 2021-22 Acct. 44444191-400382 \$6,000; 44545191-400382, \$4,000; 42141191-400707, \$10,000; FY 2022-23 Acct. 44444191-400382 \$6,000; 44545191-400382, \$4,000; 42141191-400707, \$10,000), and HD Supply (FY 2021-22 Acct. 44444191-400385, \$18,000; 44545191-400385,\$12,000; 42141191-400707, \$10,000; FY 2022-23 Acct. 44444191-400385, \$18,000; 44545191-400385,\$12,000; 42141191-400707, \$10,000).

DISCUSSION

The RHA is seeking approval of purchase orders to support the on-going maintenance supplies, unit turnover projects, and security activities related to the RHA public housing sites.

The W.W. Grainger, Inc. maintenance supplies have been bid by the State of Oregon NASPO ValuePoint Master Agreement, which is a National Cooperative Purchasing Organization that was formed to competitively bid national contracts for use by all public agencies to purchase electrical and facilities maintenance supplies, lighting products, industrial supplies, tools and hardware (Attachment 2). The purchase order with W.W. Grainger, Inc. is proposed for an amount not to exceed \$40,000 for an initial two year period.

The HD Supply maintenance supplies have been bid by the Omnia (formerly US Communities) Piggybackable contract (Attachment 3). The RHA's utilization of the Omnia (formerly US Communities) Piggybackable contract eliminates the cost associated with going out to bid and reduces the lead-time in obtaining the products. The purchase order with HD Supply is proposed for an amount not to exceed \$80,000 for an initial two year period.

ATTACHMENTS:

Attachment 1 - Resolution

Attachment 2 - W.W. Grainger, Inc. - Oregon NASPO Master Agreement

Attachment 3 - Omnia (formerly US Communities) Piggybackable contract Maricopa County

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND, CALIFORNIA, APPROVING STANDING PURCHASE ORDERS WITH W.W. GRAINGER, INC. FOR AN AMOUNT NOT TO EXCEED \$40,000 AND HD SUPPLY FOR AN AMOUNT NOT TO EXCEED \$80,000, FOR MAINTENANCE, REPAIRS, AND UNIT TURNOVER ACTIVITIES FOR AN INITIAL TWO YEAR PERIOD

WHEREAS, Richmond Housing Authority (RHA) owns and manages 244 units of rental housing; and

WHEREAS, RHA entered into a Public Housing Authority Recovery and Sustainability (PHARS) agreement with the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, RHA remains obligated and committed to performing all HUD required functions, and providing quality service to local program participants; and

WHEREAS, RHA has a need for the maintenance and repairs supplies to support daily maintenance and unit turnover activities at Public Housing sites.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA THAT the Executive Director is hereby authorized to execute standing purchase orders with W.W. Grainger, Inc. for an amount not to exceed \$40,000 and HD Supply for an amount not to exceed \$80,000, for maintenance, repairs, and unit turnover activities for an initial two year period.

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to take all actions necessary to implement this resolution.

The foregoing resolution was passed and adopted by the Commissioners of the Housing Authority of the City of Richmond at a special meeting thereof held on July 20, 2021, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Chairperson

[SEAL]

Attest:

Secretary

Approved as to form:

City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No.** _____ finally passed and adopted at a Special Housing Authority Meeting held on July 20, 2021.

CLERK OF THE HOUSING AUTHORITY

STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NO. 7-18-51-02
FACILITIES MAINTENANCE AND REPAIR & OPERATIONS (MRO) AND INDUSTRIAL
SUPPLIES
Oregon NASPO ValuePoint Master Agreement No. 8496
W.W. Grainger, Inc. (Contractor)

This Participating Addendum Number 7-18-51-02 is entered into between the State of California, Department of General Services (hereafter referred to as "State" or "DGS") and *W.W. GRAINGER, INC* (hereafter referred to as "Contractor") under the lead State of Oregon NASPO ValuePoint Master Agreement Number 8496.

1. SCOPE

- A. This Participating Addendum covers the purchase of Janitorial Equipment & Supplies, Sanitation Cleaning Chemicals & Supplies, Fasteners, Material Handling, Plumbing, Power Sources, Outdoor Garden, Lamps & Lighting and Ballasts, Heating Ventilation Air Conditioning (HVAC), Hand Tools, Power Tools (excluding automotive related tools and products), Electrical, Paint, Security, and Safety (does not include any Public Safety Equipment) products under the Oregon NASPO ValuePoint Master Agreement. The Oregon NASPO ValuePoint Master Agreement Number 8496 is hereby incorporated by reference. Product categories included under this Participating Addendum are identified in Section 6
- B. This Participating Addendum is available for use by California state agencies and political subdivisions/local governments. For the purposes of this agreement, a political subdivision/local government is defined as any city, county, city and county, district, or other local governmental body or corporation empowered to expend public funds.
- C. Each political subdivision/local government is to make its own determination whether this Participating Addendum and the Oregon NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

2. TECHNICAL SPECIFICATIONS

Technical specifications apply to both state and local government and include recently implemented state regulations. Suppliers shall comply with all laws, regulations and technical specifications provided herein.

- a. Agencies are to buy EPP products whenever they meet the agencies' needs while considering factors such as cost, performance and availability. Examples of EPP products are listed in the Department of General Services Purchasing Standards, and include but are not limited to janitorial cleaners, janitorial paper products, LED lamps, office desk lamps, seating, and televisions.
- b. Environmental benefit claims concerning products or services must be consistent with the Federal Trade Commission's Guidelines for the Use of Environmental Marketing Terms. Product environmental claims are to include the industry standard the product meets and certifier. A copy of the certification must be supplied upon request if it is not publically available for verification. Products claiming environmental benefits must

include the industry standard it meets within the catalog product description.

- c. Thermostat products must be Energy Star certified (https://www.energystar.gov/products/heating_cooling/programmable_thermostats).
- d. At the request of the purchaser, contractor shall provide the minimum percentage by weight, if not the exact percentage, of recycled content in each of the products and associated shipping/packaging materials sold. The recycled content shall include both post-consumer recycled content (PCRC) and pre-consumer (post-industrial) recycle content percentages. All products sold to State Agencies shall include the recycled content, both RC and PCRC for each item purchased. Products compliant with State Agency Buy Recycled Campaign (SABRC) PCRC minimums shall be identified in the catalog product description as "SABRC Compliant". SABRC eligibility is dependent on products meeting the minimum PCRC per product category as defined in PCC§12209. See Cal Recycled SABRC Program requirements for suppliers.
- e. Consumer products containing volatile organic compounds (VOC) shall be compliant with the laws and regulations for reducing the emissions of consumer products. Contractor is required to report sales in accordance with this regulation. [Title 17 California Code of Regulations Sections 94507-94517. (17CCR§ 94507-94517)] See Regulations for Reducing Emissions in Consumer Products for further information. VOC containing products shall identify the percent VOC by weight in the catalog product description and where available, the Global Warming Potential (GWP) for multipurpose solvents and paint thinners.
- f. Indoor air cleaning devices not in compliance with the regulation for Limiting Ozone Emissions from Indoor Air Cleaning Devices] are prohibited for sale in the state of California. Prohibited products shall be identified as "Does not meet California Requirements, cannot be shipped to California." Exempted products shall state the reason the exemption applies i.e. "Solely for industrial use. Potential health hazard: emits ozone." [17CCR§94800- §94810]. Further manufacturer and distributor information can be found at: <http://www.arb.ca.gov/research/indoor/aircleaners/manufacturers.htm>.
- g. Aerosol Adhesives for consumer, industrial and commercial uses shall comply with the aerosol adhesive standards as specified in HSC§41712. Only adhesives and sealants that are South Coast Air Quality Management District (SCAQMD), Rule #1168 and Bay Area Air Quality Management District (BAAQMD), Rule #51 compliant shall be sold to state agencies Aerosol Adhesives SCAQMD and BAAQMD compliant shall be identified and the VOC (weight per volume/grams per liter) provided within the catalog product description.
- h. The state of California regulates exhaust emissions of off-road powered equipment. Engines and equipment offered for sale in the state of California shall be California Air Resource Board (CARB) certified and reference the CARB Executive Order (EO) number. (13CCR Chapter 9 Article 1). Examples include: lawnmowers, chainsaws, line trimmers, backpack blowers, edger, brush cutter, generators, pumps, compressors, tractors, forklifts, leaf blowers, vacuums, snow blowers, floor polishing equipment, concrete polishers, pressure washer, tiller, etc. See California Air Resources Board Off-Road Certification Database for a list of compliant products: Off-road power equipment must be identified as "CARB Certified" and include within the catalog product description its EO number.

- i. High-Global Warming Potential (High-GWP) refrigerants for stationary sources are restricted for sale in the state of California. Compliance with these regulations requires the supplier to track and sell High-GWP refrigerants only to authorized purchasers. (17CCR Subarticle 5.1, §95380-§95398.) See California Air Resources Board Refrigerant Management Program – for Regulated Refrigerants. Refrigerants must include their GWP_{100yr} value within the catalog product description.
- j. Appliance products not in compliance with California 2010 Appliance Efficiency Standards are prohibited for sale within the State of California (20CCR §1601-§1609.). Only appliances that are Energy Star® qualified shall be sold to state agencies. Appliances must meet most recent energy Star® standards. Examples of appliances covered under the California 2010 Appliance Efficiency Standards include: central air conditioners (CAC), refrigeration products, cooking and washing products, transformer products, electronics, water heater products, fans and dehumidifiers, heat pumps, heating products, lighting products, motor products, non-central AC and HP products and plumbing products. See The California Energy Commission Appliance Efficiency Database for list of compliant products.
- k. Plastic trash bags (thickness of 0.7 mil or greater) when sold in California shall contain at least 10 percent by weight PCRC material. Manufacturers and suppliers of plastic trash bags must be compliant with California Plastic Trash Bag laws (PRC§ 42290 et seq and 14CCR§ 17979 et seq Article 5.) See CalRecycled Recycled Content Plastic Trash Bag Program for a list of compliant manufacturers and suppliers. All plastic trash bags offered for sale must identify in the catalog product description the thickness (mil) and manufacturer.
- l. Vacuum cleaners and deep cleaning extraction equipment shall be Carpet & Rug Institute (CRI) certified. Custodial equipment not meeting these requirements is prohibited for sale to state agencies.
- m. Janitorial paper products (bathroom tissue, paper towels, paper napkins, facial tissue and general-purpose industrial wipes) offered on the state of California MRO contracts must meet the minimum requirements listed in the *Department of General Services Purchasing Standard for Janitorial Supplies, Paper Products*, as posted in the Buying Green website or meet the minimum PCRC and/or RC percentages listed in the Janitorial Paper Product Recycle Content Table. Janitorial paper products must identify and include in the catalog product description the percent PCRC and percent RC.

Janitorial Paper Product Recycle Content Table

Commodity	PCRC % Fiber (min)	RC % Fiber (min)	Total RC % (min) by weight
Bathroom Tissue	30	20	40
Paper Towels	40	40	80
Paper Napkins	30	30	60
Facial Tissue	10	30	30

General-purpose Industrial Wipes	40	40	80
----------------------------------	----	----	----

- n. Chemical cleaners (soaps, cleaners, disinfectants, fresheners, sanitizers and polishes) offered on the state of California MRO contracts must meet the minimum requirements listed in the *Department of General Services Purchasing Standard for Janitorial Supplies, Cleaners*, as posted in the Buying Green website.
- o. When buying light emitting diode (LED) bulbs choose bulbs that meet the requirements of the Voluntary California Quality LED Lamp Specification.
- p. Packages, packaging components, and packaged retail-ready products offered to the State of California shall be in full compliance with all requirements of California Toxics in Packaging Prevention Act (TPPA), HSC §25214.11- §25214.26.
- q. Product Take-Back
Contractor to offer product take-back options for all products characterized as universal waste and products must be managed per the Universal Waste Rule (California Code of Regulations (CCR), Title 22, Division 4.5, Chapter 23, Standard for Universal Waste Management). Use of take-back services shall be optional to any participating state and local agency under this contract.
- r. Sustainability/Environmental Practices
Contractor to provide link to their corporate-wide sustainability policy.

3. TERM

- A. The term of this Participating Addendum shall begin upon signature approval by the State and will end June 30, 2019 or upon termination by the State, whichever occurs first.
- B. Lead State amendments to extend the NASPO ValuePoint Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.

4. TERMS AND CONDITIONS

- A. Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum.
 - 1) *Non-IT Goods* General Provisions (GSPD401Non-IT Commodities) effective 6/8/2010. The seven (7) page document can be viewed at <http://www.documents.dgs.ca.gov/pd/modellang/GPnonIT060810.pdf>. Exception: Article 11 of the General Provisions, is superseded by Section 4 (Order of Precedence) below.
 - 2) State Departments' use of this master agreement is prohibited when there is a mandatory statewide contract for similar products. The current mandatory statewide contract with products that conflict with this NASPO ValuePoint agreement is listed in

the table below. The exception to this prohibition is when a department obtains a DGS/PD exemption approval. The State departments are responsible for verifying product availability.

Mandatory Statewide Contract		
1-17-62-31A/1-17-62-31B	California Lamp Contract	Lamps/Lighting. Fluorescent Lamps, High Pressure Sodium Lamps, Metal Halide Lamps
1-15-81-05, 1-16-81-05, 1-18-81-05	Plastic Bags Contract	Plastic Bags
1-16-80-10	Paint Recycled Latex	Paint Recycled Latex
1-17-73-02A / 1-17-73-02B / 1-17-73-02C	Food Service Supplies Disposable	Food Service Supplies Disposable
1-13-68-03	Salt Water Softener	Salt Water Softener

5. ORDER OF PRECEDENCE

In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:

- A. California Participating Addendum Number 7-18-51-02
- B. Oregon NASPO ValuePoint Master Agreement Number 8496
- C. Oregon Solicitation DASPS-2183-17 including all Addendums

6. AVAILABLE PRODUCTS

A. The following product category offerings from the Oregon NASPO ValuePoint Master Agreement Number 8496 are allowed under this Participating Addendum:

Category of Products		
1. Janitorial Equip. & Supplies	6. Power Sources	11. Power Tools (excluding automotive related tools and products)
2. Sanitation Cleaning Chemicals	7. Outdoor Garden	12. Electrical
3. Fasteners	8. Lamps, Lighting, Ballasts	13. Paint
4. Material Handling	9. HVAC	14. Security
5. Plumbing	10. Hand Tools	15. Safety (does not include any public safety equipment)

7. RESTRICTIONS/DISALLOWED PRODUCTS AND SERVICES

A. The following restrictions apply to purchases under this Participating Addendum:

- 1) Public Safety Equipment
- 2) Automotive Related Tools and Products

8. PRICING

A. Contractor shall submit a price list identifying market basket products offered under this Participating Addendum for the State's approval.

B. The Price List shall include the following:

- 1) Manufacturer Part Number or Item Number
- 2) Contract Reference Price (CRP)
- 3) Discount off CRP Price
- 4) Contract Net Price

C. Contractor shall submit a written notice of price increases/decreases and a revised Price List for the Lead State's approval.

D. Lead State-approved Price List will be posted on the State's Cal eProcure website.

9. EQUIPMENT ADDITIONS/DELETIONS

A. Contractor may add or delete equipment introduced or removed from the market basket by the manufacturer under the following conditions:

- 1) Equipment is within existing awarded categories under the NASPO ValuePoint Master Price Agreement;
- 2) Contractor has obtained prior approval from the Oregon NASPO ValuePoint Contract Administrator; and
- 3) Contractor receives written approval from the California State Contract Administrator.

B. Contractor shall submit a written notice of equipment additions/deletions and a revised market basket list for the State's approval prior to updating the Contractor's dedicated website for this Participating Addendum.

C. Contractor shall not add new categories or groups of equipment or services under this Participating Addendum that were not originally included in the NASPO VALUEPOINT Master Price Agreement.

10. SMALL BUSINESS/DVBE - (AUTHORIZED RESELLERS)

A. Contractor may use State-approved Small Business/DVBE Subcontractors under this Participating Addendum for sales and service functions as defined herein.

- B. For the purposes of this Participating Addendum, Small Business/DVBE Subcontractors are classified as follows:
- 1) "Authorized Resellers"
 - a. Authorized Resellers may provide quotes, accept purchase orders, fulfill purchase orders, perform maintenance/warranty services and accept payment from ordering agencies for products and associated services offered under this Participating Addendum.
 - b. Authorized Resellers are responsible for sending a copy of all purchase orders and invoices to the Contractor for compliance with quarterly usage reporting and administrative fee requirements.
 - c. All purchase documents to Authorized Resellers shall reference the Participating Addendum Number and Contractor Name.
 - C. Contractor shall be responsible for successful performance and compliance with all requirements in accordance with the terms and conditions under this Participating Addendum, even if work is performed by Servicing Subcontractors. All State policies, guidelines, and requirements shall apply to Servicing Subcontractors.
 - D. Contractor will be the sole point of contact with regard to Participating Addendum contractual matters, reporting, and administrative fee requirements.
 - E. Subject to the approval of the State, Servicing Subcontractors may be added on a quarterly basis during the term of the contract. Contractors shall notify the State of any deleted Servicing Subcontractors or changes to current Servicing Subcontractors' contact information at any time during the contract term.
 - F. Contractor will be required to submit Servicing Subcontractor requests, in a format specified by the State, to the State Contract Administrator for approval.
 - G. State-approved Servicing Subcontractors will be posted on the State's Cal eProcure website.

11. ORDERING AGENCY RESPONSIBILITIES

- A. State department and political subdivision/local government use of this Participating Addendum is optional.
- B. State departments and political subdivision/local governments must follow the ordering procedures outlined within the User Instructions guide, administered by the State Contract Administrator, to execute orders against this Participating Addendum.

12. DELIVERY

- A. Delivery time for in-stock items should not exceed 24-48 hours for all points within the Participating States. Non-stocked items must be delivered within 10 working days. State of California reserves the right to impose restrictions if necessary.
- B. F.O.B. (Free On Board) Destination

13. INVOICING AND PAYMENT

- A. Payment terms for this Participating Addendum are net forty-five (45) days. Payment will be made in accordance with Non-IT Commodities General Provisions Paragraph 30 (Required Payment Date).
- B. Invoices shall be sent to the address identified in the Ordering Agency's purchase order. The State Participating Addendum Number and Ordering Agency Purchase Order Number shall appear on each invoice for all purchases placed under this Participating Addendum.
- C. Contractor will accept the State of California credit card (CAL-Card) for payment of invoices.

14. USAGE REPORTING

- A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as Attachment A. The report is due even when there is no activity.
- B. The report shall be an Excel spreadsheet transmitted electronically to the DGS mailbox at PDCooperatives@dgs.ca.gov.
- C. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five business days of the date of written notification from the State.
- D. Tax must not be included in the report, even if it is on the purchase order.
- E. Reports are due for each quarter as follows:

Reporting Period	Due Date
JUL 1 to SEP 30	OCT 31
OCT 1 to DEC 31	JAN 31
JAN 1 to MAR 31	APR 30
APR 1 to JUN 30	JUL 31

- F. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this contract.
- G. Amendments for term extensions may be approved only if all due reports have been submitted to the State.

15. ADMINISTRATIVE FEE

- A. Contractor shall submit a check, payable to the State of California, remitted to the Cooperative Agreement Unit for the calculated amount equal to one percent (0.01) of the sales for the quarterly period.

B. Contractor must include the Participating Addendum Number on the check. Those checks submitted to the State without the Participating Addendum Number will be returned to Contractor for additional identifying information.

C. Administrative fee checks shall be submitted to:

State of California
Department of General Services, Procurement Division
Attention: Cooperative Agreement Program
707 3rd Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605

D. The administrative fee shall not be included as an adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.

E. The administrative fee shall not be invoiced or charged to the ordering agency.

F. Payment of the administrative fee is due irrespective of payment status on orders or service contracts from a purchasing entity.

G. Administrative fee checks are due for each quarter as follows:

Reporting Period	Due Date
JUL 1 to SEP 30	OCT 31
OCT 1 to DEC 31	JAN 31
JAN 1 to MAR 31	APR 30
APR 1 to JUN 30	JUL 31

H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this contract.

16. CONTRACT MANAGEMENT

A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor: WW Grainger, Inc.
Name: Chris Bader
Phone: (916) 606-8657
Fax: (916) 371-9376
E-Mail: Christopher.bader@grainger.com
Address: 3691 Industrial Blvd
West Sacramento, CA 95691

B. The State Contract Administrator for this Participating Addendum shall be as follows:

Name: JJ Espinoza
Phone: 916 375-4393
Fax: 916 376-6371
E-Mail: jj.espinoza@dgs.ca.gov
Address: State of California
Department of General Services
Procurement Division
707 Third Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605

C. Should the contact information for either party change, the party will provide written notice with updated information no later than ten business days after the change.

17. Termination of Agreement

The State may terminate this Participating Addendum at any time upon 30 'days' prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible and intangible, as may facilitate the orderly, nondisrupted business continuation of each party. This provision shall not relieve the Contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

18. Amendment

No amendment or variation of the terms of this Participating Addendum shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Participating Addendum is binding on any of the parties.

19. Agreement

- A. This Participating Addendum and the Master Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.
- B. By signing below Contractor agrees to offer the same products/and or services as on the Oregon NASPO ValuePoint Master Agreement Number 8496, at prices equal to or lower than the prices on that contract.
- C. IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

STATE OF CALIFORNIA

CONTRACTOR

Department of General Services

Agency Name

Rhonda Smith 6/21/2018
Signature of Authorized Signer Date Signed

W.W. Grainger, Inc.

Contractor Name

CRB 6/20/18
Signature of Authorized Signer Date Signed

Angela Shell, Deputy Director

Printed Name and Title of Authorized Signer

707 Third Street
West Sacramento, CA 95605

Address

CHRIS BADER Sr. Government Sales
Printed Name and Title of Authorized Signer Manager

100 Grainger Pkwy
Lake Forest, IL, 60045

Address



Maricopa County
Office of Procurement Services

www.maricopa.gov

Chief Procurement Officer

320 W. Lincoln Street
Phoenix, Arizona 85003
Phone: (602) 506-3967
Fax: (602) 258-1573

January 11, 2017

**HD SUPPLY FACILITIES MAINTENANCE LTD.
PO BOX 509058
SAN DIEGO, CA 92150-9058**

RE: MAINTENANCE, REPAIR, OPERATING, INDUSTRIAL SUPPLIES AND RELATED PRODUCTS

Dear Mr., Robin Soehl

We are pleased to notify you Maricopa County has awarded your firm a contract to supply services and/or commodities per the subject contract with an effective date of **February 01, 2017**.

If you have any questions regarding Serial **16154-RFP** please contact **Steve Dahle** at **602-506-3450**.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Dahle", written over a horizontal line.

Steve Dahle, Procurement Officer
Office of Procurement Services

SD/mm
Attach.

cc: Office of Procurement Services
re: **Serial 16154-RFP**

SERIAL 16154 RFP MAINTENANCE, REPAIR, OPERATING SUPPLIES, INDUSTRIAL SUPPLIES, AND RELATED PRODUCTS AND SERVICES (U.S. Communities) Contract - HD Supply Facilities Maintenance LTD.

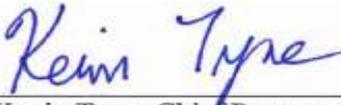
DATE OF LAST REVISION: January 11, 2017 CONTRACT END DATE: December 31, 2021

CONTRACT PERIOD THROUGH DECEMBER 31, 2021

TO: All Departments
FROM: Office of Procurement Services
SUBJECT: Contract for **MAINTENANCE, REPAIR, OPERATING SUPPLIES, INDUSTRIAL SUPPLIES, AND RELATED PRODUCTS AND SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **January 11, 2017 (Eff. 02/01/17)**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.



Kevin Tyne, Chief Procurement Officer
Office of Procurement Services

SD/mm
Attach

Copy to: Office of Procurement Services
Don Jeffery Facilities Management



CONTRACT PURSUANT TO RFP

SERIAL 16154-RFP

This Contract is entered into this 11th day of January, 2017 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and HD Supply Facilities Maintenance, Ltd., Florida Limited Partnership ("Contractor") for the purchase of Maintenance Repair and Operating Supplies and Services.

1.0 CONTRACT TERM:

- 1.1 This Contract is for a term of Five (5) years, beginning on the 1th day of February, 2017 and ending the 31st day of December, 2021.
- 1.2 The County may, at its option and with the agreement of the Contractor, renew the term of this Contract for additional terms up to a maximum of five (5) additional years, (or at the County's sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least sixty (60) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

2.0 FEE ADJUSTMENTS:

- 2.1 Any request for a fee adjustment must be submitted sixty (60) days prior to the current Contract expiration. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted fee, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

3.0 PAYMENTS:

- 3.1 As consideration for performance of the duties described herein, County shall pay Contractor the prices based on the discounts stated in Exhibit "A." or Task Order.
- 3.2 Payment shall be made upon the County's receipt of a properly completed invoice.

3.3 INVOICES:

- 3.3.1 The Contractor shall submit one (1) legible copy of their detailed invoice before payment(s) can be made. Incomplete invoices will not be processed. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract Serial Number if provided during account set-up or
- County purchase order number
- Invoice number and date
- Payment terms
- Date of shipment
- Quantity
- Contract Item number(s)

- Description of Purchase (product or services)
- Pricing per unit of purchase
- Freight (if applicable)
- Extended price
- Total Amount Due

3.3.2 Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order.

3.3.3 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (<http://www.maricopa.gov/Finance/Vendors.aspx>).

3.3.4 Discounts offered in the contract shall be calculated based on the date a properly completed invoice is received by the County (ROI).

3.3.5 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

3.4 PAYMENT RETENTION: (By Task Order/Project if required)

3.4.1 Ten percent (10%) of monies paid for Project Management and Project Labor earned by CONTRACTOR related to work under this agreement shall be retained by COUNTY until Final Completion of the services. COUNTY may elect to release specific retention payments based on mutually agreed milestones, but in no case shall retention be released prior to Final Completion. All other payment terms and conditions shall not be affected by the retention. In the event of termination or cancellation of this contract by County through no fault of CONTRACTOR, CONTRACTOR shall be entitled to the refund of any funds in the retention account.

3.4.2 The CONTRACTOR shall have the right, pursuant to Arizona Revised Statutes, to submit securities in lieu of retention for all work completed. The CONTRACTOR is required to request this option at least ten (10) business days prior to submission of first Application for Payment to allow time for preparation of forms. The CONTRACTOR shall request and obtain securities forms through COUNTY. The COUNTY must identify either securities option or retention option prior to first Application for Payment.

3.5 APPLICABLE TAXES:

3.5.1 **Payment of Taxes:** The Contractor shall pay all applicable taxes. With respect to any installation labor on items that are not attached to real property performed by Contractor under the terms of this Contract, the installation labor cost and the gross receipts for materials provided shall be listed separately on the Contractor's invoices.

3.5.2 **State and Local Transaction Privilege Taxes:** Maricopa County is subject to all applicable state and local transaction privilege taxes. To the extent any state and local transaction privilege taxes apply to sales made under the terms of this contract it is the responsibility of the seller to collect and remit all applicable taxes to the proper taxing jurisdiction of authority.

3.5.3 **Tax Indemnification:** Contractor and all subcontractors shall pay all Federal, state, and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall hold Maricopa County harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

3.6 TAX: (SERVICES)

No tax shall be levied against labor based on applicable law and pursuant to tax exemption regulations. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.

3.7 TAX (COMMODITIES):

Tax shall not be levied against labor. Sales/use tax will be determined by County. Tax will not be used in determining low price.

3.8 STRATEGIC ALLIANCE for VOLUME EXPENDITURES (\$AVE):

3.8.1 The County is a member of the \$AVE cooperative purchasing group. \$AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the \$AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of \$AVE may access a contract resulting from a solicitation issued by the County. If you do not want to grant such access to a member of \$AVE, please so state in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.

3.9 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS (ICPA's)

3.9.1 County currently holds ICPA's with numerous governmental entities throughout the State of Arizona. These agreements allow those entities, with the approval of the Contractor, to purchase their requirements under the terms and conditions of the County Contract. Please indicate on Attachment A, your acceptance or rejection regarding such participation of other governmental entities. Your response will not be considered as an evaluation factor in awarding a contract

3.10 VOLUNTARY EMPLOYEE DISCOUNTS

3.10.1 Vendors may voluntarily offer discounts to County employees for products or services provided under this contract. Whether a vendor offers or does not offer an employee discount is not a factor in nor considered in the evaluation of responses to this solicitation.

3.10.2 Any discount offered is part of a commercial transaction between the vendor and individual County employees and the County is not a party to the transaction. Any disputes or issues arising from an individual commercial transaction between the vendor and an individual County employee are a matter between the vendor and the employee. If a discount is offered, the terms will be announced to County employees.

4.0 AVAILABILITY OF FUNDS:

4.1 The provisions of this Contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this Contract. County shall keep the Contractor fully informed as to the availability of funds.

4.2 If any action is taken by any state agency, Federal department or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this Contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this Contract. In the event of termination, County shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services are performed in accordance with the provisions of this Contract. County shall give written notice

of the effective date of any suspension, amendment, or termination under this Section, at least ten (10) days in advance.

5.0 DUTIES:

5.1 The Contractor shall perform all duties stated in Exhibit "B", Task Order or as otherwise directed in writing by the Procurement Officer.

6.0 TERMS and CONDITIONS:

6.1 INDEMNIFICATION:

To the fullest extent permitted by law, and to the extent that claims, damages, losses or expenses are not covered and paid by insurance purchased by the Contractor, the Contractor shall defend indemnify and hold harmless the County (as Owner), its agents, representatives, agents, officers, directors, officials, and employees from and against actual and direct claims, damages, losses, and expenses (including, but not limited to reasonable attorneys' fees, court costs, expert witness fees, and the costs and attorneys' fees for appellate proceedings) to the extent arising out of, or alleged to have resulted from the negligent acts, errors, omissions, or willful misconduct relating to the Contractor's performance of this Contract.

Contractor's duty to defend, indemnify, and hold harmless the County, its agents, representatives, agents, officers, directors, officials, and employees shall arise in connection with any actual and direct claim, damage, loss, or expense that is attributable to bodily injury, sickness, disease, death or injury to, impairment of, or destruction of tangible property, including loss of use resulting there from, to the extent caused by negligent acts, errors, omissions, or willful misconduct in the performance of this Contract, but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, any one directly employed by them, or anyone for whose acts they may be liable, except to the extent such claim, damage, loss, or expense is caused in part by a party indemnified hereunder.

Contractor's obligation to indemnify, defend and hold harmless County shall not apply in cases of County's negligence or intentional misconduct. Further, Contractor shall not be so obligated and specifically disclaims any liability for claims that are due to: building design and/or construction, product misuse, misapplication of the product, improper site or surface preparation, improper selection of product and/or color, or improper maintenance. The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification extends to the negligence of County.

6.2 INSURANCE.

6.2.1 Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

6.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

6.2.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

- 6.2.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.
- 6.2.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.
- 6.2.6 The insurance policies required by this Contract, except Workers' Compensation and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds, except where such agent or representative is a contractor or subcontractor retained by the County.
- 6.2.7 The policies required hereunder, except Workers' Compensation and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service, except where such agent or representative is a third-party contractor or subcontractor retained by the County.
- 6.2.8 **Commercial General Liability.**
Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 Products/Completed Operations Aggregate, and \$4,000,000 General Aggregate Limit. The policy shall include coverage for premises liability, bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provisions which would serve to limit third party action over claims. There shall be no endorsement or modifications of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.
- 6.2.9 **Automobile Liability.**
Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services or use or maintenance of the Premises under this Contract.
- 6.2.10 **Workers' Compensation.**
Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.
Contractor, its contractors and its subcontractors waive all rights against County and its agents, officers, directors and employees (except for third-party contractors or subcontractors retained by the County) for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor, its contractors and its subcontractors pursuant to this Contract.

6.2.11 Errors and Omissions (Professional Liability) Insurance.

Errors and Omissions (Professional Liability) insurance and, ~~Commercial Umbrella insurance~~, which will insure and provide coverage for errors or omissions or professional liability of the CONTRACTOR, with limits of no less than \$2,000,000 for each claim.

6.2.12 Builder's Risk (Property) Insurance.

CONTRACTOR shall purchase and maintain, on a replacement cost basis, Builders' Risk insurance and, ~~Commercial Umbrella insurance~~, if necessary, in the amount of the initial Contract amount as well as subsequent modifications thereto for the entire work at the site. Such Builder's Risk insurance shall be maintained until completion of the units under construction subject to the agreement as complete. This insurance shall include interests of COUNTY, CONTRACTOR, and all subcontractors and sub-subcontractors in the work during the life of the Contract and course of construction, and shall continue until the work is completed and accepted by COUNTY. For new construction projects, CONTRACTOR agrees to assume full responsibility for loss or damage to the work being performed and to the structures under construction. For renovation construction projects, CONTRACTOR agrees to assume responsibility for loss or damage to the work being performed at least up to the full Contract amount, unless otherwise required by the Contract documents or amendments thereto. Builders' Risk insurance shall be on a special form and shall also cover false work and temporary buildings and shall insure against risk of direct physical loss or damage from external causes including debris removal, demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for architect's service and expenses required as a result of such insured loss and other "soft costs" as required by the Contract. Builders' Risk insurance must provide coverage from the time any covered property comes under CONTRACTOR'S control and/or responsibility, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation site, and while on the construction or installation site awaiting installation. The policy will provide coverage while the covered premises or any part thereof are occupied. Builders' Risk insurance shall be primary and any insurance or self-insurance maintained by the County is not contributory. If the Contract requires testing of equipment or other similar operations, at the option of COUNTY, CONTRACTOR will be responsible for providing property insurance for these exposures under a Boiler Machinery insurance policy or the Builders' Risk Insurance policy.

6.2.13 Certificates of Insurance.

6.2.13.1 Prior to Contract AWARD, Contractor shall furnish the County with valid and complete certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

6.2.13.2 In the event any insurance policy (ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

6.2.13.3 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

6.2.14 Cancellation and Expiration Notice.

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall provide prior written notice of cancellation to

Maricopa County based on state guidelines. Such notice shall be sent directly to Maricopa County Office of Procurement Services and shall be mailed or hand delivered to 320 West Lincoln Street, Phoenix, AZ 85003, or emailed to Procurement Officer noted in solicitation-

- 6.3 BOND REQUIREMENT: (If required by Project/Task Order)
- 6.3.1 Concurrently with the submittal of the Contract, the Contractor shall furnish the Contracting Agency the following bonds, which shall become binding upon the award of the contract to the Contractor.
- 6.3.1.1 A Performance Bond equal to the full Contract amount (\$ or as specified) conditioned upon the faithful performance of the Contract in accordance with plans, specifications and conditions thereof. Such bond shall be solely for the protection of the Contracting Agency awarding the Contract.
- 6.3.1.2 A Payment Bond equal to the full contract amount (\$ or as specified) solely for the protection of claimants supplying labor and materials to the Contractor or his Subcontractors in the prosecution of the work provided for in such Contract.
- 6.3.2 Each such bond shall include a provision allowing the prevailing party in a suit on such bond to recover as a part of his judgment such reasonable attorney's fees as may be fixed by a judge of the court.
- 6.3.3 Each bond shall be executed by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance. The bonds shall not be executed by an individual surety or sureties. The bonds shall be made payable and acceptable to the Contracting Agency. The bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in this state, as by law required, and the bonds shall have attached thereto a certified copy of the Power of Attorney of the signing official. In addition, said company or companies shall be rated "Best-A" or better as required by the Contracting Agency, as currently listed in the most recent Best Key Rating Guide, published by the A.M. Best Company.
- 6.4 FORCE MAJEURE
- 6.4.1 Except for payment obligations, neither party shall be liable for failure of performance, nor incur any liability to the other party on account of any loss or damage resulting from any delay or failure to perform all or any part of this Contract if such delay or failure is caused by events, occurrences, or causes beyond the reasonable control and without negligence of the parties. Such events, occurrences, or causes will include Acts of God/Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, riots, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, lockout, blockage, embargo, labor dispute, strike, interruption or failure of electricity or telecommunication service.
- 6.4.2 Each party, as applicable, shall give the other party notice of its inability to perform and particulars in reasonable detail of the cause of the inability. Each party must use best efforts to remedy the situation and remove, as soon as practicable, the cause of its inability to perform or comply.
- 6.4.3 The party asserting Force Majeure as a cause for non-performance shall have the burden of proving that reasonable steps were taken to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated.

6.4.4 The County shall reserve the right to terminate this Contract and/or any applicable order or contract release purchase order upon non-performance by Contractor. The County shall reserve the right to extend the Contract and time for performance at its discretion.

6.5 WARRANTY OF SERVICES:

6.5.1 The Contractor warrants that all services provided hereunder will conform to the requirements of the Contract, including all descriptions, specifications and attachments made a part of this Contract. County's acceptance of services or goods provided by the Contractor shall not relieve the Contractor from its obligations under this warranty.

6.5.2 In addition to its other remedies, County may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all the provisions of this Contract in the manner and to the same extent as services originally furnished hereunder.

6.5.3 Notwithstanding the foregoing, with respect to materials provided hereunder, Contractor is a reseller of goods only, and as such does not provide any warranty for the goods it supplies hereunder. Notwithstanding this as-is limitation, Contractor shall pass through to County any transferrable manufacturer's standard warranties with respect to goods purchased hereunder. COUNTY AND PERSONS CLAIMING THROUGH COUNTY SHALL SEEK RECOURSE EXCLUSIVELY FROM MANUFACTURERS IN CONNECTION WITH ANY DEFECTS IN OR FAILURES OF GOODS, AND THIS SHALL BE THE EXCLUSIVE RECOURSE OF COUNTY AND PERSONS CLAIMING THROUGH COUNTY FOR DEFECTIVE GOODS, WHETHER THE CLAIM OF COUNTY OR THE PERSON CLAIMING THROUGH COUNTY SHALL SOUND IN CONTRACT, TORT, STRICT LIABILITY, PURSUANT TO STATUTE, OR FOR NEGLIGENCE. COUNTY SHALL PASS THESE TERMS TO SUBSEQUENT BUYERS AND USERS OF GOODS. CONTRACTOR EXCLUDES AND DISCLAIMS ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CONTRACTOR ASSUMES NO RESPONSIBILITY WHATSOEVER FOR CONTRACTOR'S INTERPRETATION OF PLANS OR SPECIFICATIONS PROVIDED BY COUNTY, AND COUNTY'S ACCEPTANCE AND USE OF GOODS SUPPLIED HEREUNDER SHALL BE PREMISED ON FINAL APPROVAL BY COUNTY OR BY COUNTY'S RELIANCE ON ARCHITECTS, ENGINEERS, OR OTHER THIRD PARTIES RATHER THAN ON CONTRACTOR'S INTERPRETATION, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW. IN NO EVENT, WHETHER IN CONTRACT, WARRANTY, INDEMNITY, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, ARISING DIRECTLY OR INDIRECTLY OUT OF THE PERFORMANCE OR BREACH OF THESE TERMS, SHALL CONTRACTOR BE LIABLE FOR (a) ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL, COINCIDENTAL OR SIMILAR DAMAGES SUCH AS LOSS OF USE, LOST PROFITS, ATTORNEY'S FEES OR DELAYED DAMAGES, EVEN IF SUCH DAMAGES WERE FORESEEABLE OR CAUSED BY CONTRACTOR'S BREACH OF THIS AGREEMENT, (b) ANY CLAIM THAT PROPERLY IS A CLAIM AGAINST THE MANUFACTURER, OR (c) ANY AMOUNT EXCEEDING THE AMOUNT PAID TO CONTRACTOR FOR GOODS FURNISHED TO COUNTY WHICH ARE THE SUBJECT OF SUCH CLAIM(S). ALL CLAIMS MUST BE BROUGHT WITHIN ONE YEAR OF ACCRUAL OF A CAUSE ACTION.

6.6 INSPECTION OF SERVICES:

6.6.1 The Contractor shall provide and maintain an inspection system acceptable to County covering the services under this Contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to County during contract performance and for as long afterwards as the Contract requires.

- 6.6.2 County has the right to inspect and test all services called for by the Contract, to the extent practicable at all reasonable times and places during the term of the Contract. County shall perform inspections and tests in a manner that will not unduly delay the work.
- 6.6.3 If any of the services do not conform to Contract requirements, County may require the Contractor to perform the services again in conformity with Contract requirements, at no cost to the County. When the defects in services cannot be corrected by re-performance, County may:
 - 6.6.3.1 Require the Contractor to take necessary action to ensure that future performance conforms to Contract requirements; and
 - 6.6.3.2 Reduce the Contract price to reflect the reduced value of the services performed.
- 6.6.4 If after being provided written notice and reasonable opportunity to cure the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with Contract requirements, County may:
 - 6.6.4.1 By Contract or otherwise, perform the services and charge to the Contractor, through direct billing or through payment reduction, any cost incurred by County that is directly related to the performance of such service; or
 - 6.6.4.2 Terminate the Contract for default.

6.7 **REQUIREMENTS CONTRACT:**

- 6.7.1 Contractors signify their understanding and agreement by signing a bid submittal, that the Contract resulting from the bid is a requirements contract. However, the Contract does not guarantee any minimum or maximum number of purchases will be made. It only indicates that if purchases are made for the materials or services contained in the Contract, they will be purchased from the Contractor awarded that item if the Contractor can meet all the delivery requirements of the County. Orders will only be placed when the County identifies a need and proper authorization and documentation have been approved.
- 6.7.2 County reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor for actual and documentable costs incurred by the Contractor in response to the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc.
- 6.7.3 Contractors agree to accept verbal notification of cancellation of Purchase Orders from the County Procurement Officer with written notification to follow promptly. By submitting a bid in response to this Invitation for Bids, the Contractor specifically acknowledges to be bound by this cancellation policy.

6.8 **Background Check:**

Contractors need to be aware that there may be multiple background checks (Sheriff's Office, County Attorney's Office, Courts as well as Maricopa County general government) to determine if the respondents employees are acceptable for the contractor to do business with the County. This applies to (but is not limited to) the company and sub-contractors. Employees or others who fail to pass these checks shall not be allowed to work on County projects. Failure to meet these requirements may lead to termination of the contract.

6.9 Suspension of Work

The Procurement Officer may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Procurement Officer determines appropriate for the convenience of the County. No adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor. No request for adjustment under this clause shall be granted unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

6.10 Stop Work Order

The Procurement Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Procurement Officer shall either—

- 6.10.1 Cancel the stop-work order; or
- 6.10.2 Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of the County, clause of this contract.
- 6.10.3 The Procurement Officer may make an equitable adjustment in the delivery schedule and/or contract price, or otherwise, and the contract shall be modified, in writing, accordingly, if the Contractor demonstrates that the stop work order resulted in an increase in costs to the Contractor.

6.11 UNCONDITIONAL TERMINATION FOR CONVENIENCE:

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

6.12 TERMINATION FOR DEFAULT:

The County may, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:

- 6.12.1 Deliver the supplies or to perform the services within the time specified in this contract or any extension;
- 6.12.2 Make progress, so as to endanger performance of this contract; or
- 6.12.3 Perform any of the other provisions of this contract.
- 6.12.4 The County's right to terminate this contract under these subparagraph may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the County) after receipt of the notice from the Procurement Officer specifying the failure.

6.13 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel any Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect,

an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

6.14 CONTRACTOR LICENSE REQUIREMENT:

6.14.1 The Respondent shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. The Respondent shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Office of Procurement Services and the using agency of any and all changes concerning permits, insurance or licenses.

6.14.2 Respondents furnishing finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, shall possess any licenses required. A Respondent is not relieved of its obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Respondents are advised to contact the Arizona Registrar of Contractors, Chief of Licensing, at (602) 542-1525 to ascertain licensing requirements for a particular contract. Respondents shall identify which license(s), if any, the Registrar of Contractors requires for performance of the Contract.

6.15 SUBCONTRACTING:

6.15.1 The Contractor may not assign to another Contractor or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which consent shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

6.15.2 The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates or the County has approved the increase. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

6.16 AMENDMENTS:

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Office of Procurement Services shall be responsible for approving all amendments for Maricopa County.

6.17 ADDITIONS/DELETIONS OF SERVICE:

6.17.1 The County reserves the right to add and/or delete materials and services to a Contract. If a service requirement is deleted, payment to the Contractor will be reduced proportionately, to the amount of service reduced in accordance with the bid price. If additional materials or services are required from a Contract, prices for such additions will be negotiated between the Contractor and the County.

6.17.2 The County reserves the right of final approval on proposed staff for all Task Orders. Also, upon request by the County, the Contractor will be required to remove any employees working on County projects and substitute personnel based on the discretion

of the County within two business days, unless previously approved by the County.

6.18 VALIDITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of the Contract.

6.19 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

6.20 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from a Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to a Contract and to the performance thereunder.

6.21 NON-DISCRIMINATION:

CONTRACTOR agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive order 99-4 and amends Executive order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website <http://azmemory.azlibrary.gov/cdm/singleitem/collection/execorders/id/680/rec/1> which is hereby incorporated into this contract as if set forth in full herein. During the performance of this contract, CONTRACTOR shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

6.22 ISRAEL BOYCOTT:

Per House Bill 2617 Contractor certifies that they are not currently engaged in, and agrees for the duration of the Contract to not engage in, a boycott of Israel.

6.23 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

6.23.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor

6.23.1.1 is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

6.23.1.2 have not within 3-year period preceding this Contract 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;

6.23.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

6.23.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.

6.23.2 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

6.24 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:

6.24.1 By entering into the Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using e-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.

6.24.2 The County retains the legal right to inspect contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 6.24.1 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County will consider this a material breach of the contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

6.25 INFLUENCE

As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct may be grounds for Disbarment or Suspension under MC1-902.

An attempt to influence includes, but is not limited to:

6.25.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type valuable contribution or subsidy,

6.25.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

If a Person attempts to influence any employee or agent of Maricopa County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

6.26 CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS.

6.26.1 The Parties agree that this Contract and employees working on this Contract will be subject to the whistleblower rights and remedies in the pilot program on contractor employee whistleblower protections established at 41 U.S.C. § 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and section 3.908 of the Federal Acquisition Regulation;

- 6.26.2 Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. § 4712, as described in section 3.908 of the Federal Acquisition Regulation. Documentation of such employee notification must be kept on file by Contractor and copies provided to County upon request.
- 6.26.3 Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold (\$150,000 as of September 2013).

6.27 UNIFORM ADMINISTRATIVE REQUIREMENTS

By entering into this Contract the Contractor agrees to comply with all applicable provisions of Title 2, Subtitle A, Chapter II, PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS contained in Title 2 C.F.R. § 200 et seq.

6.28 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW:

- 6.28.1 In accordance with section MCI 371 of the Maricopa County Procurement Code the Contractor agrees to retain all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is latest. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.
- 6.28.2 If the Contractor's books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.
- 6.28.3 If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future invoices, request for credit, request for a check or deduction from current billings Submitted by the Contractor by the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

6.29 AUDIT DISALLOWANCES:

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

6.30 OFFSET FOR DAMAGES;

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance of the contract.

6.31 PUBLIC RECORDS:

Under Arizona law, all Offers submitted and opened are public records and must be retained by the Records Manager at the Office of Procurement Services. Offers shall be open to public

inspection and copying after Contract award and execution, except for such Offers or sections thereof determined to contain proprietary or confidential information. by the Office of Procurement Services. If an Offeror believes that information in its Offer or any resulting Contract should not be released in response to a public record request under Arizona law, the Offeror shall indicate the specific information deemed confidential or proprietary and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise from disclosure. The Records Manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

6.32 PRICES:

Pricing will be compliant with the Pricing Commitments as described in the Administration Agreement dated as of January 12, 2017 by and between U.S. Communities Government Purchasing Alliance and Contractor.

6.33 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

6.34 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, co-employee, partnership, principal and agent, or joint venture between the County and the Contractor.

6.35 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

6.36 ORDER OF PRECEDENCE:

In the event of a conflict in the provisions of this Contract and Contractor's license agreement, if applicable, the terms of this Contract shall prevail.

6.37 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract:

- 6.37.1 Exhibit A, Pricing;
- 6.37.2 Exhibit B, Scope of Work;
- 6.37.3 Exhibit C Facilities Management Requirements

NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:
Maricopa County
Office of Procurement Services
ATTN: Contract Administration
320 West Lincoln Street
Phoenix, Arizona 85003-2494

For Contractor:

with a copy to:

HD Supply Facilities Maintenance, Ltd.
PO Box 509055
San Diego, CA 92150-9055
Attn: Contracts Department

HD Supply Facilities Maintenance, Ltd.
3100 Cumberland Blvd, Suite 1700
Atlanta, GA 30339
Attn: Legal

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

Robin Soehl
AUTHORIZED SIGNATURE

Robin Soehl, VP, Information Integrity & Compliance
PRINTED NAME AND TITLE

101 Riverview Parkway, Santee, CA 92071
ADDRESS

12/15/2016
DATE

MARICOPA COUNTY

Dee Bony
CHAIRMAN, BOARD OF SUPERVISORS

JAN 17 2017
DATE

ATTESTED:

Frank McCarty
CLERK OF THE BOARD 01117

JAN 17 2017
DATE

APPROVED AS TO FORM:

Randall B. Pennington
DEPUTY COUNTY ATTORNEY

Jan 12, 2017
DATE

EXHIBIT A

PRICING

SERIAL 16154-RFP	BFO	
NIGP CODE: 45041		
RESPONDENT'S NAME:		HD Supply Facilities Maintenance, Ltd.
COUNTY VENDOR NUMBER :		VC0000004973
ADDRESS:		3100 Cumberland Blvd., Ste. 1700
		Atlanta, GA 30339
P.O. ADDRESS:		PO Box 509055, San Diego, CA 92150
TELEPHONE NUMBER:		877-610-6912
FACSIMILE NUMBER:		877-219-8526
WEB SITE:		hdsupplysolutions.com
CONTACT (REPRESENTATIVE):		Cynde Smith
REPRESENTATIVE'S E-MAIL ADDRESS:		cynde.smith@hdsupply.com

	YES
WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT	[X]
WILL ACCEPT PROCUREMENT CARD FOR PAYMENT:	[X]

1.0 PRICING:					
1.2	Wholesale Catalog Discount By Category				
			Annual Issue Date of Catalog	March/April	
		(Insert Sub-categories as necessary)			
	MINIMUM		MINIMUM Discount from List		
1.1	Category 1	Appliances			
		Refrigerators		5	%
		Ovens		5	%
		Oven Repair		20	%
		Laundry		5	%
		Dishwashers & other Appliances		5	%
		Refrigerator Repair		15	%
		Microwaves		10	%
		Range Hood Filters		20	%
		Range Hoods		20	%
		Washer & Dryer Repair		15	%
		Gas Supply Lines & Fittings		15	%
		Laundry Carts		5	%
		Dishwasher Repair		15	%
		Ice Machines		5	%
		Ice Machine Repair		10	%
1.2	Category 2	Building Materials		5	%
		Slab Doors		10	%
		Bi-Fold		5	%
		Moldings		10	%

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		Bypass Doors		5	%
		Pre-hung Int. Doors		5	%
		Exterior Doors		5	%
1.3	Category 3	Hardware		5	%
		Residential Locksets		10	%
		Door & Wall Protection		15	%
		Screen Doors, Frame & Wire		15	%
		Door Security Hardware		15	%
		Commercial Locksets		10	%
		Mailboxes & Accessories		15	%
		Weatherization & Thresholds		20	%
		Ceiling Tile		5	%
		Door Hinges & Closers		10	%
		Wardrobe Hardware		15	%
		Cabinet & Drawer Hardware		15	%
		Window Hardware		10	%
		Commercial Door Hardware		10	%
		Electronic Locks & Safes		5	%
		Sliding Patio Door Hardware		10	%
		Gate & Garage Door Hardware		10	%
		Fasteners		10	%
		Storm Door		5	%
1.4	Category 4	HVAC		5	%
		Fireplace		10	%
		Air Filtration		15	%
		PTAC & Ductless (Mini Splits)		5	%
		Refrigerants & Compressed Gases		5	%
		Thermostats & Temperature Control		10	%
		Window & Portable Air Conditioners		10	%
		Wall Air Conditioners		5	%
		Exhaust Fans		15	%
		Condensing Units		5	%
		Repair Parts		10	%
		Tools & Supplies		10	%
		Heaters		10	%
		Hydronic Products, Controls & Gauges		5	%
		Indoor Air Quality (IAQ)		10	%
		Air Handlers, Furnaces & Coils		5	%
		Ventilation		10	%
		Compressors & Fittings		10	%
		Warranty/OEM Parts		0	%
		Thru-The-Wall Condensers		5	%
		Clearance - HVAC		0	%
1.5	Category 5	Kitchen and Bath Cabinets		10	%
		Medicine Cabinets		15	%
		Countertops		0	%

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		Bathroom Vanities	15	%
		Kitchen Cabinets	10	%
1.6	Category 6	Janitorial	5	%
		Floor Mats	10	%
		Paper Product	20	%
		Cleaning Chemicals	20	%
		Cleaning Equipment	15	%
		Waste Receptacles And Liners	10	%
		Pest Control	10	%
		Trash Liners	20	%
		Vacuums And Accessories	5	%
		Carpet Extractors & Floor Machines	5	%
		Odor Control	5	%
		Hand Soaps & Sanitizers	15	%
		Dilution Systems	5	%
1.7	Category 7	Landscaping Equipment and Supplies	5	%
		Planters	5	%
		Garden Hoses & Nozzles	10	%
		Sprinkler Heads, Nozzles & Accessories	5	%
		Sprinkler Valves & Accessories	10	%
		Outdoor Equipment	5	%
		Ice Melt	5	%
		Utility Vehicle & Accessories	5	%
1.8	Category 8	Motors/Pumps	5	%
		Motors & Fan Blades	5	%
		Circulator Pumps	5	%
		Pumps & Regulators	5	%
1.9	Category 9	Paints/Coatings	5	%
		Caulking	15	%
		Interior Surface Repair	15	%
		Paint Application	10	%
		Tapes & Adhesives	10	%
		Paint	5	%
		Spray Paint	10	%
		Primers	5	%
		Exterior Surface Repair	5	%
1.10	Category 10	Plumbing	5	%
		Kitchen & Bar Faucets	10	%
		Lavatory Faucets	10	%
		Stems & Cartridges	10	%
		Tub Spouts & Showerheads	10	%
		Bathroom Hardware	15	%
		Sinks	10	%
		Faucet & Shower Valve Repair	15	%

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		Specialty & Commercial Faucets		5	%
		Handles And Index Buttons		10	%
		Tub & Shower Trim Kits & Valves		5	%
		Pop Ups & Repair		10	%
		Spouts & Aerators		10	%
		Decorative Bath Hardware		10	%
		Escutcheons and Flanges		10	%
		Clearance faucets and showerheads		0	%
		Water Heaters		5	%
		Toilet & Tank Repair		10	%
		Disposers & Repair		5	%
		Shower Doors, Tubs & Enclosures		10	%
		Toilets		10	%
		Toilet Seats		20	%
		Drain Cleaning Equipment		5	%
		Metal & Plastic Tubular		10	%
		Public Washroom		10	%
		Water Heater Repair		5	%
		Sink Repair		20	%
		Water Coolers & Bubblers		5	%
		Tub Waste and Drain Repair		10	%
		Pipe Repair & Weatherization		10	%
1.11	Category 11	Pool Supplies		5	%
		Pool And Patio Furniture		5	%
		Pool Chemicals		5	%
		Pool Equipment		10	%
1.12	Category 12	Tools, Hand-Held General Purpose		5	%
		Acrylic Sheet		5	%
		Hand Tools		10	%
		Ladders & Ladder Acc.		5	%
		Lubricants		10	%
		Plumbing Hand Tools		10	%
		Carts & Trucks		10	%
		Wheels & Casters		10	%
		Storage		15	%
1.13	Category 13	Tools, Power Type		5	%
		Power Tools		5	%
		Shop Tools		5	%
		Power Tool Accessories		10	%
		Power Equipment		5	%
		Bench Top Tools		5	%
1.14	Category 14	Flooring and Window Coverings		10	%
		Vinyl Mini Blinds		20	%

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		Standard Vertical Blinds		20	%
		1" Deluxe Vinyl Mini Blinds		20	%
		Aluminum Mini Blinds		20	%
		Window Shades & Rods		15	%
		Faux Wood Blinds		15	%
		Deluxe Vertical Blinds		10	%
		Window Covering Accessories		15	%
		2" Deluxe Vinyl Mini Blinds		15	%
		Floor Tile		10	%
		Flooring Tools		15	%
		Floor Prep & Adhesive		15	%
1.15	Category 15	Hospitality		5	%
		Hospitality - Banquet Furniture		5	%
		Hospitality - Shower Curtains & Liners		5	%
		Hospitality - Guest Room Case Goods & Furniture		5	%
		Hospitality - Food & Beverage Equipment & Supplies		10	%
		Hospitality - Guest Room Coffee Makers & Coffee		5	%
		Hospitality - Guest Room Appliances		5	%
		Hospitality - Personal Care Amenities		5	%
		Hospitality - Telephones & Accessories		5	%
		Hospitality - Guest Room Supplies		10	%
		Hospitality - Beds & Frames		5	%
		Hospitality - Office Supplies & Equipment		10	%
		Hospitality - Housekeeping Carts & Accessories		10	%
		Hospitality - Fitness Equipment		5	%
		Hospitality - Extended Stay/Timeshare Supp & Equipment		5	%
		Hospitality - Bellman's Carts & Accessories		5	%
		Hospitality - Logo Amenities		5	%
		Hospitality - Business Forms		15	%
		Hospitality - Guest Room Printed Supplies		10	%
		Hospitality - Baby Cribs & Sheets		5	%
		Hospitality - Bathroom Hardware (Hospitality)		5	%
		Hospitality - Restaurant Equipment & Supplies		5	%
		Hospitality - Crowd Management		5	%
		Hospitality - ADA Communications		5	%
		Hospitality - Artwork, Frames & Mirrors		5	%
		Hospitality - Room Decor		5	%
		Hospitality - Laundry Carts & Accessories		10	%
		Hospitality - Guest Kitchen Appliances		5	%
		Hospitality - Safety & Signage		5	%
1.16	Category 16	Water/Wastewater Treatment		5	%
		Water Supply & Fittings		15	%
		Pipe & Pipe Fittings		5	%
		Water Filtration		5	%
1.17	Category	Miscellaneous		5	%

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17				
		Ability One - Floor Care		5 %
		Ability One - Cleaning Supplies		10 %
		Ability One - Brooms & Brushes		5 %
		Ability One - Safety & Sundries		5 %
		Ability One - Paper Products		5 %
		Ability One - Paint & Tape		5 %
		Electrical - Carbon Monoxide Alarms		15 %
		Electrical - Smoke Alarms & Fire Safety		15 %
		Electrical - Fire Extinguishers & Cabinets		5 %
		Electrical - Wiring Devices - GFCIs		15 %
		Electrical - Wall Plates		15 %
		Electrical - Wiring Devices - Receptacles		15 %
		Electrical - Wiring Devices		15 %
		Electrical - Power Cords & Connectors		15 %
		Electrical - Two-Way Communications		5 %
		Electrical - Door Chimes & Intercoms		15 %
		Electrical - Wiring Supplies		10 %
		Electrical - Circuit Breakers & Fuses		10 %
		Electrical - Building Wire		10 %
		Electrical - Electrical Tools & Meters		10 %
		Electrical - Security & Surveillance		10 %
		Electrical - Conduit & Weatherproof/Electrical Boxes		15 %
		Electrical - Lighting Controls		15 %
		Electrical - Telephone & Video Repair		15 %
		Electrical - Surge Protection		15 %
		Electrical - Time Switches		15 %
		Electrical - Audio/Video Equipment		5 %
		Electrical - Plug & Connectors		15 %
		Electrical - Audio/Video Accessories		10 %
		Electrical - Clearance - Electrical		0 %
		Electrical - Cameras		5 %
		Grounds - Benches & Picnic Tables		5 %
		Grounds - Petwaste Stations & Accessories		10 %
		Grounds - Flags		5 %
		Grounds - Bike Racks		5 %
		Grounds - Barbecues		5 %
		Grounds - Playgrounds		5 %
		Healthcare - Patient Care		10 %
		Healthcare - Bathing & Toileting		5 %
		Healthcare - Bathing Units/Supplies & Repair		5 %
		Healthcare - Shelving & Storage		5 %
		Healthcare - Resident Room Furniture		5 %
		Healthcare - Nurse Call & Audio/Video Equipment		5 %
		Healthcare - Bed Repair Parts		10 %
		Healthcare - Incontinent Care		5 %
		Healthcare - Wheelchair Repair Parts		15 %
		Healthcare - Wheelchair Cushions & Accessories		5 %
		Healthcare - Biohazard Containment		10 %

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		Healthcare - Therapy & Fitness		5	%
		Healthcare - Privacy Curtains & Hardware		10	%
		Healthcare - Carts & Receptacles		5	%
		Healthcare - Lift Repair		5	%
		Healthcare - Mattresses		5	%
		Healthcare - Wheelchairs & Walkers		5	%
		Healthcare - Beds & Accessories		5	%
		Healthcare - Respiratory Aid		10	%
		Healthcare - Lifts & Slings		5	%
		Healthcare - Mobility Aids & Repair Parts		5	%
		Healthcare - Bed & Bath Linen		5	%
		Healthcare - Resident Monitoring / Fall Prevention		5	%
		Healthcare - Hampers and Accessories		5	%
		Healthcare - Scales		5	%
		Healthcare - Aids to Daily Living		5	%
		Healthcare - Diagnostic		5	%
		Healthcare - Exam Gloves		10	%
		Healthcare - Recliners and Accessories		5	%
		Healthcare - Wheelchair Ramps		5	%
		Healthcare - Healthcare Office		5	%
		Healthcare - Defibrillators		5	%
		Lamps & Ballasts - Fluorescent Tubes		20	%
		Lamps & Ballasts - Pin Based Compact Fluorescents		20	%
		Lamps & Ballasts - Batteries & Flashlights		20	%
		Lamps & Ballasts - Fluorescent Lamp Adapters		20	%
		Lamps & Ballasts - Ballasts & Starters		10	%
		Lamps & Ballasts - LED Lamps		5	%
		Lamps & Ballasts - A-Lamps		10	%
		Lamps & Ballasts - H.I.D. Lamps		10	%
		Lamps & Ballasts - Decorative Lamps		10	%
		Lamps & Ballasts - PAR Lamps		10	%
		Lamps & Ballasts - Reflector Lamps		10	%
		Lamps & Ballasts - Halogen Lamps		10	%
		Lamps & Ballasts - Special Application Lamps		10	%
		Lamps & Ballasts - Clearance - Lamps & Ballast		5	%
		Lighting Fixtures - Indoor LED Fixtures		15	%
		Lighting Fixtures - Outdoor LED Fixtures		10	%
		Lighting Fixtures - Indoor Incandescent Ceiling Fixtures		20	%
		Lighting Fixtures - Emergency Lighting Fixtures		10	%
		Lighting Fixtures - Ceiling Fans		15	%
		Lighting Fixtures - Light Fixture Glass		10	%
		Lighting Fixtures - Linear Fluorescent Fixtures		10	%
		Lighting Fixtures - Bathroom Fixtures		10	%
		Lighting Fixtures - Indoor Fluorescent Ceiling Fixtures		15	%
		Lighting Fixtures - Outdoor Fluorescent Fixtures		10	%
		Lighting Fixtures - Security Lighting		10	%
		Lighting Fixtures - Outdoor Incandescent Fixtures		10	%
		Lighting Fixtures - Light Fixture Repair		10	%
		Lighting Fixtures - Indoor Wall Fixtures		10	%

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		Lighting Fixtures - Lamp Shades	10	%
		Lighting Fixtures - Chandeliers & Pendants	10	%
		Lighting Fixtures - Recessed & Track Lighting	5	%
		Lighting Fixtures - Hospitality Portable Fixtures	10	%
		Property Marketing - Banners	5	%
		Property Marketing - Marketing Flags	5	%
		Property Marketing - Gifts	5	%
		Property Marketing - Apparel	5	%
		Property Marketing - Yard Signs	5	%
		Property Marketing - Key Tags	5	%
		Property Marketing - A-Frame Signs	5	%
		Property Marketing - Drinkware	5	%
		Property Marketing - Balloons	5	%
		Property Marketing - Events	5	%
		Property Marketing - Indoor Banners	5	%
		Raw Materials - Hardware	0	%
		Raw Materials - Raw Materials	5	%
		Raw Materials - Screening	5	%
		Office Solutions - Storage	10	%
		Office Solutions - Forms	5	%
		Office Solutions - Parking Permits	5	%
		Office Solutions - Paper	5	%
		Office Solutions - Violations	5	%
		Office Solutions - Ink/Toner	5	%
		Office Solutions - Message Boards	5	%
		Office Solutions - Presentation	5	%
		Office Solutions - Desktop	5	%
		Office Solutions - Filing	5	%
		Office Solutions - Mailroom/Shipping	5	%
		Office Solutions - Technology	5	%
		Office Solutions - Low Tech	5	%
		Office Solutions - Stationery	5	%
		Office Solutions - Writing	5	%
		Office Solutions - Planning/Organization	5	%
		Office Solutions - Labels	5	%
		Office Solutions - Note Pads	5	%
		Office Solutions - Greeting Cards	5	%
		Office Solutions - Binders	5	%
		Office Solutions - Pool Permits	5	%
		Safety Products - Hand Protection	20	%
		Safety Products - Safety Apparel	10	%
		Safety Products - First Aid	10	%
		Safety Products - Respiratory Protection	15	%
		Safety Products - Eye Protection	15	%
		Safety Products - Spill Control & Containment	10	%
		Safety Products - Lockout Tagout	10	%
		Safety Products - Hearing Protection	15	%
		Safety Products - Safety Training Materials	10	%
		Safety Products - Fall Protection	5	%

		Safety Products - Traffic Safety		5	%
		Safety Products - Safety Storage		10	%
		Signage - Traffic Signs		5	%
		Signage - Interior Signs		5	%
		Signage - Specialty Signs		5	%
		Signage - Exterior Signs		5	%
		Signage - Sign Post		5	%
		Signage - Safety Signs		5	%
		Textiles - Mattress Pads Covers Toppers		5	%
		Textiles - Towels		5	%
		Textiles - Sheets		5	%
		Textiles - Pillows And Protectors		5	%
		Textiles - Blankets		5	%
		Textiles - Top Of Bed		5	%
		Textiles - Table Line		5	%
		Textiles - Robes And Slippers		5	%
1.18	Category 18	In Store Services		0	%
		Fab - Kitchen Cabinets		0	%
		Fab - Countertops		0	%
		Mirror/Glass Fabrication		0	%
		Fab - 5/8"TF Cabinet Doors & Fronts		0	%
		Fab - Cabinet Drawer Boxes		0	%
		Fab - Cabinet Doors & Fronts		0	%
		Bypass Doors Fabrication		0	%
		Screening Fabrication		0	%
		Fab-Interior Slab Bypass Doors		0	%

1.2	Do you offer a Rebate in lieu of a discount			Y*	(Y/N)
				"Rebate is offered in addition to a discount"	
	<i>If annualized net purchases are...</i>		<i>...the rebate paid on net purchases will be...</i>		
	<i>over...</i>	<i>but not over...</i>	<i>will be...</i>	<i>of the amount over...</i>	
	\$500,000	\$999,999	1.00%	\$0	
	\$1,000,000	\$1,999,999	1.50%	\$0	
	\$2,000,000	NA	2.00%	\$0	
	<p>The rebate will be calculated at the Agency level based on its properties or facilities within its account hierarchy in HD Supply's database. At HD Supply's discretion, rebates will only be available to purchasers and will not include group purchasing organizations or similar entities.</p>				
	<p>The rebate percentages apply only to net purchases above the noted thresholds. Net purchases are defined as invoiced product purchases less returns, other discounted items, and invoices that are 90+ days beyond terms from all customer properties. The rebate is paid annually based on HD Supply's fiscal calendar, which typically begins in February. Rebate payments are accompanied by a detailed report showing the purchases by property and region established in our database. Any invoices that are 90+ days beyond terms at the time of incentive calculation and payment may be excluded from incentive payments or discounts.</p>				

**EXHIBIT B
SCOPE OF WORK**

CONTRACT FOR MAINTENANCE, REPAIR, OPERATING SUPPLIES, INDUSTRIAL SUPPLIES, AND RELATED PRODUCTS AND SERVICES (U.S. Communities)

1.0 INTENT:

The Contractor shall have a strong national presence for a vast array of supplies and equipment necessary for maintenance and repair in residential, commercial and industrial environments for use by various public entities nationwide.

Other governmental entities under agreement with the County may have access to services provided hereunder.

The County reserves the right to award in whole or in part, by item or group of items, by section or geographic area, or make multiple awards, where such action serves the County's best interest.

The County reserves the right to add additional contractors, at the County's sole discretion, in cases where the currently listed contractors are of an insufficient number or skill-set to satisfy the County's needs or to ensure adequate competition on any project or task order work.

**1.1 INTRODUCTION, BACKGROUND AND INTENT:
MASTER AGREEMENT**

Maricopa County, AZ (herein "Lead Public Agency" on behalf of itself and all states, local governments, school districts, and higher education institutions in the United States of America, and other government agencies and nonprofit organizations (herein "Participating Public Agencies")) is soliciting proposals from qualified suppliers to enter into a Master Agreement for a complete line of Maintenance, Repair and Operating (MRO) Supplies and Industrial Supplies in a Retail and Wholesale environment; and Related Products and Services (herein "Products and Services").

1.2 GENERAL DEFINITION OF PRODUCTS AND/OR SERVICES

Contractors are to have the broadest possible selection of MAINTENANCE, REPAIR, OPERATING SUPPLIES AND RELATED PRODUCTS AND SERVICES they offer. The intent of this contract is to provide Participating Public Agencies with a comprehensive offering of products and services to meet their various needs.

1.2.1 Maintenance, Repair, Operating (MRO) Supplies and Related Services (Installation, Repair and Renovation) – A complete and comprehensive offering of wholesale and/or retail MRO supplies such as appliances, building materials, hardware, HVAC, kitchen and bath cabinets, janitorial supplies, landscaping equipment and supplies, motors, pumps, paints and coatings, plumbing, pool chemicals and supplies, hand-held general purpose tools, power tools, flooring, window coverings, and any other miscellaneous MRO supplies offered by Supplier.

In addition, a complete range of services available through the Supplier such as, but not limited to, installation, renovation services, repair services, training services and any other related services offered by Supplier.

1.2.2 Related Products and Services (Including Installation, Repair and Renovation Services) – A complete range of related products and services offered by Supplier including, but not limited to, installation, repair and renovation services for replacements, upgrades, and remodeling in the residential, commercial and industrial environments relating to any of the following (non-inclusive): roofing, gutters, downspouts, HVAC, plumbing, electrical, exterior decks, patios and porches, exterior siding, windows and

doors, interior and exterior painting, weatherization, ADA improvements, hose fabrication, hydraulic repairs, gearbox repairs, conveyor system repairs, vulcanizing, rubber fabrication, and any other types of residential, commercial and industrial environments.

2.0 SCOPE OF WORK:

2.1 MAINTENANCE, REPAIR, OPERATING SUPPLIES (MRO) AND RELATED SERVICES (INSTALLATION, REPAIR AND RENOVATION):

Provide a complete and comprehensive offering of Wholesale and/or Retail MRO supplies such as appliances, building materials, hardware, HVAC, kitchen and bath cabinets, janitorial supplies, landscaping equipment and supplies, motors, pumps, paints and coatings, plumbing, pool chemicals and supplies, hand-held general purpose tools, power tools, flooring, window coverings, and any other miscellaneous MRO supplies offered by Supplier.

In addition, a complete range of services available through the Supplier such as, but not limited to, installation, renovation services, repair services, training services and any other related services offered by Supplier.

2.2 RELATED PRODUCTS AND SERVICES (INSTALLATION, REPAIR AND RENOVATION SERVICES):

2.2.1 Any related products offered by Supplier.

2.2.2 Services may also include replacements, upgrades, remodeling; and product, turnkey and major category installations.

2.2.3 Services performed shall be non-structural in nature.

2.2.4 Products used in performing these services shall be procured under the awarded contract, at contract prices.

2.2.5 These services may be required in the residential and commercial environments and may be any of the following (non-inclusive):

2.2.5.1 Roofing, Gutters, Downspouts

2.2.5.2 HVAC

2.2.5.3 Plumbing

2.2.5.4 Electrical

2.2.5.5 Exterior decks, patios and porches

2.2.5.6 Exterior Siding

2.2.5.7 Windows, Doors

2.2.5.8 Interior/Exterior Painting

2.2.5.9 Weatherization – Storm Windows/Doors, Insulation, Weather Stripping

2.2.5.10 ADA Improvements

2.2.6 Services:

2.2.6.1 As part of your Proposal response, detail your firm's program in offering services including:

2.2.6.2 Providing and managing qualified contractors

2.2.6.3 Budget management in keeping projects on budget

2.2.6.4 Project management services in design, planning, organizing, scheduling and managing all stages of a project.

2.2.7 Service Providers (Labor):

2.2.7.1 Contractor shall serve as the single point of contact between Participating Public Agencies and Service Providers.

2.2.7.2 Contractor shall verify that all Service Providers are fully licensed for the type of work being performed in the respective state(s).

2.2.7.3 Contractor shall verify each Service Provider maintains at a minimum, the levels of insurance specified under in draft contract.

2.2.7.4 Contractor shall perform a background screen of all Service Providers consisting of (at a minimum):

2.2.7.4.1 National Employee Database

2.2.7.4.2 SSN Verification

2.2.7.4.3 National Criminal Database Check

2.2.7.4.4 Two County Search

2.2.7.4.5 Sex Offender Search

2.2.7.4.6 Annual Review (National Criminal Database)

2.2.7.4.7 Two (2) Year Complete Re-Screen and Renewal

2.2.7.4.8 Financial Background

2.2.7.5 All Service Provider employees shall wear a Service Provider's issued picture identification badge at all times.

2.3 PRODUCT CATEGORIES:

This Solicitation is to establish a nationwide purchasing agreement for the acquisition of the following products. The category descriptive examples below are not to be considered restrictive, but rather, provide a general, non-inclusive, description of the category. These are standard use in the residential, commercial, and industrial environments. Your firm may not have the ability to provide all categories.

All products offered shall be new, unused and of the latest design and technology.

The intent is for each Proposer to submit their complete product line so that Participating Public Agencies may order a wide array of product as appropriate for their needs. You may subcontract items your firm does not supply.

2.3.1 CATEGORY 1: APPLIANCES

Large appliances: refrigerators, washers, dryers, dishwashing machines, stoves, cooktops, range hoods and ovens; TVs, DVR's, small appliances: mixers, toasters, microwave ovens, food processors, disposals, trash compactors, and all ancillary supplies, tools, and components.

2.3.2 CATEGORY 2: BUILDING MATERIALS

Lumber (dimensional and timber), millwork, roofing, siding, plywood, paneling, hardwood, trim, molding, fencing, decking, gates, brick, block, doors, windows, bagged goods (concrete, mortar, sand, or asphalt), drywall, rebar, acoustical tiles, rain gutters, garage door openers, insulation, and all ancillary supplies, tools, and components.

2.3.3 CATEGORY 3: HARDWARE

Fasteners (nuts/bolts, screws, washers, rivets, nails), builders hardware (hinges, gate hardware, barrel bolts/hasps, corner braces, shelf brackets, closet hardware, springs), threaded rod/steel shapes, anchors, padlocks, lock sets, wheels, casters, ball bearings, rope, chain, metal stock, dry cell batteries, fire extinguishers, signs, cabinet hardware, mail boxes, safes, drop boxes, weatherization products, and all ancillary supplies, tools, and components.

- 2.3.4 CATEGORY 4: HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)
Equipment, package units, evaporative coolers, tools, parts, ducting, air filtration, thermostats, portable and fixed heaters, fans, and all ancillary supplies, tools, and components.
- 2.3.5 CATEGORY 5: KITCHEN AND BATH CABINETS
Kitchen cabinets, bath vanities, countertops, medicine cabinets, mirrors, and all ancillary supplies, tools, and components.
- 2.3.6 CATEGORY 6: JANITORIAL SUPPLIES
Cleaners, soaps, waxes, strippers, polishes, vacuums, brooms, mops, buckets, gloves, carts, paper goods, and all ancillary supplies, tools, and components.
- 2.3.7 CATEGORY 7: LANDSCAPING EQUIPMENT AND SUPPLIES
Lawn and landscape equipment (gasoline and electric), shovels, rakes, axes, hoes, hoses, nozzles, insect control, herbicides, fertilizers, plants, trees, sprinkler/irrigation equipment and supplies and all ancillary supplies, tools, an components.
- 2.3.8 CATEGORY 8: MOTORS/PUMPS
Fractional and full horse, starters, pulleys, belts, fans, motor controls, and all ancillary supplies, tools, and components.
- 2.3.9 CATEGORY 9: PAINTS AND COATINGS
All types of paints and coatings, wall paper, caulking, spray equipment, aerosol paints, pressure washers, sand blasters, finishes, abrasives, epoxy, cleaners, drywall supplies, tarps, compounds, adhesives, accessories, and all ancillary supplies, tools, and components.
- 2.3.10 CATEGORY 10: PLUMBING
Equipment, parts, piping and fittings, water heaters, furnaces, disposals, pneumatic piping, filters, commodes, sinks, bathtubs, showers, shower doors, faucets, water conditioning equipment, water dispensing equipment, salt, and all ancillary supplies, tools, and components.
- 2.3.11 CATEGORY 11: POOL SUPPLIES
Pool chemicals, tools, timers, pump/motor units, vacuum equipment, patio furniture, parts, and all ancillary supplies, tools, and components.
- 2.3.12 CATEGORY 12: TOOLS, HAND-HELD GENERAL PURPOSE
Hand-held (electric, battery, or pneumatic operated), including accessories, automotive type tools, welding equipment, testing and measuring tools, carts and hand trucks, work benches, tool cabinets, ladders, and all ancillary supplies and components.
- 2.3.13 CATEGORY 13: TOOLS, POWER TYPE
Electric or gas operated, mobile or stationary, bench or floor mounted, including accessories, and all ancillary supplies and components.
- 2.3.14 CATEGORY 14: FLOORING AND WINDOW COVERINGS
All flooring, including but not limited to, vinyl plank, VCT, vinyl tile, ceramic tile, hardwood, carpet tile, carpet and cove base; blinds, shades, screens, window glass, mirrors, parts, and all ancillary supplies, tools, and components.

2.3.15 CATEGORY 15: HOSPITALITY

Guest room supplies and appliances, personal care amenities, telephones, bed and bath linens, housekeeping cleaning supplies, public restroom supplies, carts, banquet and conference room supplies, guest room and suite furniture, fixtures, and equipment, pool and patio equipment, and other hospitality supplies.

2.3.16 CATEGORY 16: WATER AND WASTE WATER TREATMENT

Aeration, chart and data recorders, chemical feed, collection systems, flow metering, gauges, grounds maintenance, hose, hydrants, lab chemicals, equipment, and testing, location and leak detection, level and pressure, pipe, plugs, process analysis, pumps, sampling equipment, storm water, tanks, tools, valves, and water treatment.

2.3.17 CATEGORY 17: MISCELLANEOUS

Including, but not limited to: shelving (metal or wood composite), safety and emergency equipment, first aid supplies, conditioning salt, scaffolding (purchased), packaging supplies, communication supplies, electrical supplies, lighting supplies, office products, and property management products.

2.3.18 CATEGORY 18: IN STORE SERVICES

Including, but not limited to: glass cutting, pipe threading, planning services (flooring and cabinet), verbal technical advice, special orders, rental equipment, etc.

2.4 PRODUCT ORDERING:

2.4.1 Contractors complete product line (Wholesale or Retail) shall be available for internet ordering 24/7.

2.4.2 Products may be ordered by any of the following methods:

Internet

Will Call (Phone or FAX order)

2.5 PRODUCT PRICING:

2.5.1 Wholesale:

Pricing shall be a fixed percentage (%) off catalog pricing by Product Category (Section 2.3 above) and a rebate on gross sales (see Exhibit A). Catalog price updates will be allowed once per year.

2.6 ON-LINE CATALOG DISCOUNT PRICING:

Presently, the capability exists to access an on-line catalog reflecting contract pricing of all products.

2.7 RELATED PRODUCTS AND SERVICES (INSTALLATION, REPAIR AND RENOVATION SERVICES) PRICING:

2.7.1 All Participating Public Agencies shall receive a detailed written quotation for all services to be performed, and product(s) to be provided.

2.7.2 All quotations shall be for a "not to exceed" amount.

2.7.3 As an audit tool, the Contractor(s) shall provide a copy of the most current R.S. Means Bare Cost Data (including any city cost index adjustment) pertaining to all written quotations.

2.8 SALES REPORTING:

Describe your firm's ability to provide detailed management reporting by Participating Public Agency. Identify the level(s) (Agency, Division, Department, Individual) of reporting detail available in the following categories:

2.8.1 Sales Dollars

2.8.2 Sales histories by manufacturer, item description, part number, quantity, NIGP codes

2.8.3 Procurement card (MasterCard or Visa brand)

2.9 BRAND NAMES:

The County reserves the right to request samples to determine quality and acceptability of materials bid by Contractor. In some cases, brand names have been listed in order to define the desired quality and are not intended to be restrictive or to limit competition. Materials substantially equivalent to those designated shall qualify for consideration.

2.10 DELIVERY, FREIGHT REQUIREMENTS:

2.10.1 All domestic ground shipments shall be FOB Destination, Freight Prepaid and Included. Any handling fees shall also be included in the pricing.

2.10.2 Should a Participating Public Agency determine that rush shipping or other alternate shipping is required, it shall notify the Contractor. The Contractor shall determine any additional costs associated with such delivery terms and communicate that cost to the Participating Public Agency.

2.10.3 The Proposer shall retain control for carrier selection and payment of freight charges of all goods until received by the requesting Participating Public Agency and the contract coverage completed. The Proposer shall also file all claims for visible or concealed damage. The Participating Public Agency will notify the Proposer of any damaged goods and shall assist the Proposer in arranging for inspection of the goods.

2.10.4 Any requests for local delivery of orders placed at local stores shall be subject to local delivery fees, if applicable.

2.10.5 Shipping and handling fees are allowable to destinations outside the continental U.S.

2.10.6 A packing list or other suitable shipping document shall accompany each shipment and shall include the following:

2.10.6.1 Contract Serial number

2.10.6.2 Contractor's name and address

2.10.6.3 Participating Public Agency's name and address

2.10.6.4 Participating Public Agency's purchase order number

2.10.6.5 A description of product(s) shipped, including item number(s), quantity(ies), as applicable

3.0 PROCUREMENT REQUIREMENTS:

3.1 SHIPPING TERMS:

Bid price(s) and terms shall be F.O.B. Destination at ordering Agencies locations.

3.2 OPERATING MANUALS (If required):

Upon delivery, Contractor shall provide comprehensive operational manuals, service manuals and schematic diagrams, if required by the Using Agency.

3.3 INSTALLATION: (If required):

The Contractor's price shall include delivery and installation of all equipment in a complete operating condition.

3.4 ACCEPTANCE: (If required):

Upon delivery and successful installation, the material(s) shall be deemed accepted and the warranty period shall begin. All documentation shall be completed prior to final acceptance.

3.5 CONTRACTOR EMPLOYEE MANAGEMENT:

3.5.1 Contractor shall endeavor to maintain the personnel proposed in their offer throughout the implementation of the Solution. In the event that Contractor personnel's employment status changes, Contractor shall provide County a list of proposed candidates with equivalent experience with the Solution. County reserves the right to assist in the selection of the replacement candidate. Under no circumstances is it acceptable for the implementation schedule to be impacted by a personnel change on the part of the Contractor.

3.5.2 Contractor shall not reassign any provided personnel without the express consent of the County.

3.5.3 County reserves the right to immediately remove from its premises any Contractor personnel it determines is a risk to County operations.

3.5.4 County reserves the right to request the replacement of Contractor personnel at any time, for any reason.

3.6 TRAINING:

The Contractor shall provide a minimum of TBD (hours or days) to completely train County personnel in the use and care of the equipment. All training is to take place on-site at Maricopa County.

3.7 WARRANTY:

3.7.1 All items furnished under this Contract shall conform to the requirements of this Contract.

3.7.2 The warranty period for workmanship shall be for an initial period of twelve (12) months and commence upon prompt acceptance by County.

3.7.2.1 The Contractor shall indicate on the Price Sheet the duration of the warranty and any applicable limitations or conditions which may apply.

3.7.2.2 The Contractor agrees that he will, at his own expense, provide all labor and parts required to remove, repair or replace, and reinstall any such defective workmanship which becomes or is found to be defective during the term of this warranty.

3.7.2.3 Notwithstanding the foregoing, with respect to materials provided hereunder, Contractor is a reseller of goods only, and as such does not provide any warranty for the goods it supplies hereunder. Notwithstanding this as-is limitation,

Contractor shall pass through to County any transferrable manufacturer's standard warranties with respect to goods purchased hereunder. COUNTY AND PERSONS CLAIMING THROUGH COUNTY SHALL SEEK RECOURSE EXCLUSIVELY FROM MANUFACTURERS IN CONNECTION WITH ANY DEFECTS IN OR FAILURES OF GOODS, AND THIS SHALL BE THE EXCLUSIVE RECOURSE OF COUNTY AND PERSONS CLAIMING THROUGH COUNTY FOR DEFECTIVE GOODS, WHETHER THE CLAIM OF COUNTY OR THE PERSON CLAIMING THROUGH COUNTY SHALL SOUND IN CONTRACT, TORT, STRICT LIABILITY, PURSUANT TO STATUTE, OR FOR NEGLIGENCE. COUNTY SHALL PASS THESE TERMS TO SUBSEQUENT BUYERS AND USERS OF GOODS. CONTRACTOR EXCLUDES AND DISCLAIMS ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CONTRACTOR ASSUMES NO RESPONSIBILITY WHATSOEVER FOR CONTRACTOR'S INTERPRETATION OF PLANS OR SPECIFICATIONS PROVIDED BY COUNTY, AND COUNTY'S ACCEPTANCE AND USE OF GOODS SUPPLIED HEREUNDER SHALL BE PREMISED ON FINAL APPROVAL BY COUNTY OR BY COUNTY'S RELIANCE ON ARCHITECTS, ENGINEERS, OR OTHER THIRD PARTIES RATHER THAN ON CONTRACTOR'S INTERPRETATION, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW. IN NO EVENT, WHETHER IN CONTRACT, WARRANTY, INDEMNITY, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, ARISING DIRECTLY OR INDIRECTLY OUT OF THE PERFORMANCE OR BREACH OF THESE TERMS, SHALL CONTRACTOR BE LIABLE FOR (a) ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL, COINCIDENTAL OR SIMILAR DAMAGES SUCH AS LOSS OF USE, LOST PROFITS, ATTORNEY'S FEES OR DELAYED DAMAGES, EVEN IF SUCH DAMAGES WERE FORESEEABLE OR CAUSED BY CONTRACTOR'S BREACH OF THIS AGREEMENT, (b) ANY CLAIM THAT PROPERLY IS A CLAIM AGAINST THE MANUFACTURER, OR (c) ANY AMOUNT EXCEEDING THE AMOUNT PAID TO CONTRACTOR FOR GOODS FURNISHED TO COUNTY WHICH ARE THE SUBJECT OF SUCH CLAIM(S). ALL CLAIMS MUST BE BROUGHT WITHIN ONE YEAR OF ACCRUAL OF A CAUSE ACTION.

3.8 USAGE REPORT:

The Contractor shall furnish the County a usage report upon request delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

16154 EXHIBIT C

FACILITIES MANAGEMENT REQUIREMENTS

Maricopa County Facilities Management operation requirements.

1.0 HOURS OF SERVICE:

- 1.1 REGULAR HOURS are between 6:00 AM and 6:00 PM, Monday through Friday, excluding County holidays.
- 1.2 AFTER HOURS is after 6:00 PM and prior to 6:00 AM, Monday through Friday.
- 1.3 WEEKENDS are anytime Saturday or, Sunday.
- 1.4 HOLIDAYS are County Holidays (See County holiday schedule attachment).
- 1.5 Services shall be available 24 hours per day, 7 days per week, 365 days per year.
- 1.6 Contractor shall provide 24 hours per day, 7 days per week, 365 days per year telephone access, and respond to a call for services within thirty (30) minutes of receipt.

2.0 RESPONSE TIMES:

- 2.1 During REGULAR HOURS, AFTER HOURS, WEEKEND or HOLIDAYS, Contractor shall respond on-site within four (4) hours of receipt of a service request.
- 2.2 If the request is designated by the County as an EMERGENCY, the contractor shall respond on-site within two (2) hours of receipt of a service request regardless of the time of day, WEEKEND or HOLIDAY.

3.0 TRIP CHARGE:

Trip charges are permitted when time and material work is requested at the following sites only:

- 3.1 MCSO Lake Aid Stations (Apache, Bartlett, Blue Point, Canyon and Saguaro)
- 3.2 County offices located in Gila Bend, AZ
- 3.3 County offices located in Buckeye, AZ
- 3.4 County offices located in Aguila, AZ
- 3.5 Only one trip charge may be charged per service call.
- 3.6 If the contractor arrives onsite and is unable to locate a County representative familiar with the work or unable to gain access to the work site, the Contractor may only bill for a trip charge (maximum one time daily trip charge not to exceed \$50.00). The Contractor is not authorized to incur nor will the County accepting billing for any labor charges.

4.0 CONTRACTOR REQUIREMENTS:

- 4.1 Contractor(s) shall supply all labor, supervision, materials, tools, equipment, and effort necessary to perform the Scope of Work presented.
- 4.2 The Contractor's service truck fleet and/or warehouse shall carry sufficient supply of repair parts and equipment to perform services per Scope of Work presented.

- 4.3 The Contractor agrees to utilize only experienced, responsible and capable people in the performance of the work.
- 4.4 All employees of the Contractor shall wear a company uniform identified with the company name consisting of a minimum of one of the following:
- 4.4.1 Shirt/blouse
 - 4.4.2 Vest
 - 4.4.3 Cap
- 4.5 No one except authorized employees of the Contractor is allowed on the premises of Maricopa County. Contractor's employees are NOT to be accompanied in their work area by acquaintances, family members, assistants, or any other person unless said person is an authorized employee of the Contractor.
- 4.6 The Contractor shall perform the work in a way to minimize disruption to the normal operation of building occupants. Upon completion of work the Contractor shall clean and remove from the job site all debris, materials and equipment associated with the work performed.
- 4.7 Contractor shall adhere to all regulations, rules, ordinances, and standards set by Federal, State, County, and Municipal governments pertaining to safety on the job site.
- 5.0 **BUILDING SECURITY (KEYS):**
- 5.1 The Contractor may be provided keys to required County Facilities at the discretion of FMD. Keys may be acquired by:
- 5.2 The Contractor being provided permanent key(s), wherein the Contractor verifies receipt of and accepts responsibility for keys. The keys must be returned at the completion of the work or at the direction of FMD. Keys not returned may cause the County to re-key the ENTIRE building or locations that the set of keys opened with the cost being borne by the Contractor.
- 5.3 In lieu of or in addition to keys, the Contractor may be provided card access badges at the discretion of FMD.
- 5.4 The Contractor shall notify FMD within twenty-four (24) hours if any keys are lost, misplaced, stolen or otherwise not within the Contractor's control.
- 5.5 Once the Purchase Order is complete, expired, or terminated the Contractor shall immediately return all badges and keys to FMD.
- 6.0 **SALVAGE:**
- Salvage rights shall be evaluated on a project by project basis by the County and shall be determined prior to incorporation in the contractor's bid price. Salvage rights automatically apply for all work if in the best interest to the County. Salvageable materials without pre-approved contractor salvage rights shall be securely stored and are not to be transported off the site without written permission from Maricopa County. If contractor is given salvage rights, salvageable materials shall be removed daily. No on site storage of contractor's salvaged materials will be permitted.
- 7.0 **INVOICES AND PAYMENTS:**
- Invoices are required to contain the following information and should be e-mailed to FMD-ACCOUNTSPAYABLE@MAIL.MARICOPA.GOV If invoices cannot be e-mailed, U.S. Mail is acceptable to Maricopa County Facilities Management, Accounts Payable, 401W. Jefferson, Phoenix, Arizona 85003.
- 7.1 Company name, address and contact information
- 7.2 County bill-to name and contact/requestor information

- 7.3 Building Name and Building Number
- 7.4 County purchase order number
- 7.5 County contract number
- 7.6 Maximo (FMD) service call number
- 7.7 Invoice number and date
- 7.8 Date of service or delivery
- 7.9 Description of Purchase (services performed)
- 7.10 Labor breakdown: rate per hour x no. of hours by personnel type (time & materials)
- 7.11 Material breakdown: itemized parts list to contain unit price x quantity, indicating mark-ups as contracted (time & materials)
- 7.12 Arrival and completion time
- 7.13 Total Amount Due with tax amounts separated. Must also clearly indicate the tax rate being applied
- 7.14 Payment Terms

For Time & Material work, Contractor(s) must provide, all equipment, expendable shop supplies (rags, cleaners, solvents, gasses, etc.), miscellaneous parts (screws, bolts nuts, small items etc.), tools, etc. necessary to perform all the required services. Contractor(s) are allowed a one-time Misc. Shop fee charge of up to \$25.00 per work order to cover these type of expenses. Anything beyond the \$25 limit, will be provided at the contractor's own expense.

8.0 CONTRACTOR EMPLOYEE BACKGROUND CHECK:

A background check is required for all Contractor employees providing services to the County. The cost of this service shall be incurred by the County. No Contractor employee may access County property without approval of FMD.

HD SUPPLY FACILITIES MAINTENANCE LTD., PO BOX 509058, SAN DIEGO, CA 92150-9058

PRICING SHEET: NIGP CODE 45041

Terms:	NET 30
Vendor Number:	VC0000004973
Certificates of Insurance	Required
Contract Period:	To cover the period ending December 31, 2021.



AGENDA REPORT

DATE: July 20, 2021

TO: Chair Butt and Members of Richmond Housing Authority Board of Commissioners

FROM: Shasa Curl, Deputy City Manager, Economic Development
Nannette J. Beacham, Richmond Housing Authority, Executive Director
Gabino Arredondo, Project Manager

SUBJECT: EXTENSION OF NEGOTIATION PERIOD WITH MCCORMACK BARON SALAZAR (MBS) AND COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND (CHDC) ON RESTRUCTURING OF RICHMOND VILLAGE I AND II

STATEMENT OF THE ISSUE:

Richmond Housing Authority (RHA) and McCormack Baron Salazar (along with CHDC), as the Development Partner, redeveloped the former Easter Hill site into Richmond Village I, II, and III using funds from a federal Hope VI Revitalization Grant and Low-Income Tax Credit Financing to create 238 mixed-income units. The two phases of the project are approaching the 15th year of their Low-Income Housing Tax Credit financing giving RHA an Option and Right of First Refusal to purchase the property. The negotiation period with the developer will expire and additional time is required to complete all necessary documents.

RECOMMENDED ACTION:

AUTHORIZE an extension of negotiating period for Richmond Housing Authority (RHA) to reach agreement with McCormack Baron Salazar (MBS) and Community Housing Development Corporation of North Richmond (CHDC), through September 30, 2021 with up to two 30-day extensions at the discretion of the Executive Director and issue a Request for Proposals (RFP) to solicit a new owner/operator for Richmond Village in the event RHA fails to reach agreement with MBS and CHDC - Richmond Housing Authority (Nannette J. Beacham 621-1300).

FINANCIAL IMPACT OF RECOMMENDATION:

No fiscal impact at this time.

DISCUSSION:

RHA provides affordable housing for low and very low-income residents of Richmond through the U.S. Department of Housing and Urban Development (HUD) federally funded housing programs. Currently, RHA owns multiple public housing properties and manages two (2) properties that are occupied by residents (Nevin Plaza and Nystrom Village).

Richmond Village Option Agreement

Richmond Village is composed of three (3) HUD Asset Management Projects (AMP's) under two ownership phases/structures: Richmond Village I and Richmond Village II & III. In 2000, RHA received \$35 Million in a federally funded Hope VI Revitalization Grant for Easter Hill (now known as Richmond Village I, II, & III). The RHA Board of Commissioners selected McCormick Baron Salazar (MBS) and Community Housing Development Corporation of North Richmond (CHDC) as their development partners to proceed with the Hope VI project in two phases. These phases produced 238 mixed-incomes one, two, three, and four-bedroom apartments and two-bedroom townhomes: Richmond I with 117 units, Richmond Village II with 85 units, and Richmond Village III 36 Units. Richmond Village I is approaching year 15 of the Low-Income Housing Tax Credit compliance period with Internal Revenue Service use restrictions. After the 15-year federal tax credit compliance period ends, the tax credit investor will exit the limited partnership ownership structure and the project will be sold with ongoing rent and income restrictions in place. To maintain control over the future of Richmond Village I, RHA exercised its Option and Right of First Refusal to purchase the property pursuant to the Option Agreement and Right of First Refusal dated February 1, 2004 with RHA.

On December 22, 2020, the Richmond Housing Authority (RHA) Board authorized RHA staff to solicit a proposal and negotiate an agreement with McCormack Baron Salazar (MBS) and Community Housing Development Corporation of North Richmond (CHDC) (together, the "Developer." The agreement states the Developers will continue to own the improvement and operate the Easter Hill Phase I and Phase II affordable housing rental development, in conjunction with RHA and under a ground lease from RHA, after the exit of the tax credit investor. The Option Term for Phase I extends from January 1 to December 31, 2021 and the Option Term for Phase II extends from January 1 to December 31, 2022. Due to approaching deadlines, RHA intended response to the Option and Right of First Refusal, is time sensitive and critical.

On January 8, 2021, RHA sent a Request for Proposal for Restructuring of Richmond Village I and II (Attachment I). The letter specified that RHA anticipates that the RAD application process would occur simultaneously with the restricting and requested MBS and CHDC to assist with the effort. RHA planned to complete substantial negotiations with MBS and CHDC on the plan and financing strategy within 90-day with the option of two 30-day extensions at the discretion of the Executive Director. The 90-day period and two 30-day extensions have

been implemented, but additional time to complete the negotiations is necessary. Since the January 8, 2021, RHA and the Developer have engaged in weekly zoom calls to discuss steps and develop the information needed to permit the Developer to prepare a financial proposal that meets the needs of RHA and the Developer including (Attachment 2):

Project Physical Needs Assessment (PCNA) – The Developer retained International Center for Appropriate and Sustainable Technology (ICAST) to prepare the PCNA required by HUD for the RAD conversion process. The draft PCNA was completed on April 2021, and evaluates the current and projected rehabilitation needs for the project and the associated replacement reserves analysis. This analysis is critical to determine if each of the Project's three HUD AMPS will maintain a positive replacement reserve balance after 20 years as required by HUD.

Draft Financial Pro Forma - The developer prepared a draft pro forma analysis for each of the three HUD AMPs to project the rental income (based on HUD RAD rents), operating costs and replacement reserve deposits after 20 years. Based on the draft pro forma, each amp will generate sufficient cash flow to make the replacement reserve deposit required for a positive replacement reserve balance after 20 years. Therefore, indicating that the Project can be successfully restructured under a RAD conversion without the need to first resyndicate the project to raise sufficient capital to keep the Project in satisfactory physical conditions for the next 20 years. Resyndication may be considered in subsequent years to raise upfront capital for rehabilitation needs.

Appraisal – RHA's Option Agreement and Right to First Refusal for Richmond Village I and II requires RHA to engage an appraisal of Solicitation of proposal for the preparation of an appraisal of Richmond Village I and II to determine the Fair Market Value of the Project. The appraisal will consider all terms of the existing ground lease and rent and income restrictions on the property. The Fair Market Value is a key element in the formula determining the Option Price under RHA's Right to First Refusal for each phase of the Project and in negotiating the exit of the existing tax credit investor limited partner. RHA solicited a series of bids from qualified appraisers and selected one to proceed with through the contracting process. The Appraisal is anticipated to be completed in approximately three to four weeks. After the completion of the appraisal, RHA will proceed with negotiating a price required to secure the investor's exit from the Project.

The RHA have been working diligently with the Developer to develop the information needed to permit the Developer to prepare a financial proposal that meets the needs of both RHA and the Developer. Substantial progress has been made to date, but more time is required to complete the process. Therefore, RHA is seeking an extension of the negotiating period through September 30, 2021.

ATTACHMENTS:

Attachment 1 - Resolution

Attachment 2 - Request for Extension with MBS and CHDC

Attachment 3 - Option Agreement and Right of First Refusal

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND, CALIFORNIA, AUTHORIZING AN EXTENSION OF NEGOTIATING PERIOD FOR THE RICHMOND HOUSING AUTHORITY (RHA) TO REACH AGREEMENT WITH MCCORMACK BARON SALAZAR (MBS) AND COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND (CHDC) THROUGH SEPTEMBER 30, 2021 WITH UP TO TWO 30-DAY EXTENSIONS AT THE DISCRETION OF THE EXECUTIVE DIRECTOR AND ISSUE A REQUEST FOR PROPOSALS (RFP) TO SOLICIT A NEW OWNER/OPERATOR FOR RICHMOND VILLAGE IN THE EVENT RHA FAILS TO REACH AGREEMENT WITH MBS

WHEREAS, Richmond Housing Authority (RHA) owns and manages 244 units of rental housing; and

WHEREAS, RHA in September 2019 RHA entered into the current Public Housing Authority Recovery and Sustainability (PHARS) agreement with the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, RHA remains obligated and committed to performing all HUD required functions, and providing quality service to local program participants; and

WHEREAS, RHA and McCormack Baron Salazar (MBS) and Community Housing Development Corporation of North Richmond (CHDC), as the Development Partners, redeveloped the former Easter Hill site into Richmond Village I, II, and III using funds from a federal Hope VI Revitalization Grant and Low Income Tax Credit Financing; and

WHEREAS, on December 4, 2018, the RHA Board of Commissioners directed staff to move forward with repositioning RHA's public housing developments and other real estate holdings; and

WHEREAS, the 2019 PHARS Agreement and Action Plan with HUD (Tasks 5.1-5.3 and 6.1-6.3), requires the repositioning of Richmond Village I, II, and III as an implementing action to reposition the RHA Public Housing portfolio; and

WHEREAS, Richmond Village is composed of three (3) HUD Asset Management Projects (AMP's) under two ownership phases/structures; Richmond Village I and Richmond Village II & III; and

WHEREAS, these two Richmond Village phases produced 238 mixed-incomes one, two, three, and four-bedroom apartments and two-bedroom townhomes: Richmond I with 117 units, Richmond Village II with 85 units, and Richmond Village III 36 Units; and

WHEREAS, the two phases of the Richmond Village project are approaching the 15th year of their Low Income Housing Tax Credit financing giving RHA an Option and Right of First Refusal to purchase the property pursuant to the Option Agreement and Right of First Refusal dated November 1, 2004 with RHA; and

WHEREAS, based on the tasks and estimated time required for RHA to negotiate an agreement with McCormack Baron Salazar or to select a new developer and meeting the asset repositioning tasks target dates set forth in the 2019 PHARS, it is crucial to begin negotiations with McCormack Baron Salazar and Community Development Housing Corporation of North Richmond immediately; and

WHEREAS, on December 22, 2020, the RHA Board OF Commisioners authorized RHA staff to solicit a proposal and negotiate an agreement with MBS; and

WHEREAS, RHA planned to complete substantial negotiations with MBS and CHDC on the plan and financing strategy withing 90-day with the option of two 30-day extensions at the discretion of the Executive Director however additional time to complete the negotiations is necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RICHMOND, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA THAT an extension of negotiating period for Richmond Housing Authority (RHA) to reach agreement with McCormack Baron Salazar (MBS) is authorized, till September 30, 2021 with up to two 30-day extensions at the discretion of the Executive Director and issue a Request for Proposals (RFP) to solicit a new owner/operator for Richmond Village in the event RHA fails to reach agreement with MBS.

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to take all actions necessary to implement this resolution.

The foregoing resolution was passed and adopted by the Commissioners of the Housing Authority of the City of Richmond at a special meeting thereof held on July 20, 2021, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Chairperson

[SEAL]

Attest:

Secretary

Approved as to form:

City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No.** _____ finally passed and adopted at a Special Housing Authority Meeting held on June 15, 2021.

CLERK OF THE HOUSING AUTHORITY

McCORMACK BARON SALAZAR

May 7, 2021

Nannette Beacham
Executive Director
Richmond Housing Authority
330 24th Street, Richmond CA 94804

Re: Request for Extension for Negotiations on Restructuring of Richmond Village I and II

Dear Ms. Beacham:

On December 22, 2020, the Richmond Housing Authority (RHA) Board authorized RHA staff to solicit a proposal and negotiate an agreement with McCormack Baron Salazar (MBS) and Community Housing Development Corporation of North Richmond (CHDC) (together, the “Developer”) to continue to own the improvements and operate the Easter Hill Phase I and Easter Hill Phase II affordable housing rental developments (more commonly known as Richmond Village I and II, together the “Project”), in conjunction with RHA and under a ground lease from RHA, after the exit of the tax credit investor. The intended result is the restructuring of Richmond Village I and II with a new single partnership ownership structure for both phases that does not include the existing investor as limited partner or RHA as managing general partner.

RHA holds an Option Agreement and Right of First Refusal (ROFR) on both Richmond Village I and II dated February 1, 2004. The Option Period during which RHA can choose to exercise the option extends from January 1, 2021 through December 31, 2021 for Richmond Village I and from January 1, 2022 through December 31, 2022 for Richmond Village I. Therefore, time is of the essence in determining whether RHA intends to exercise its Option. It should be noted that the resyndication of the project with MBS does not require the exercise of the option, which can then be retained and renewed in the resyndicated deal.

RHA's initial assumptions on the restructuring included the following:

- Simultaneous restructuring of Richmond Village I and II, which contain HUD AMPs 007, 008 and 009, through a RAD conversion, with a single financial closing;
- A "no debt" RAD conversion, to be followed by tax credit resyndication as needed at a later date;
- Ownership of the improvements by a restructured or new partnership or partnerships on land ground leased from RHA; and
- The restructured or new partnership(s) do not include RHA Housing Corporation (RHAHC) in the ownership structure; therefore, CHDC or another nonprofit housing development company must be involved to provide an ongoing property tax exemption.

Starting in January 2021, RHA and the Developer have engaged in weekly telephone calls to discuss the steps and develop the information needed to permit the Developer to prepare a financial proposal that meets the needs of both RHA and the Developer. Since that time, substantial progress has been made, including the following items:

1. Project Physical Needs Assessment (PCNA)

- The Developer retained International Center for Appropriate and Sustainable Technology (ICAST) to prepare the Project Capital Needs Assessment (PCNA) required by HUD for the RAD conversion process. The draft PCNA tool was completed on April 6, 2021.
- The PCNA evaluates the current and projected rehabilitation needs of the Project and, along with the associated replacement reserve analysis, is a key step in determining whether each of the Project's three HUD AMPs is projected to generate sufficient cash flow to maintain a positive replacement reserve balance for 20 years as required by HUD for a RAD conversion.

2. Draft Financial Pro Forma

- The Developer prepared a draft pro forma analysis for each of the three HUD AMPs to project the rental income (based on HUD RAD rents), operating costs and replacement reserve deposits for the next 20 years.

McCORMACK BARON SALAZAR

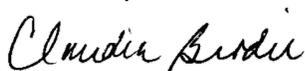
- The draft pro forma indicates that each AMP will generate sufficient cash flow to make the replacement reserve deposits required to maintain a positive replacement reserve balance for 20 years. This indicates that the Project can be successfully restructured under a RAD conversion without the need to first resyndicate the project (i.e. refinance the project using tax-exempt multifamily bonds and 4% tax credits) to raise sufficient capital to keep the Project in satisfactory physical condition for the next 20 years.
- Resyndication may be considered in subsequent years to raise upfront capital for rehabilitation needs, reducing the required replacement reserve deposits and freeing up capital to improve long-term cash flow to repayment of debt, including RHA's loans on the project, but removing the need for upfront resyndication saves critical time on the current restructuring.

3. Appraisal

- If RHA intends to exercise its option, it must engage an appraiser to determine the Fair Market Value of the Project given all terms of the existing ground lease and rent and income restrictions on the property. The Fair Market Value is a key element in the formula determining the Option Price under RHA's ROFR for each phase of the Project and in negotiating the exit of the existing tax credit investor limited partner.
- RHA solicited a series of bids from appraisers qualified in valuing Low Income Housing Tax Credit (LIHTC)-financed apartment properties, resulting in the receipt of three proposals. RHA has selected an appraiser and proceeded through the contracting process. The appraisal is expected to be complete in approximately three to four weeks. (May 30, 2021)
- Following the completion of the appraisal, the Developer and RHA will have the information necessary to develop an approach to secure the investor's commitment to exit from the Project by June 30, 2021

Given the substantial progress made to date on developing the information necessary for the Developer to complete a financial and business proposal for the restructuring of Richmond Village and exit of the investor, the developer and RHA met and collectively seek to extend the negotiating period through June 30th, 2021.

Sincerely,



Claudia Brodie, Senior Vice President
McCormack Baron Salazar

OPTION AGREEMENT AND RIGHT OF FIRST REFUSAL

This OPTION AGREEMENT AND RIGHT OF FIRST REFUSAL ("Agreement") is entered into as of February 1, 2004, by and between EASTER HILL DEVELOPMENT, L.P., a California limited partnership ("Owner") and HOUSING AUTHORITY OF THE CITY OF RICHMOND, a public body, corporate and politic ("Authority").

RECITALS:

A. Pursuant to the Ground Lease Agreement between the Owner and Authority dated February 1, 2004 (the "Ground Lease"), Owner holds a leasehold interest in certain land located in Richmond, California, which is more particularly described Exhibit A attached to this Agreement and incorporated herein by this reference (the "Property"), on which improvements consisting of a 117-unit multifamily apartment complex to be known as Easter Hill Apartment, Phase 1, and other residential improvements will be constructed (the "Apartment Complex").

B. Owner is governed by its Amended and Restated Agreement of Limited Partnership dated as of February 1, 2004 (the "Partnership Agreement"), by and among MBA Urban Development Co., a Missouri corporation (the "Development General Partner"), RHA Housing Corporation, a California nonprofit public benefit corporation, SunAmerica Housing Fund 1203, A Nevada Limited Partnership (the "Investment Partnership") and Community Housing Development Corporation of North Richmond, a California nonprofit public benefit corporation (the "Class B Limited Partner") (capitalized terms not otherwise defined herein shall have the definitions given them in the Partnership Agreement).

C. Owner has agreed to grant Authority (i) an option to purchase the Apartment Complex, and (ii) a right of first refusal with respect to certain proposed sales of the Apartment Complex, each on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and in consideration of One Hundred Dollars (\$100.00) in hand paid by the Authority to Owner, the receipt and sufficiency of which are hereby acknowledged by the Authority and Owner, the Authority and Owner agree as follows:

ARTICLE I OPTION

1.1 Grant of Option. Owner grants to Authority an option to purchase the Apartment Complex (the "Option") on the terms and subject to the conditions set forth in this Agreement.

1.2 Term of Option. The term of the Option (the "Option Term") shall commence on the expiration of the "Compliance Period" (as defined in Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the "Code")) applicable to the first building in the Apartment Complex to receive a certificate of occupancy. The Option Term shall terminate on the first to occur of the following: (a) 12:01 a.m. on the date one (1) year after the expiration of the Compliance Period applicable to the last building in the Apartment Complex to receive a

certificate of occupancy; (b) termination pursuant to Section 1.3 below; or (C) termination in accordance with Article 10 hereof.

1.3 Manner of Exercising Option. To exercise the Option, the Authority must deliver written notice of exercise to Owner (the "Notice of Option Exercise") during the Option Term or during the twelve (12) months preceding the Option Term. The Notice of Option Exercise shall state that the Option is exercised without condition or qualification, except it shall be subject to the terms hereof, including without limitation Article 4. The date of such notice shall be the "Option Exercise Date." Upon exercise of the Option, the Authority shall be obligated to buy the Apartment Complex from Owner, and Owner shall be obligated to sell the Apartment Complex to the Authority at a purchase price equal to the Option Price in accordance with Article 3. If the Authority exercises the Option but fails to consummate the acquisition of the Apartment Complex in accordance with Article 4, for any reason other than a breach of this Agreement by Owner, the Option shall terminate, and neither party hereto shall have any further rights or obligations to the other with respect to this Article 1. The consummation of the acquisition of the Apartment Complex by the Authority may occur after the end of the Option Term, provided the Option Exercise Date occurs prior to the expiration of the Option Term.

ARTICLE II THE RIGHT OF FIRST REFUSAL

2.1 Grant of Right of First Refusal. Owner grants to Authority a right of first refusal with respect to the purchase of the Apartment Complex (the "Right of First Refusal") on the terms and subject to the conditions set forth in this Article 2.

2.2 Term of Right of First Refusal. The term of the Right of First Refusal (the "Refusal Term") shall commence on the date hereof and shall end on the first to occur of (i) five (5) years after the expiration of the Compliance Period, (ii) consummation of the sale of the Apartment Complex after the Compliance Period to a Person other than the Authority after the Authority has failed to exercise its Right of First Refusal in accordance with this Agreement; or (iii) termination of this Agreement pursuant to this Section 2.2 below. Subject to the requirements of the Ground Lease and prior to Owner causing the sale of the Apartment Complex to any other Person, the Owner shall give the Authority written notice of its intention to sell the Apartment Complex (a "Refusal Sales Notice"). Such notice shall include a copy of a bona fide written offer to purchase the Apartment Complex, which is signed by the offeror and the Owner ("Bona Fide Offer") and which the Owner received from an entity which is not an Affiliate of Owner. The Authority shall have ninety (90) days from the date of the Refusal Sales Notice (the "Refusal Exercise Period") to exercise the Right of First Refusal by delivering written notice of exercise to Owner within such Refusal Exercise Period (the "Notice of Refusal Exercise"). The Notice of Refusal Exercise shall state that the Right of First Refusal is exercised without condition or qualification, except for any condition or qualification set forth in the Bona Fide Offer. The date of such notice shall be the "Refusal Exercise Date." The Refusal Exercise Date and consummation of the acquisition may occur after the end of the Refusal Term, provided the Refusal Sales Notice is given during said term. Upon exercise of the Right of First Refusal, the Authority shall be obligated to buy the Apartment Complex from Owner, and Owner shall be obligated to sell the Apartment Complex to the Authority for a purchase price equal to the

Refusal Price (as defined in Section 3.2 below) in accordance with the terms of Article 4. If the Authority exercises the Right of First Refusal but fails to consummate the acquisition of the Apartment Complex in accordance with Article 4 due to a breach of this Agreement by Authority, the Right of First Refusal shall terminate, and neither party hereto shall have any further rights or obligations to the other with respect to this Article 2. If the Right of First Refusal is not timely exercised strictly in accordance with its timing terms, Owner shall have the right to sell the Apartment Complex in accordance with the terms of the Bona Fide Offer. If Owner fails to consummate the sale of the Apartment Complex in accordance with the terms of the Bona Fide Offer, then the Owner may not sell the Apartment Complex to any other party without first complying with the provisions of this Article 2. Subject to the requirements of the Ground Lease and with respect to a sale prior to the expiration of the Compliance Period, the purchaser in such sale shall acquire the Apartment Complex subject to the Right of First Refusal and the Option. With respect to a sale of the Apartment Complex in accordance with this Agreement to a Person other than the Authority during the Option Term (and the Authority has not exercised its Right of First Refusal), the purchaser in such sale shall acquire the Apartment Complex subject to the Option but not the Right of First Refusal which shall be thereupon terminated.

ARTICLE III PURCHASE PRICE

3.1 Determination of Option Price. The purchase price of the Apartment Complex with respect to the Authority's exercise of the Option (the "Option Price") shall be the greater of the following: (a) the "Fair Market Value" of the Apartment Complex on the Option Exercise Date determined in accordance with Section 3.3 hereof; and (b) the sum of the following (the "Minimum Price"): (i) the aggregate amount of secured debt encumbering the Apartment Complex as authorized under the Partnership Agreement ("Permitted Secured Indebtedness"); (ii) all bona fide outstanding and unsecured indebtedness incurred by the Owner in connection with the ownership, operation, development and renovation of the Apartment Complex as permitted by the Partnership Agreement, including, but not limited to, Operating Deficit Loans, IP Loans, GP Loans, and accrued and unpaid management fees; provided that for purposes of this Section 3.1 and Section 4.2 below the calculation of outstanding GP Loans shall be reduced by the GP Adjustment (defined below) and the aggregate amount of accrued and unpaid management fees shall be reduced by the accrued and unpaid management fees payable to McCormack Baron Ragan Management Services, Inc. or its Affiliates; (iii) an amount sufficient to make a distribution to the Investment Partnership under the terms of the Partnership Agreement of fifty percent (50%) of accrued but unpaid Tax Credit Shortfall pursuant to the Partnership Agreement; and (iv) an amount equal to the federal, state and local tax liability attributable to such sale of the Apartment Complex, including without limitation, federal, state and local income tax liability based on the assumption that the Owner's owners are subject to the highest federal, state and local tax liability, and taking into account the federal income tax liability, but not any other tax liability, resulting from the amount otherwise included under this clause (iv). The "GP Adjustment" shall equal the lesser of (A) the amount (the "GP Interest Rate Adjustment Amount") by which the outstanding amount of GP Loans pursuant to the Partnership Agreement exceeds the outstanding amount of GP Loans based on a revised and retroactive interest rate of the lesser of (x) the Prime Rate at the time of the Option Exercise Date or Refusal Exercise Date, as applicable and (y) eight percent (8%) and (B) the amount by which the

Minimum Price calculated using the GP Interest Rate Adjustment Amount exceeds Fair Market Value. The "Adjusted GP Loan Amount" shall equal the outstanding amount of GP Loans pursuant to the Partnership Agreement minus the GP Adjustment.

3.2 Determination of Refusal Price. With respect to a sale of the Apartment Complex pursuant to the Right of First Refusal prior to the end of the Compliance Period, the purchase price in connection with the Right of First Refusal (the "Refusal Price") shall equal the purchase price set forth in the Bona Fide Offer. With respect to a sale of the Apartment Complex pursuant to the Right of First Refusal after the end of the Compliance Period, the Refusal Price shall be equal to the lesser of (a) the price set forth in the Bona Fide Offer, and (b) the Minimum Price. Notwithstanding the foregoing, in no event shall the Refusal Price be less than the "minimum purchase price" applicable to the Apartment Complex as determined in accordance with Code Section 42(i)(7)(B) (or such other minimum purchase price as may subsequently be required under the Code).

3.3 Fair Market Value. The Fair Market Value of the Apartment Complex shall be determined as follows: Owner and the Authority shall select a mutually acceptable appraiser who shall determine the Fair Market Value of the Apartment Complex taking into account the "Appraisal Assumptions" (as defined below). If the Parties are unable to agree upon an appraiser, Owner and the Authority each shall select an appraiser, each party to pay the cost of the appraiser selected by it. If the higher of the two appraisals is not more than one hundred ten percent (110%) of the lower of the two appraisals, the Fair Market Value shall be the average of the two appraisals. If the higher of the two appraisals is more than one hundred ten percent (110%) of the lower of the two appraisals and at least one of the appraisals exceeds the amount described in Section 3.1(b), then the two appraisers jointly shall select a third appraiser, the cost of which shall be shared equally by the Parties. If the two appraisers are unable jointly to select a third appraiser, either Owner or Authority may, upon written notice to the other, request that the appointment be made by the then President of the San Francisco, California Chapter of the American Arbitration Association or his or her designee. If the third appraisal is less than either of the first two, then Fair Market Value shall be the average of the two lowest appraisals. If the third appraisal is greater than the first two, then Fair Market Value shall be the average of the two highest appraisals. If the third appraisal falls between the previous two appraisals, the Fair Market Value shall be the value established by the third appraisal. Any appraiser selected pursuant to this section shall be a State certified appraiser with at least five years of experience with properties similar to the Apartment Complex. In determining Fair Market Value, the appraiser(s) shall be instructed to consider the following factors and assumptions (the "Appraisal Assumptions"): (i) all of the terms of the Ground Lease; (ii) any valid and binding rent restrictions and income limitations affecting the Apartment Complex, including without limitation the Extended Use Agreement (iii) the value of any financing that the Authority will have the right to assume in connection with its acquisition of the Apartment Complex as if such financing were assumable ("Assumable Debt"); (iv) the deemed sales commission in an amount equal to two percent (2%) of the Fair Market Value; and (v) the value of tax benefits, if any, associated with ownership of the Apartment Complex that would be available to a taxpayer, which is not a tax exempt entity, based on the highest marginal federal and state corporate income tax.

ARTICLE IV
COMPLETION OF SALE

4.1 **Title Insurance.** As a condition of the closing, the Authority shall be entitled to a American Land Title Association ("ALTA") owner's policy of title insurance, dated as of the close of escrow, in an amount equal to the Option Price or Refusal Price, as applicable, showing title to the Apartment Complex vested in the Authority and subject to all encumbrances securing Assumable Debt (as defined below), if assumed by the Authority, and other restrictions and exceptions created or consented to in writing by the Authority. Within twenty-one (21) days after Owner's receipt of the Authority's notice to exercise its Option or Right of First Refusal, Owner shall deliver to the Authority, at Authority's expense, (a) a commitment for said title policy together with legible copies of any and all documents listed in the commitment as requirements and/or exceptions thereto, and (b) an as-built survey in such form and including such certifications as may be reasonably required by the Authority.

The Authority shall then have a period of thirty (30) days in which to review the title commitment and survey and give Owner notice of any objections thereto; if no notice of objections is timely given, the Authority will be deemed to have agreed to accept title to the Apartment Complex as reflected in the commitment and survey. If the Authority gives Owner notice of objections, the Authority shall then have a period of thirty (30) days after the date of that notice to either, at its election, (a) cure any defects itself, (b) purchase the Apartment Complex as reflected in the title commitment and survey, or (c) rescind its exercise of its Option or Right of First Refusal, as applicable.

4.2 **Closing.** Subject to Owner's satisfaction of the provisions of Section 4.1, the "Closing Date" shall be the date one hundred eighty (180) days after the Option Exercise Date or the Right of First Refusal Exercise Date, as applicable, or such earlier date upon which the Authority and Owner agree; provided, however, that the Closing Date, in the event of the exercise of the Option, shall not occur prior to the expiration of the Compliance Period; provided further, that the Authority may extend the Closing Date to a date not more than two hundred seventy (270) days (or such other date to which Owner and the Authority agree) after the Option Exercise Date or the Right of First Refusal Exercise Date, as applicable, upon written notice delivered to Owner within the initial ninety (90) day period accompanied by reasonable evidence that such extension is needed to obtain the approvals or consents needed by the Authority to enable a closing to occur, and further provided that the Closing Date may be automatically extended as set forth in Section 4.1.

(a) Owner shall give to the Authority, within twenty-one (21) days after the earlier of the Option Exercise Date or the Right of First Refusal Exercise Date, as applicable, or receipt of Authority's request therefor, a detailed statement specifying current tenant occupancy, rent payment rates, rent delinquencies, operating costs, subsidy payments, financing agreements, mortgages, regulatory and operating agreements, ground lease, tenant leases, tax records, maintenance history, architectural plans, financial records (including recent income and expense statements, accounts receivable and accounts payable), lien waivers, insurance policies, and any other information or documents in Owner's possession reasonably necessary to consummate the purchase. Owner shall also give the Authority, within twenty-one (21) days after the earlier of receipt of the appraisal or receipt of Authority's request therefor, a written statement specifying

the actual dollar amount of the purchase price, as calculated in Article 3 herein, and documentation justifying such calculation.

(b) On the Closing Date, the Authority shall pay the Option Price or the Right of First Refusal Price, as applicable, as follows: (i) the parties shall execute documents, in form and substance acceptable to Owner and Authority in their reasonable discretion, wherein the Authority assumes the debt described in subsections 3.1(i) (the "Assumable Debt") which relates to the period on and after the Closing Date and all obligations of Owner under the Regulatory Agreements which relate to the period on and after the Closing Date, or pay such amounts in cash with any source of funds available to the Authority, and Owner and its Partners are released from any and all obligations for the Assumable Debt and under the Regulatory Agreements, which relate to the period on and after the Closing Date, (ii) the Authority shall execute a promissory note payable to the Development General Partner with the following terms: the principal amount of the promissory note shall equal the lesser of (w) the Adjusted GP Loan Amount and (x) the amount by which the Minimum Price exceeds Fair Market Value; the term of the promissory note shall be ten (10) years; the promissory note shall be recourse to the Authority to the extent permitted by Section 16.7(d) of the Partnership Agreement; interest shall accrue at the lesser of (y) the Prime Rate at the time of the Option Exercise Date or Refusal Exercise Date, as applicable and (z) eight percent (8%); payments of accrued interest and 1.75% of outstanding principal shall be due quarterly, with the balance due on the maturity date; and the default interest rate shall equal the lesser of ten percent (10%) or the highest rate permitted under applicable law and (iii) subject to prorations as described in Section 4.4 hereof, the Authority shall pay the balance of the Option Price or the Refusal Price, as applicable, by wire transfer of immediately available funds. For example, the following table shows the GP Adjustment, the Adjusted GP Loan Amount, the adjusted Minimum Price, the Option Price and the promissory note amount based on specified amounts of Fair Market Value, original Minimum Price and original GP Loan amount:

	Example A	Example B	Example C
Fair Market Value	\$ 2,000,000	\$ 2,500,000	\$ 2,000,000
Minimum Price (original)	\$ 3,000,000	\$ 3,000,000	\$ 2,500,000
GP Loan Amount (original)	\$ 1,000,000	\$ 1,200,000	\$ 1,000,000
GP Interest Rate Adjustment Amount	\$ 300,000	\$ 600,000	\$ 250,000
GP Adjustment	\$ 300,000	\$ 500,000	\$ 250,000
Adjusted GP Loan Amount	\$ 700,000	\$ 700,000	\$ 750,000
Minimum Price (adjusted)	\$ 2,700,000	\$ 2,500,000	\$ 2,250,000
Option Price	\$ 2,700,000	\$ 2,500,000	\$ 2,000,000
Promissory Note Amount	\$ 700,000	\$ 0	\$ 250,000

(c) The Apartment Complex shall be sold pursuant to the Option in its as-is, where is condition, without representation or warranty, and shall be sold pursuant to the Right of First Refusal in accordance with the representations and warranties which are a part of the Bona Fide Offer. As a condition precedent to Owner's obligations hereunder, the Authority shall obtain all consents from any governmental agency and the holder of all mortgages or deeds of trust encumbering the Apartment Complex whose consent to a sale is required, and Owner agrees to cooperate fully with the Authority in its efforts to obtain such consents. Except as provided in Section 4.4, all costs associated with the sale of the Apartment Complex to the

Authority, pursuant to the Authority's exercise of its Option, shall be paid by the Authority, including, without limitation, any transfer taxes, title policy premiums, recordation costs and costs related to the assumption of the Assumable Debt.

4.3 Documents Delivered at Closing. On the Closing Date, (i) Owner shall convey to the Authority fee simple title to the Apartment Complex, in the form described in Section 4.2 herein, by a grant deed, subject to all encumbrances and other exceptions then affecting title which were not objected to or waived by the Authority, and excluding only liens and exceptions arising through or under Owner, which do not secure Assumable Debt, (ii) Authority shall deliver a release and termination of the Ground Lease to be executed by the Owner, and (iii) Owner shall assign to the Authority all then existing regulatory, operating and other agreements Owner holds with the California Tax Credit Allocation Committee ("Agency"), the U.S. Department of Housing and Urban Development ("HUD"), or their assigns, where authorized by such entities.

4.4 Prorations; Security Deposits and Other Deposits. An appropriate adjustment shall be made to the Option Price or the Refusal Price, as applicable, to prorate between Owner and the Authority real property taxes for the year in which the closing takes place and rents and income from the Apartment Complex as of the Closing Date. If there are any security deposits in connection with the leases at the Apartment Complex, Owner shall deliver the security deposits to the Authority at closing, for the full amount of the security deposit liability which the Authority is assuming. In addition, if there are any replacement reserve or other escrow deposits in connection with the Assumable Debt, then, Owner shall cause the transfer of such deposits to or for the benefit of the Authority at closing for the full amount of such reserves and deposits.

ARTICLE V OWNER'S RIGHT TO SELL

At any time prior to expiration of the Option Term, Owner shall have the right to sell the Apartment Complex subject to the terms of the Option and the Ground Lease, provided that the purchaser of the Apartment Complex (other than the Authority) in connection with such sale assumes the obligations of Owner under this Agreement pursuant to an assumption agreement in form reasonably acceptable to the Authority.

ARTICLE VI ASSIGNMENT OF OPTION OR RIGHT OF FIRST REFUSAL

The Authority may not assign this Agreement or any of its rights hereunder without the prior written consent of Owner and HUD, if required, which consent may be withheld in their sole and absolute discretion; provided, however, that the Owner and HUD, if required, shall not unreasonably withhold their consent to an assignment to a Permitted Assignee (as defined below). A "Permitted Assignee" shall mean an entity which is either (i) a "government agency" within the meaning of Code Section 42(i)(7)(A), or (ii) a qualified nonprofit organization as defined in Code Section 42(h)(5)(C). The Authority shall give Owner not less than ten (10) days' prior written notice of any assignment which it intends to make pursuant to this Agreement. Concurrently with executing an assignment of its rights under this Agreement, the Authority shall cause its assignee to execute an assignment and assumption agreement wherein the assignee

assumes the rights and obligations of the Authority under this Agreement and represents that it is a Permitted Assignee. In addition, the Authority shall have the right to designate another Person as the party to whom the Apartment Complex shall be conveyed at the Closing provided that either (i) such Person is a Permitted Assignee, or (ii) in the case of a sale pursuant to the Right of First Refusal prior to the expiration of the Compliance Period or in the case of a sale pursuant to the Option, such Person is a Permitted Assignee or a partnership comprised exclusively of Persons who are Permitted Assignees.

ARTICLE VII
RECORDATION OF OPTION AND RIGHT OF FIRST REFUSAL

The Authority may record in the real property records a Memorandum of Option and Right of First Refusal, which notifies parties of the existence of interests in real property created by this Agreement; Owner agrees to execute such Memorandum in recordable form.

ARTICLE VIII
RISK OF LOSS/CONDEMNATION

The Authority shall have no interest pursuant to this Agreement in any insurance or condemnation proceeds received by Owner as a result of (i) substantial damage to the Apartment Complex by fire, flood, earthquake, or other casualty (a "Casualty"), or (ii) any taking of the Apartment Complex in condemnation or under the right of eminent domain ("Condemnation").

ARTICLE IX
SUBORDINATION

The Authority hereby acknowledges and agrees that (i) the Option and Right of First Refusal are subordinate to any and all mortgages, deeds of trust and other instruments currently securing Owner's obligations in connection with the Apartment Complex, and (ii) that Owner shall have the right, at any time and from time to time, to subject the Apartment Complex to additional mortgages, deeds of trust, extended use agreements, or other instruments to secure Permitted Secured Indebtedness. Although the subordination contained herein shall be self-operative, the Authority agrees, at any time and from time to time, upon request of Owner, to join with Owner in the execution, acknowledgment and delivery of any instrument creating a lien on the Apartment Complex securing a Permitted Secured Indebtedness or extending, renewing, replacing, rearranging or modifying the Permitted Secured Indebtedness.

ARTICLE X
TERMINATION OF RIGHTS

The Authority's rights pursuant to this Agreement shall terminate upon the occurrence of any one or more of the following events: (1) an event of Casualty or Condemnation, the Apartment Complex is not rebuilt, and the proceeds of such event of Casualty or Condemnation are distributed in accordance with applicable HUD rules and regulations; or (2) the Ground Lease is terminated.

ARTICLE XI
MISCELLANEOUS

11.1 Representation, Warranty and Covenant of Authority. The Authority hereby represents, warrants and covenants to Owner that the Authority is a "government agency" within the meaning of Section 42(i)(7)(A) of the Code and will continue to be a "government agency" within the meaning of Section 42(i)(7)(A) of the Code during the term of this Agreement, at the time it exercises the Right of First Refusal, and on any Closing Date.

11.2 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

11.3 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

11.4 No Continuing Waiver. The waiver of any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

11.5 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

11.6 Notices. Whenever any Party shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or communication shall be in writing and shall be effective only if the same is delivered by personal service (including, without limitation, courier or express service) or mailed first class, or certified or registered mail, postage prepaid, return receipt requested, or sent by telegram or facsimile to the parties at the addresses set forth below:

To Owner: Easter Hill Development, L.P.
c/o McCormack Baron Salazar, Inc.
655 South Hope Street, Suite 1100
Los Angeles, California 90017-3211
Attn: Dalila Sotelo
Fax No.: (213) 260-2661

With a copy to: AIG Retirement Services, Inc.
General Partner of SunAmerica Housing Fund 1203,
A Nevada Limited Partnership
1 SunAmerica Center, Century City
Los Angeles, California 90067-6022
Attention: Michael Fowler, Vice President
Fax No.: (310) 772-6794

With a copy to: Brownstein Hyatt & Farber, P.C.
410 17th Street, 22nd Floor
Denver, Colorado 80202-4437
Attention: Wayne H. Hykan
Fax No.: (303) 223-1111

To Authority: Housing Authority of the City of Richmond
330 24th Street
Richmond, California 94804
Attention: Daniel J. Nackerman
Fax No.: (510) 237-5230

With a copy to: Goldfarb & Lipman
1300 Clay Street, 9th Floor
City Center Plaza
Oakland, California 94612
Attn: Michelle D. Brewer
Fax No: (510) 836-1035

Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; notices sent by mail in accordance with the above paragraph will be effective three (3) days after mailing.

11.7 Abolishment of Authority. In the event of the abolishment of the Authority, in the absence of a valid assignment and unless prohibited by law, the rights and benefits of this Agreement shall accrue to any Permitted Assignee selected by the Authority; provided however, that such assignee shall only be entitled to exercise the Right of First Refusal or the Option, if, on the Closing Date, such assignee continues to be a Permitted Assignee. The Authority shall immediately provide written notice to the Owner of such assignment hereunder.

11.8 Amendment. This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by Owner and the Authority.

11.9 Captions. The captions of this Agreement are inserted only for the purpose of convenient reference and do not define, limit or prescribe the scope or intent of this Agreement or any part hereof.

11.10 Entire Agreement. This Agreement embodies the entire understanding of the parties hereto, and there are no further agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.

11.11 Construction of Document. This Agreement has been negotiated at arms length and has been reviewed by counsel for each of the parties hereto, respectively.

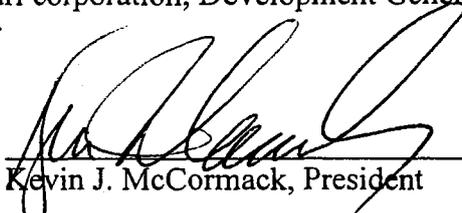
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IN WITNESS WHEREOF, the parties have executed this Option Agreement as of the date first above written

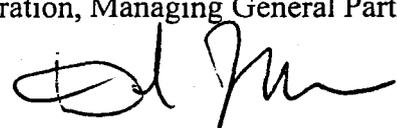
OWNER:

EASTER HILL DEVELOPMENT, L.P., a
California limited partnership

By: MBA URBAN DEVELOPMENT CO., a
Missouri corporation, Development General
Partner

By: 
Kevin J. McCormack, President

By: RHA HOUSING CORPORATION, a
California nonprofit public benefit
corporation, Managing General Partner

By: 
Daniel J. Nackerman, President

AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF
RICHMOND, a public body, corporate and politic

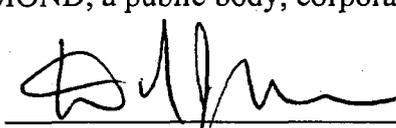
By: 
Daniel J. Nackerman, Executive Director

EXHIBIT A TO OPTION AGREEMENT

DESCRIPTION OF THE LAND

PHASE I – PARCEL I

Beginning at a point, which is also the northeast corner of Lot 22 of Block "A" as both are shown on the Map of the City of Pullman, filed for record in the Office of the Recorder of Contra Costa County, in Book 2 of Maps at Page 43, said Point of Beginning, also being on the eastern line of Lot 19 of said Block "A", as shown on said Map of the City of Pullman; thence $S00^{\circ}49'23''$ W along said eastern line and the northerly prolongation of said Lot 19 to the southeastern corner of said Lot 19, a distance of 121.33 feet; thence $N89^{\circ}44'47''$ W along the southern line of said Lot 19, of said Block "A", a distance of 24.43 feet to the western boundary of Lot 39 as shown on the Map of Subdivision of portion of Lot No. 26, San Pablo Rancho filed for record in the Office of said County Recorder in Book "B" of Maps at Page 30; thence $S00^{\circ}47'20''$ W along said western boundary and the northerly prolongation thereof, a distance of 33.58 feet; thence $N89^{\circ}10'19''$ W, a distance of 67.01 feet; thence $S72^{\circ}37'21''$ W, a distance of 28.22 feet to the point of curve of a non tangent curve to the left having a radius of 341.00 feet, of which the radius point lies $S69^{\circ}11'49''$ W; thence northwesterly along the arc, through a central angle of $07^{\circ}25'48''$, a distance of 44.22 feet to a point of reverse curve to the right having a radius of 14.00 feet and a central angle of $66^{\circ}11'43''$; thence northerly along the arc, a distance of 16.17 feet to a point of reverse curve to the left having a radius of 150.00 feet and a central angle of $36^{\circ}44'57''$; thence northerly along the arc, a distance of 96.21 feet; thence $N01^{\circ}12'47''$ E, a distance of 19.19 feet; thence $S89^{\circ}09'07''$ E, a distance of 105.52 feet to the POINT OF BEGINNING.

Containing 17,803.57 square feet or 0.4087 acres, more or less.

PHASE 1 – PARCEL 2

Commencing at a point, which is also the northeast corner of Lot 22 of Block "A" as both are shown on the Map of the City of Pullman, filed for record in the Office of the Recorder of Contra Costa County, in Book 2 of Maps at Page 43, said Point of Beginning, also being on the eastern line of Lot 19 of said Block "A", as shown on said Map of the City of Pullman; thence $S48^{\circ}53'21''$ W, a distance of 228.00 feet to the POINT OF BEGINNING; said point also being the beginning of a curve to the right, having a radius of 299.00 feet of which the radius point lies $S63^{\circ}29'34''$ W; thence southerly along the arc, through a central angle of $27^{\circ}30'27''$, a distance of 143.55 feet to a point of compound curve to the right having a radius of 529.00 feet and a central angle of $13^{\circ}00'00''$; thence southerly along the arc, a distance of 120.03 feet; thence $S14^{\circ}00'01''$ W, a distance of 160.39 feet to a point of curve to the right having a radius of 14.00 feet and a central angle of $75^{\circ}06'22''$; thence southwesterly along the arc a distance of 18.35 feet; thence $S89^{\circ}06'23''$ W, a distance of 94.29 feet to a point of curve to the right having a radius of 14.00 feet and a central angle of $89^{\circ}58'38''$; thence northwesterly along the arc a distance of 21.99 feet; thence $N00^{\circ}54'59''$ W, a distance of 75.90 feet to a point of curve to the right having a

radius of 379.00 feet and a central angle of 06°55'00"; thence northerly along the arc a distance of 45.75 feet; thence N06°00'01"E, a distance of 84.21 feet to a point of curve to the left having a radius of 251.00 feet and a central angle of 27°06'46"; thence northerly along the arc a distance of 118.78 feet to a point of reverse curve to the right having a radius of 14.00 feet and a central angle of 79°09'33"; thence northerly along the arc, a distance of 19.34 feet; thence N58°02'48"E, a distance of 147.53 feet to a point of curve to the right having a radius of 14.00 feet and a central angle of 95°26'46"; thence easterly along the arc a distance of 23.32 feet to the POINT OF BEGINNING.

Containing 61,564.51 square feet or 1.4133 acres, more or less.

PHASE I- PARCEL 3

Commencing at a point, which is also the northeast corner of Lot 22 of Block "A" as both are shown on the Map of the City of Pullman, filed for record in the Office of the Recorder of Contra Costa County, in Book 2 of Maps at Page 43, said Point of Beginning, also being on the eastern line of Lot 19 of said Block "A", as shown on said Map of the City of Pullman; thence S75°10'34"W, a distance of 510.25 feet to the POINT OF BEGINNING; said point also being the beginning of a curve to the right having a radius of 209.00 feet, of which the radius point lies S17°40'01"W; thence southeasterly along the arc, through a central angle of 78°20'00", a distance of 285.74 feet; thence S06°00'01"W, a distance of 84.21 feet to a point of curve to the left having a radius of 421.00 feet and a central angle of 06°55'00"; thence southerly along the arc a distance of 50.82 feet; thence S00°54'59"E, a distance of 83.87 feet to a point of curve to the right having a radius of 14.00 feet and a central angle of 90°01'22"; thence southwesterly along the arc a distance of 22.00 feet; thence S89°06'23"W, a distance of 123.75 feet to a point of curve to the right having a radius of 394.00 feet and a central angle of 04°51'00"; thence westerly along the arc a distance of 33.35 feet; thence N86°02'37"W, a distance of 56.45 feet; thence N03°53'05"E, a distance of 127.00 feet; thence S86°02'37"E, a distance of 79.94 feet; thence N03°57'24"E, a distance of 159.52 feet; thence S68°39'18"W, a distance of 166.73 feet; thence S61°11'47"W, a distance of 89.90 feet; thence N88°49'19"W, a distance of 75.00 feet; thence N67°49'25"W, a distance of 53.00 feet; thence N38°41'05"W, a distance of 110.00 feet; thence N09°52'52"E, a distance of 198.77 feet; thence N88°47'59"W, a distance of 120.22 feet; thence N58°17'56"W, a distance of 61.70 feet; thence N19°42'22"W, a distance of 59.06 feet; thence N20°09'29"W, a distance of 93.03 feet to the southeastern line of Foothill Avenue, formerly Montecito Avenue as said Montecito Avenue as shown on the Map of El Cerrito Terrace filed for record in the Office of the Recorder of Contra Costa County, in Book 6 of Maps at Page 147; thence N69°50'31"E, along said southeastern line, a distance of 82.97 feet to the point of curve of a non tangent curve to the right, having a radius of 679.00 feet of which the radius point lies S13°26'04"E; thence easterly along the arc, through a central angle of 14°38'05", a distance of 173.43 feet; thence S88°47'59"E, a distance of 33.56 feet to a point of curve to the right having a radius of 14.00 feet and a central angle of 90°00'00"; thence southeasterly along the arc a distance of 21.99 feet; thence S01°12'01"W, a distance of 204.70 feet to a point of curve to the right having a radius of 11.00 feet and a central angle of 78°44'22"; thence southwesterly along the arc a distance of 15.12 feet to a point of reverse curve to the left having a radius of 55.00 feet and a central angle of 201°28'42"; thence southerly along the arc, a distance

of 193.41 feet to a point of compound curve to the left having a radius of 40.00 feet and a central angle of $57^{\circ}15'40''$; thence northeasterly along the arc, a distance of 39.98 feet; thence $N01^{\circ}12'01''E$, a distance of 73.85 feet to a point of curve to the right having a radius of 14.00 feet and a central angle of $90^{\circ}00'00''$; thence northeasterly along the arc a distance of 21.99 feet; thence $S88^{\circ}47'59''E$, a distance of 58.71 feet to a point of curve to the right having a radius of 465.00 feet and a central angle of $16^{\circ}28'00''$; thence easterly along the arc a distance of 133.64 feet; thence $S72^{\circ}19'59''E$, a distance of 66.54 feet to the POINT OF BEGINNING.

Containing 220,422.38 square feet or 5.0602 acres, more or less.