

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTOR NAME

SLSCO, Ltd.

2. The term of this Agreement is:

START DATE

June 21, 2021

THROUGH END DATE

June 30, 2027

3. The maximum amount of this Agreement after this Amendment is:

\$269,018,241.00 (Two hundred sixty-nine million eighteen thousand two hundred and forty-one dollars and zero cents)

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

1. This amendment is to extend the term for two additional years, update the Exhibit A, Scope of Work, and reallocated funds and hours.
2. STD 213A, Item 2, The term of this Agreement, has been changed from June 21, 2021 through June 30, 2025, to June 21, 2021 through June 30, 2027
3. Exhibit A, Scope of Work, is hereby revised as part of this amendment, attached hereto and made a part hereof.
4. Exhibit B, Budget Detail and Payment Provisions, is hereby revised as part of this amendment, attached hereto and made a part hereof.
5. Exhibit D, HCD Additional Contract Terms and Conditions, is hereby revised as part of this amendment, attached hereto and made a part hereof.
6. Changes made to the Exhibits in this Amendment are shown as follows: Text additions are displayed in bold and underline and deletions are displayed with a strike through.

*All other terms and conditions shall remain the same.***IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.****CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

SLSCO, Ltd.

CONTRACTOR BUSINESS ADDRESS

6702 Broadway

CITY

Galveston

STATE

TX

ZIP

77554

PRINTED NAME OF PERSON SIGNING

MATTHEW R. TINDALL

TITLE

VP HOUSING

CONTRACTOR AUTHORIZED SIGNATURE



DATE SIGNED

JUNE 6, 2021

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X CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 47 PAGES

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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 West El Camino Avenue, Suite 130

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Jenee McClain-Battiste

TITLE

Section Chief, SSM II, Contract Services

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

06/07/2024

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

PCC 6106 and SCM vol. 1, § 5.81.C

EXHIBIT A

SCOPE OF WORK

1. SLSCO, Ltd., hereafter referred to as the (“Contractor”), agrees to provide to the Department of Housing and Community Development, hereafter referred to as (“HCD” or “Department”) with “Full-Service CDBG-DR Construction Management and Delivery Services” (“Work”) as described herein.

HCD’s Mission is to promote safe, affordable homes and vibrant, inclusive, sustainable communities for all Californians. HCD values diversity at all levels of the organization and is committed to fostering an environment in which employees and partners from a variety of backgrounds, cultures, and personal experiences are welcomed and can thrive. We believe the diversity of our employees and our partners bring their unique ideas and perspectives that inspire innovative solutions to further our mission.

2. Work shall be provided **remotely through HCD Headquarters at 651 Bannon Street, Sacramento, CA, 95811** throughout California during the hours of 8:00 am to 5:00 pm, **Pacific Standard Time (PST), Monday through Friday,** excluding State observed holidays, as applicable.
3. The Representatives during the term of this Agreement will be:

Department of Housing and Community Development	SLSCO, Ltd.
Section/Unit: Division of Federal Financial Assistance (DFFA) Disaster Recovery Section (DRS)	Project Manager: Matt Tindall
Contract Manager: Stacy Rodgers	Title: Vice President - Housing
Address: 2020 West El Camino Avenue, Suite 200 Sacramento, CA 95833	Address: 6702 Broadway Galveston, TX 77554
Phone No.: (916) 841-6268	Phone No.: (713) 880-8411
Email: stacy.rodgers@hcd.ca.gov	Email: mtindall@slsco.com

*** Both parties will have the right to change the Contract Manager/Representatives from time to time throughout the term of this Agreement. Such change will not require the consent of HCD or the Contractor. The changing party will notify the**

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other party, in writing, of the name of the new Contract Manager/Representative within 30 days of his or her appointment to such position. Such written notice will not constitute, nor require, an amendment to this Agreement.

4. Specifications and Detailed Description of Work

Overview

Contractor shall provide management and support of construction activities including possible rehabilitation, design-build reconstruction, and Manufactured Housing Unit (MHU) replacement services for the Owner-Occupied Rehabilitation (OOR) Program. These services could potentially expand to accommodate other future and similar housing recovery programs yet to be defined. This includes programs resulting from existing and future disasters and/or future programs through federal or state funding, or other special grants which would require the same scope of work. The Contractor shall be paid the unit cost rate as set forth in Exhibit B for all programs served.

The Contractor will be responsible for successfully managing and delivering the construction activities necessary for all projects, including entering into appropriate contracts and agreements with subcontractors and third-party vendors, disbursing funds to construction contractors, monitoring compliance, and completing all other activities required to close out the program. The Contractor shall coordinate with local governments, other OOR Program consultants, and HCD Division staff, including but not limited to Disaster Recovery Section (DRS), DFFA, and Codes and Standards.

The Contractor will also be responsible for working with the Homeowner Assistance Program Management Services (HAPM) contractor, which was awarded in a separate RFP (posted on January 9, 2020 and closed on January 31, 2020, contract #19-CDBGDR17-001-A). The Contractor will be responsible for implementing and integrating the Construction Management (CM) processes within the most recently available version of the OOR Program policies and procedures developed by the HAPM contractor and HCD-DRS staff.

If the other contractors or consultants are non-responsive, HCD expects to be notified via email within 24 hours, but no longer than 72 hours.

- A. The Contractor's responsibilities will include, but not be limited to, the following:
 - 1) Maintaining a complete understanding of all applicable program policies, requirements, and protocols.

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- 2) Understanding and compliance with California Codes of Regulations, specifically Title 24 – California Building Standards Code and Title 25 – Housing and Community Development.
- 3) Conducting the initial inspection of an applicant’s damaged dwelling where a damage assessment and/or Construction SOW will be completed using the Contractor-provided industry standard residential construction cost estimating software which is inclusive of overhead and profit. HCD will not provide, own, or operate the construction cost estimating software, nor will it be housed on the HCD servers. The inspection will address all environmental on-site requirements necessary to complete the final clearance and allowance for notice to proceed.
- 4) The Construction SOW assessment and environmental review report and clearance must be uploaded in the applicable State-approved system of record for task delivery to be considered complete and prior to construction commencing. HCD will review and approve these documents inclusive of grant award amount. HCD approval must be received prior to applicant construction contract signing and commencement of construction work.
- 5) Additionally, subsequent inspections focused on payment requests for completed work for applicants participating in Solution 2, the Homeowner Managed Solution (see description in Section 5 below), are required. The Construction Scope of Work assessment and environmental review report and clearance must be uploaded in the applicable State-approved system of record for task delivery to be considered complete.
- 6) Prepare plans and design documents for the rehabilitation or reconstruction of damaged dwellings based on the Construction Scope of Work for the Solution 1 and Pathways 1 and 2 (see descriptions in Section 5 below). Review and approve design plans to ensure compliance with all program, federal state and local building standards for Solution 2 projects.
- 7) **FEDERAL ENVIRONMENTAL REVIEW RECORD (ERR) - TIER II SITE SPECIFIC STATE ENVIRONMENTAL REVIEWS PER CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)** The Contractor shall provide the appropriate level of review per state and federal environmental requirements. The Contractor shall ensure that all CEQA reviews are completed within the same timeframes as the HUD mandated environmental reviews. The Contractor will ensure that no construction will commence prior to associated approvals on all required environmental reports.

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- 8) LEAD-BASED PAINT – The Contractor shall be responsible for ensuring lead-based paint has been tested, properly disposed, abated, and/or cleared prior to construction starting on all projects. All lead-based paint work must comply with Federal and state regulations. See 24 CFR Part 35 Subparts B-R for further details.
- 9) ASBESTOS-CONTAINING MATERIALS – The Contractor shall be responsible for the initial screening and inspection of the property prior to work being done to look at the potential for asbestos-containing materials. A higher-level of screening may be needed to determine extent and type of asbestos present. If any kind of renovation is being considered, structures must be inspected and standardized practices that comply with the California Division of Occupational Safety and Health (also known as Cal/OSHA) regulations must be employed if asbestos is found and will be disposed of properly.

B. Tasks to be accomplished under this Agreement will be addressed with associated deliverables, outlined in this Exhibit A (see Section 8. Tasks and Services), performance measures, milestones, and timelines. The Contractor will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks outlined in the CM RFP Scope of Work and assigned under this Agreement. The CM Scope of Work presented here is based upon known circumstances existing currently. ~~No amendment for time, money, and/or scope shall be authorized without an approved Non-Competitive Bid (NCB) Justification by the Department of General Services, Procurement Division (DGS-PD), Dispute Resolution Unit (DRU).~~

C. In addition to HCD-DRS and the HAPM contractor, the CM Contractor will maintain close coordination and cooperation with HCD-DRS's Prime Grant Management Contractor (PGMC) responsible for assisting HCD-DRS with overall grant management technical assistance with the State's CDBG-DR allocations. Communication is anticipated and expected between all parties on a daily basis. The PGMC has been procured via a separate RFP posted on August 13, 2019 and titled "CDBG-DR Prime Grant Management Services," for the purposes of grant administration, technical assistance, developing policies and procedures, monitoring and compliance and performance and process management. The resulting contract is 19-CDBGDR-13032 A1.

5. OOR Program Solutions and Pathways

The 2017 and 2018 OOR Programs will provide eligible homeowners the choice of two (2) Solutions:

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- A. SOLUTION 1. Turnkey (Full Service) solution whereby the Contractor evaluates each eligible, damaged dwelling and creates the Construction Scope of Work, then performs or contracts for all needed services-environmental reviews, lead-based paint and asbestos testing and abatement, construction, etc. to restore the dwelling to minimum OOR program standards as required by state and federal regulations and set forth in the most recent version of Program Policies and Procedures Manual for 2017 and 2018 Disasters. This solution may include a full reconstruction of the dwelling or rehabilitation depending on the state of the home. This solution will also rehabilitate or replace damaged MHUs, oversee demolition and/or haul away services (if necessary), site clearing, site preparation, and installation of new MHU.
- B. SOLUTION 2. Homeowner Managed Construction where the owner has already engaged a construction contractor or chooses to engage in a construction contract independently for the rehabilitation or reconstruction of their damaged dwelling. The Contractor will review applicant-provided plans, construction contracts, and permits to ensure contractors are licensed and not debarred from receiving federal or state funds and the work in place was completed in accordance with state and local building codes. and contractor bids to approve and ensure cost reasonableness, complete milestone inspections, and provide environmental services for the construction of the home.

The 2020 and 2021 OOR Program will provide eligible homeowners the choice of two (2) pathways:

- A. PATHWAY 1. Turnkey (Full Service) pathway whereby the Contractor evaluates each eligible, damaged dwelling and creates the Construction Scope of Work, then performs or contracts for all needed services- environmental reviews, lead-based paint and asbestos testing and abatement, construction, etc. to restore the dwelling to minimum OOR Program standards as required by state and federal regulations and set forth in the most recent version of Program Policies and Procedures Manual for 2020 **and 2021** Disasters. This pathway may include a full reconstruction of the dwelling or rehabilitation depending on the state of the home. This pathway will also rehabilitate or replace damaged MHUs, oversee demolition and/or haul away services (if necessary), site clearing, site preparation, and installation of new MHU.
- B. PATHWAY 2. Mitigation rehabilitation pathway whereby the Contractor will evaluate each eligible dwelling to determine what building components can be added, up to the \$50,000 grant cap, that will assist with bringing the dwelling up

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to Wildland Urban Interface (WUI) building code or greater and create the rehabilitation Scope of Work, then perform or contract for all needed services- environmental reviews, lead-based paint and asbestos testing and abatement, rehabilitation, etc. to meet the WUI building code components or greater as set forth in state or local regulations and in the most recent version of the Owner Occupied Mitigation Program Policies and Procedures Manual for 2020 **and 2021** Disasters. _____

6. OOOR Reconstruction and Rehabilitation Scopes of Work

A. RECONSTRUCTION SCOPE OF WORK

The Contractor will be responsible for a complete reconstruction of the home, either substantially within the same footprint as the prior home or, where permitted, on a different footprint on the same property. The Scope of Work for each reconstructed structure will vary but may include, although not be limited to, the following:

- 1) Obtaining all necessary state and local permits and approvals prior to commencement of the work for each structure;
- 2) Tier 2 Environmental reviews;
- 3) Coordination with the property owner and his/her family from issuance of a work order to obtaining a certificate of occupancy for closing;
- 4) Utility disconnection and deactivation/reconnection and reactivation;
- 5) Demolition of existing structure;
- 6) Debris removal in accordance with all federal, state and local requirements, including all abatement needs. This can include removal of burned trees;
- 7) Providing architectural and house plan renderings, as well as engineering and architectural services;
- 8) Site preparation including fencing removal and replacement;
- 9) Construction of new residential structures in accordance with all applicable local and state, federal, codes and standards and Program Policies and Procedures, including fire mitigation measures;
- 10) Specialty construction elements associated with historic properties,

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- 11) Specialty construction elements associated with Green Building Construction techniques (as required by California Building Code and HUD);
- 12) Accessibility and design of projects to comply with the American with Disabilities Act of 1990 (if applicable) unless a HUD exception applies;
- 13) If necessary, a California Licensed construction General Contractor (GC) will be prepared to assess abatement needs and do any required abatement on existing structures on the project. GC will work with CM on any demolition abatement work to assess whether the full structure should be demolished pursuant to hazardous waste requirements or if only certain sections of the demolished structure should follow hazardous waste requirements. Survey certificate requirements when applicable; and
- 14) Lead, asbestos, radon, and other environmental services, where applicable.

B. REHABILITATION SCOPE OF WORK

It is anticipated that structures eligible for rehabilitation will require an array of repairs ranging from minor to major. The scope of work for each repaired structure will vary, but may include, although not be limited to, the following:

- 1) Obtaining all necessary state and local permits and approvals prior to commencement of the work for each structure;
- 2) Tier 2 Environmental reviews;
- 3) Demolition of damaged interior and exterior materials;
- 4) Foundation leveling, repair, excavation;
- 5) Structural damage repair;
- 6) Building envelope repair, including:
 - a) Roof repair or replacement and addressing any attendant damage, including to shingles, gutters, and shutters
 - b) Door and window replacement/repair, or removal
 - c) Siding/veneer repair or replacement, or removal
 - d) Mechanical (HVAC), replacement of electrical (including panels) and plumbing systems repair, reconfigure, and replacement of drywall repair or replacement;
 - e) Rough and trim carpentry;

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- 7) Surface preparation and painting;
- 8) Flooring repair, replacement/removal;
- 9) Cabinet and appliance repair or replacement;
- 10) Lead-based paint, asbestos and other environmental abatement;
- 11) Specialty construction elements associated with historic properties,
- 12) Fire mitigation and retrofitting measures;
- 13) Specialty construction elements associated with Green Building Construction techniques (as required by California Building Code and HUD);
- 14) Accessibility and design of projects to comply with the American with Disabilities Act of 1990 (if applicable)
- 15) Conducting close-outs for each project, which includes obtaining certificate(s) of occupancy from applicable state and local authorities; and
- 16) Survey certificate requirements when applicable.

C. MHU Acquisition, Delivery and Installation Services

- 1) Based on a scope that meets homeowner needs, provide OOR Program applicants options, as determined by HCD and communicated to Contractor, for two (2), three (3), and four (4)-bedroom MHUs, to be used under Solution 1 or Pathway 1. MHU options must ~~have alternatives to ensure~~ **include wheelchair accessible alternatives and accommodations for households with visual and hearing impairments that meet Americans with Disabilities Act (ADA) standards, where applicable.** ~~ADA compliance and~~ **All MHU options must** meet the California Building Standards Code, ~~Plans must also have Chapter 7A alternatives to meet~~ Wildland-Urban Interface (WUI) building codes **and local building and zoning codes.** ~~for ignition resistant construction in California's Fire Hazard Severity Zones.~~
- 2) Provide labor to carry out acquisition, delivery, and install services for replacement MHUs from the manufacturer or staging area to the site of installation. This includes ensuring all required Department of Transportation hauling permits are obtained by the hauler.
- 3) ~~Provide the capacity and resources to ensure compliance with the Americans with Disabilities Act (ADA), meeting California Building~~

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~~Standards Code, Chapter 7A for Wildland Urban Interface (WUI) for ignition resistant construction; and local building and zoning codes.~~

- 4) Manage and monitor all tiers of subcontractors.

Ensure all staff and subcontractors know and enforce all applicable California Building Standards Code requirements and program policies required by HCD, local jurisdictions, and/or HUD.

7. Contractor's General Requirements for All Solutions

- A. The Contractor will work with the HAPM contractor's case managers to explain homeowner's options regarding the two or three available solutions, so that the homeowner may make an informed decision as to which solution to pursue. The solutions outlined above will be detailed in the OOR Program policies and procedures, (to be provided by HCD-DRS) and HCD-DRS will oversee the decision process.
- B. The Contractor must ensure all staff and subcontractors know and enforce housing policies required by HCD-DRS's OOR Program and HUD (including, but not limited to, those addressing MHUs, minimum standards, mold remediation, lead-based paint, asbestos, Wildland Urban-Interface (WUI) code requirements of the California Building Code - Title 24, Chapter 7A, floodplain requirements, etc.). The CM Contractor must also both ensure and document compliance with these requirements.
- C. The Contractor shall conduct criminal background checks for all personnel to be utilized for the program and ensure that only those who can successfully pass said checks are engaged on the project.
- D. The Contractor shall provide all staff who interface directly with homeowners and subcontractors working outside of established program offices with identification, including a standard color collared shirt and photo identification provided by HCD. The words: 'ReCoverCA Program' and 'Contractor' are required to be clearly visible on both the shirt and photo identification badges, which shall be designed to discourage and reduce chances of counterfeiting.
- E. All Contractor staff and subcontractors meeting with homeowners must possess and present at all times approved work orders showing authorization to survey and conduct work on their homes. Work orders must clearly identify the

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Construction Scope of Work and anticipated timelines for work completion as the CM Contractor must also provide documentation to the homeowner explaining the rights of the homeowner throughout the construction process.

- F. The Contractor will follow the HAPM's escalation and resolution protocol for any homeowner issue resulting from contract operations and engagement and shall keep HCD informed as to the progress of all complaints.
- G. The Contractor will report to the HCD Contract Manager and HCD DRS Branch Chief any evidence of fraud or potential criminal activity by the homeowner as soon as possible but no later than two (2) workdays from discovery.
- H. HCD expects the Contractor to provide competent and qualified staff to work on the scope of services under this Agreement. HCD reserves the right to prohibit unqualified or incompetent staff of the Contractor from assisting with the implementation and administration of the program(s). No key personnel may be assigned to this Agreement without HCD's written consent. The Contractor will be paid at the unit rate listed in Exhibit B for all milestones completed. The Contractor will be required to coordinate with HCD on staffing during recognized State and Contractor holidays.
- I. All members of the CM Contractor's team performing construction work and/or running construction crews must be licensed as either Class "B" or Class "C", as appropriate for the work being performed, by the California Contractors State License Board (CSLB).

8. Tasks and Services

This section provides a detailed list of tasks and services the Contractor will be responsible for providing under this Agreement. The Contractor will be responsible for entering information and uploading documents related to these tasks in the applicable State-approved system of record, on a daily basis. At the direction of the State Program Manager (SPM) or designee, the Contractor will be responsible for performing the tasks identified below which may include, but are not limited to, the following:

- A. Task 1 – Administrative Requirements
- B. Task 2 – Operational Requirements
 - 2.1. Design Review and Approval
 - 2.2. MHU Repairs, Site Preparation, and MHU Installation
 - 2.3. Inspections and Construction Scope of Work
 - 2.4. Environmental Review Requirements

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- 2.5. Inspectors and Estimators
 - C. Task 3 – Close-Out
 - 3.1. Final File Disposition/Inspections of Construction Complete
 - 3.2. Record Keeping
 - D. Task 4 – Reporting
 - 4.1. Progress Reporting – Weekly and Monthly
 - 4.2. Deliverables
- A. Task 1: Administrative Requirements
- 1) Complete the hiring of at least 40% of the personnel (including personnel of subcontractors) within thirty (30) days of the Effective Date required to operate the programs. All contractors are required to comply with all state and federal labor wage requirements.
 - 2) Enter into contracts with all subcontractors required to operate the program within thirty (30) business days of the Effective Date of this Agreement. All contracts must adhere to federal procurement standards.
 - 3) Prepare all electronic documents with necessary privacy protections that are AB 434 (Assembly Bill No. 434 (2017-2018 Reg. Sess.) §1) (State Web Accessibility) and Section 508 (of the Rehabilitation Act) compliant.
 - 4) Within the full program policies and procedures manual (to be provided by HCD-DRS), provide guidance and direction to be included in the policies and procedures for:
 - a) Determining Construction Scope of Work required for construction completion (in coordination with the HAPM contractor),
 - b) Approval of plans to ensure reconstructions meet all program design standards (Homeowner-Managed Construction Solution 2),
 - c) Procedure for construction inspections management and oversight,
 - d) State the industry standard residential construction cost estimating software being utilized, to ensure standard grade costs are being used, for the Construction Scope of Work,
 - e) Program Minimum Design Standards, and
 - f) Procedures for construction closeout.
 - 5) At the request of HCD/HCD-DRS, make senior managers of the Contractor and subcontractor firms available for media interviews,

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meetings with federal officials, and other necessary external meetings, each instance of which must be requested by and/or approved by a designated representative of HCD.

- 6) Any other unforeseen tasks deemed mission-critical by HCD.
 - 7) Contractor must use the applicable State-approved system of record to implement and operate the Construction, Design-Build, Management Services for the program. Use of the system will include but is not limited to data entry, uploading documents, and tracking project progress.
 - 8) Contractor must set up a profile in and use Grants Network (Grant Management System) to manage this Agreement and submit invoices for payment and monthly activity reports. HCD will provide training to Contractor on this system.
- B. Task 2: Operational Requirements

2.1. Design Review and Approval

- 1) Approval of design plans for rehabilitation and reconstruction to ensure compliance with all Program, federal, state, and local building standards and requirements.
- 2) Provide design plans for two, three, and four-bedroom homes to be used under 2017/2018 Solution 1 and 2020/**2021** Pathway 1. Plans must have alternatives to ensure ADA compliance and meet the California Building Standards Code. Plans must also have California Building Standards Code, Title 24, Chapter 7A listed building alternatives to meet Wildland-Urban Interface (WUI) building codes requirements for ignition resistant construction.
- 3) Provide a team of licensed, bonded, and insured contractors to provide construction services for those applicants who choose Solution 1 or 2.
- 4) Provide the industry standard residential construction cost estimating software.
- 5) Subcontract with entities that have experience and expertise working with MHUs. This experience should include, but not be limited to site

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preparation, installation of new, compliant MHUs, and all site work and compliance with local codes and permitting requirements.

- 6) Oversee program operations and administration related to the construction management services to meet the performance measures, and timelines prescribed for all program solutions.
- 7) Provide status reports to HCD that reflect the major activities for the reporting period as specified by HCD-DRS for internal reporting related to project milestones and HUD-related reporting (e.g. monthly, quarterly).
- 8) Communicate proposed quality assurance/quality control procedures and potential program risks, issues, statuses, recommendations, and resolutions to HCD.
- 9) Scale staff to efficiently run the Program.
- 10) Coordinate with HCD-DRS and other external entities, to conduct research and provide information related to the program.

2.2. MHU Repairs, Site Preparation, and MHU Installation

- 1) Obtain all permits for demolition, if applicable, and setting of the new MHU unit (including any separately filed permits for applicable site work) and supply copies of progress reports and issuance of certificate of occupancy to the HAPM contractor.
- 2) Provide rehabilitation services for MHUs that qualify under the Program.
- 3) Prepare the site to allow for the installation of the new unit. Site work will include the removal of any obstructive landscaping, leveling of site, fill, or drainage modifications (including the installation of a driveway culvert, drainpipe and/or apron if required for the permit).
- 4) Perform installation and immobilization services for the MHU following delivery including, but not limited to, repairing or replacing footings, perimeter supports, piers, anchoring and skirting, completing stairs and landings (or handicap accessible ramps as required), handrails, guardrails, and connection to all utilities. All installation and immobilization services must be in accordance with HUD MHU Home Installation Standards as required by 24 CFR Part 3285 and follow any more

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restrictive requirements that may be detailed by state or local building codes or specific park locations.

- 5) Install air conditioning systems (type of air conditioning system is to be determined).
- 6) Include re-grading of driveway and installation of new gravel as needed from apron to unit, and

7) MHU Specifications:

The selected Contractor shall provide single-wide, double-wide, and triple-wide MHUs with the following specifications:

- a) General
 - Compliance with Title 24, Code of Federal Regulations, Part 3280 – Manufactured Home Construction and Safety Standards. All MHUs shall also be in compliance with any state or local building codes that exceed Federal requirements for MHU unit construction, including Wildland-Urban Interface codes in the California Code of Regulations, Title 25m Article 2.3. (<https://www.hcd.ca.gov/building-standards/state-housing-law/wildland-urban-interface.shtml>)
 - Provide single-wide, double-wide and triple-wide units
 - Option for units compliant with American Disabilities Act may be required including, but not limited to, (wheelchair accessible doorways, kitchen and bathroom(s)).
- b) Floor
 - Living room/bedrooms: Carpet
 - Kitchen/bathrooms: Vinyl
- c) Exterior
 - Siding material: Wildland-Urban Interface (WUI)-compliant material
 - Sheathing: Standard Grade but must meet WUI standards if different than standard grade.
 - Color: Factory Select or per site specifications as required.
 - Shutters: None
- d) Windows and Doors

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- Windows: Windows and storm windows that meet HUD's Thermal Zone 2 requirements
 - Front Door: Doors that meet HUD's Thermal Zone 2 requirements w/ storm
 - Rear Door: Out swing door that meets HUD's Thermal Zone 2 requirements
- e) Roof/Ceiling
- Roof material: Minimum 20-year shingles
 - Insulation: Blown cellulose or fiberglass batting
 - Ceiling slope: Flat
- f) Plumbing
- Kitchen sink: Drop-in stainless-steel double bowl
 - Bathroom sinks: Standard Grade
 - Faucets: Standard Grade
 - Water heater: Electric
- g) HVAC
- Heat: Electric with a gas option
 - Air Conditioning (AC): Provide option for external electrical circuit for condensing unit (if being provided by the Program, installation of the AC system will be provided by the CM Contractor).
- h) Electrical
- Load Center: 200-amp service, but 100 amp will be allowed when gas option ordered – gas range and gas furnace.
 - Interior Receptacles and Switches: White/factory select
 - Phone Jack: None
 - AC: Conduit
- i) Interior Features/Appliances
- Cabinets: Medium-Density Fiberboard
 - Countertops: Formica
 - Backsplash: None
 - Refrigerator: 20 cu. ft. minimum
 - Range: Electric (Gas Optional)
 - Range hood: 30"-wide hood

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- j) Thermal
 - Doors, windows, and insulation that meets the Thermal Zone II requirements.

- k) Fire Safety
 - An interior Fire Sprinkler System that meets the California Code of Regulations, Title 25, § 4302 (1).
 - Meet Wildland-Urban Interface (WUI) standards for ignition resistant construction in California's Fire Hazard Severity Zones

2.3. Inspections and Construction Scope of Work

HCD anticipates the following inspections will be required, at a minimum:

- 1) Initial damage inspection: Involves the initial inspection of an applicant's damaged dwelling where a damage assessment and/or complete Construction Scope of Work will be completed using web-based, industry standard residential construction cost estimating software. The inspection should also address all environmental on-site requirements necessary to complete the final clearance and allowance for notice to proceed. The Construction Scope of Work and environmental review report and clearance must be uploaded into the applicable State-approved system of record for task delivery to be considered complete. The CM Contractor shall complete the first initial damage inspection within sixty (60) calendar days of the start date of this Agreement. All subsequent initial damage inspections shall be completed within thirty (30) calendar days of the order date.

- 2) Plan/Design Review: Review and approval of the plans/design documents for the reconstruction or rehabilitation (if needed) under Solutions 1, Solution 2, Pathway 1 and Pathway 2 (if needed). The CM Contractor shall complete and receive approval of the plans/design documents for reconstruction or rehabilitation within sixty (60) calendar days of completion of the initial damage inspection.

- 3) Construction Inspections **and Wildfire Prepared Home Designation (2020 and 2021 programs only)**: Subsequent inspections focused on the contractual draw requests for applicants participating in Solution 1 or Solution 2, Pathway 1 or Pathway 2 are required. The inspection schedule is based on the Solution/Pathway and construction schedules. **CM completes all tasks required to achieve Wildfire Prepared Home designation upon completion of each unit including but not limited**

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to: completing the application, coordinating with the homeowner and Wildfire Prepared Home inspector and paying any associated fees.

All inspections **and fees** will be paid out at the unit rate identified in Exhibit B.

- 4) Final Inspections: CM conducts final inspections for all Solution 1, Solution 2, Pathway 1 and Pathway 2 rehabilitation and reconstruction projects when construction has been completed. CM schedules post-installation final inspections for MHUs with HCD-DRS.

2.4. Environmental Review Requirements

- 1) Complete federal Tier II site-specific environmental reviews (Tier II) for each project. The Contractor shall ensure that all CEQA reviews are completed within the same timeframes as the HUD mandated environmental reviews.
- 2) Contractor and/or its subcontractors shall provide an archaeology sensitivity model in Butte County and Lake County to expedite the State Historic Preservation Office (SHPO) consultation as required for the Tier II.
- 3) Contractor and/or its subcontractors shall provide federal environmental subject matter expertise to support development of the Program's revised Tier 1 environmental assessment, SHPO programmatic agreement, SHPO and tribal consultation templates, and coordination with SHPO and tribal outreach, as needed.
- 4) For each Tier II, Contractor and/or its subcontractors shall assign a Secretary of the Interior-qualified professional archaeologist to prepare and verify the level of effort and documentation to obtain Section 106 compliance. This may include evaluating the physical site location or using inspection report data or public records to complete an assessment of the parcel's architectural history and archaeology and responding to questions asked by SHPO, HCD or other stakeholders on the submitted documentation.
- 5) For each Tier II, Contractor and/or its subcontractor shall assign a qualified professional biologist to prepare and verify the level of effort and documentation required to obtain compliance with federal and state threatened and endangered species review requirements. This may include accessing and reviewing the Information for Planning and Consultation (IPaC), California Natural Diversity (CNDDB) and/or

EXHIBIT A

California Native Plant Society (CNPS) databases to complete an assessment of the parcel's potential effect on state and federally protected species, developing mitigation efforts if needed, and responding to questions asked by HCD or other stakeholders on the submitted assessment.

- 6) Submit completed Tier IIs to HCD for Certifying Officer approval and sign off. Make any necessary revisions to the Tier IIs as required by the Certifying Officer. The Contractor will ensure that no construction will commence prior to associated approvals on all required environmental reports.

2.5. Construction Warranty

In accordance with California Civil Code 900, a builder shall provide a homebuyer with a minimum one-year express written limited warranty covering the fit and finish of the following building components:

- Cabinets
- Mirrors
- Flooring
- Interior and Exterior Walls
- Countertops
- Paint Finishes
- Trim

Building contractors for Solution 1, Solution 2, Pathway 1, and Pathway 2 projects must provide all express warranties prior to the inspector signing a final inspection form. Photographs of the construction work must be taken for documentation purposes. Homeowners must be provided with a warranty information binder detailing building warranties. Homeowners must also be provided instruction booklets and information for warranted items, such as appliances, that are not the Contractor's responsibility. The homeowner will be asked to sign an acknowledgement form indicating that they have reviewed warranties with their building contractor.

2.5 Environmental Review Requirements

- 1) Complete HUD mandated Environmental Reviews per 24 CFR Part 58, for the OOR Program.

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- 2) The CM Contractor will provide Tier II reviews as appropriate. (A Tier II Site Specific Review for Properties is also referred to in this document as a Tier II review). The CM Contractor shall ensure that all Tier II reviews are completed within forty-five (45) calendar days or less from the time the Tier II review is ordered unless agreed to by HCD and the CM Contractor. HCD has begun the Tier I process for the OOR Program and anticipates the NEPA Tier 1 environmental reviews will be complete when the CM Contractor is brought on board.
- 3) Complete State-mandated Environmental Reviews per California Environmental Quality Act (CEQA), for the ReCoverCA OOR Program (unless projects are determined to be exempt by HCD-DRS). The CM Contractor will provide the appropriate level of review as needed for the program. The CM Contractor shall, if applicable, ensure that all CEQA reviews are completed within the same timeframes as the HUD mandated environmental review. The expectation is that both reviews will be completed concurrently. For more information see: <http://opr.ca.gov/clearinghouse/ceqa/> Assist in the Coordination with oversight/regulatory agencies etc. for permits and/or compliance resolution. The Contractor shall consult with all required reviewers and agencies regarding the receipt of all necessary documents and permits for compliance. This shall include liaison to resolve HUD Section 106 review and requirements between the homeowner, the State Historic Preservation Office (SHPO) and the California Native American Commission (NAHC) as needed. <https://www.ca.gov/agency/?item=Native-American-Heritage-Commission>
- 4) Perform lead-based paint inspections and risk assessment when required.
- 5) Complete initial screening and inspection of the property prior to work being done to look at the potential for asbestos containing materials. A higher-level of screening may be needed to determine extent and type of asbestos present. If any kind of renovation is being considered, structures must be inspected and standardized practices that comply with the Cal/OSHA regulations must be employed if asbestos is found that may be disbursed into the air. Make certain that contract specifications and documents address these practices and include inspection, testing, removal and final clearance procedures that meet or exceed applicable health codes. The regulatory requirements apply to worker exposure to asbestos, procedures for abating asbestos when a building undergoes rehabilitation and disposal of asbestos containing materials.

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- 6) The Contractor shall coordinate and consult with, follow all guidance provided by, and report regularly to, HCD-DRS and HUD environmental officials. Reporting requirements shall be completed on a monthly basis by the Contractor. This monthly report shall detail the status of each work order, showing the percent complete and any outstanding items.
- 7) Liaise with agencies as necessary to facilitate environmental reviews.
- 8) Any other job duty that relates to 24 CFR Part 58 HUD Environmental or CEQA requirements.

2.6. Inspectors and Estimators

- 1) Inspectors and/or estimators will develop, using both the web-based construction job analysis and cost estimator software and the OOR Program policies and procedures, the repair and reconstruction scope of work and cost estimate for each damaged dwelling. The CM Contractor will provide a web-based construction job analysis and industry-standard cost estimation software, and the CM Contractor, HAPM contractor, and HCD-DRS will mutually agree to all optional and site-specific factors. The Contractor, HAPM contractor, and HCD-DRS will also mutually agree on reasonable timelines for initiating and completing work within OOR Program requirements.
- 2) Coordination with the HAPM contractor, and specifically case managers, to explain to the homeowner, if needed, what work is eligible for the Program. The CM Contractor shall coordinate with the case managers to obtain all necessary documentation, as defined by HCD, as evidence of disaster related damages. Any damages identified will be included in the Estimated Cost to Repair (ECR), which is used to determine the construction pathway and associated Scope of Work.
- 3) The CM Contractor shall coordinate with the homeowner and case manager to conduct a pre-award site initial inspection of each damaged dwelling for purposes of completing a damage assessment. This assessment will determine the cost to rebuild (square footage assessment) or the ECR for use in the Construction Scope of Work to restore the home to the HCD-DRS approved standards. The initial inspection combined with the ECR is used by the program to determine the approved construction pathway. Estimates shall be developed using the web-based construction job analysis and cost estimating software, which will provide the maximum Construction Scope of Work calculation.

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The CM Contractor will then monitor construction efforts and certify that work that was done was within the approved parameters of the Construction Scope of Work.

- 4) Track and record GPS coordinates for all inspections.
 - 5) Complete turnkey construction services for Solution 1, Pathway 1, and Pathway 2 Projects including construction contractor selection, construction inspections, and contractor oversight throughout the construction process.
 - 6) Provide construction advisory services to homeowners (Solution 2) including but not limited to: Pre-bid meeting; construction contractor selection; review and approval of bids; provide template contracts; draw inspections and sign-off of completed work.
- C. Task 3 – Close Out
- 3.1. Final File Disposition/Inspections of Completed Construction
- Completion of the following for all Solution 1 and 2 projects:
- 1) Certificate of occupancy;
 - a. Solution 1/Pathway 1/Pathway 2: CM Contractor completes the project to certificate of occupancy, including all construction management and general contractor activities necessary to complete the project for household occupancy.
 - b. Solution 2: CM Contractor confirms, in the role of construction manager, that the general contractor hired by the homeowner, or the homeowner acting as an owner-builder as defined by the California State License Board has completed the project to certificate of occupancy.
 - 2) Final NEPA Environment Review Record, the written environmental review record or file, clearance and CEQA clearance as outlined in section 2.4 (if required);
 - 3) Verify passing of state and local permit inspections;
 - 4) Homeowner repair/reconstruction warranty execution; and
 - 5) Homeowner and/or HCD Section Chief or above certification that work is complete per applicant construction contract.

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The CM Contractor may bill for this unit along with the agreed fee based on the Construction Scope of Work once all of the following is completed: the completion of the construction work, homeowner approval of all work, the Certificate of Occupancy has been received and filed with the Program, and the national objective has been met.

3.2. Record Keeping

During all phases of the project, the CM Contractor shall maintain copies of all documents and construction reviews. The project files must be well organized and indexed for easy access. These documents consist of:

- 1) Studies
- 2) Formal design submissions
- 3) Corresponding design review reports
- 4) Minutes from formal design meetings
- 5) Final cost estimate
- 6) Modifications to the Construction Scope of Work
- 7) Documentation of clarifications and decisions
- 8) General Correspondence
- 9) Other records and documents as required by HUD for CDBG-DR funded projects, and other records in a format and storage location acceptable to HCD for a duration of time that is compliant with CDBG requirements.

D. Task 4 – Reporting

4.1. Progress Reporting- Weekly and Monthly

An executive summary prepared by the CM Contractor, consisting of a one-page overview of the week's progress.

- 1) Create reports to track performance, inventory, staffing levels and status of homeowners throughout the construction process.
- 2) Create charts and maps of designated areas as requested by HCD-DRS.
- 3) Summary of the week's major milestones (planned and actual).
- 4) A cost summary, covering base contracts, contract modifications, claims, and other cost issues.

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- 5) Critical issues or synopsis of important problems and issues HCD-DRS should be made aware of.
- 6) Minutes of meetings held during the week.

Monthly progress reports shall describe and summarize the activities and progress of the month, highlighting areas of concern, and making recommendations for corrective action. These reports must include:

- 1) Master project schedule, with updates and revisions.
- 2) Key milestones, including a discussion of issues affecting the schedule.
- 3) Work-in-place, or percentage of construction planned and actual.
- 4) Monthly cost status, including contract modification and claims summaries.
- 5) Inspection report, including deficiencies identified and status of corrective actions.
- 6) Significant issues, problems and questions resolved and pending, including recommendations for resolution.
- 7) Monthly progress photos.
- 8) A look ahead to next month's activities.
- 9) Other related information as requested or required by HUD or HCD.

4.2. Deliverables

- 1) The CM Contractor shall work with HCD-DRS management and HCD's PGMC consultant to determine which metrics shall be measured and monitored for adequate Agreement performance. The Contractor should also develop processes and systems for routinely measuring and reporting deliverables and evaluation results. These processes should also include goal setting and process improvement to foster a continuous evaluation and improvement of environment.
- 2) FEDERAL ENVIRONMENTAL REVIEW RECORD (ERR) - Tier II Site-Specific environmental review, completion of the Tier II report includes all travel costs, travel time and other expenses. See 24 CFR Part 58, Subparts D and E for further details.
- 3) STATE ENVIRONMENTAL REVIEWS PER CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) - The Contractor will provide

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the appropriate level of review as needed (unless determined exempt by HCD-DRS). The Contractor shall ensure that all CEQA reviews are completed within the same timeframes as the HUD mandated environmental reviews. The expectation is that both reviews will be completed concurrently. For more information see:
<https://opr.ca.gov/ceqa/guidelines/>

- 4) LEAD-BASED PAINT - The CM Contractor will be responsible for ensuring lead-based paint has been tested, properly disposed, abated, and/or cleared prior to construction starting on all projects. See 24 CFR Part 35 Subparts B-R for further details.
- 5) ASBESTOS-CONTAINING MATERIALS - The CM Contractor will be responsible for the initial screening and inspection of the property prior to work being done to look at the potential for asbestos-containing materials. A higher-level of screening may be needed to determine extent and type of asbestos present. If any kind of renovation is being considered, structures must be inspected and standardized practices that comply with Cal/OSHA regulations must be employed if asbestos is found and is to be disposed of properly.

E. Task 5 – Subject Matter Expert Support

5.1 Services

The CM Contractor shall provide the following subject matter expert support, as needed:

- 1) **Special review and analysis of program and project documents, including but not limited to: budgets, timelines, and scopes of work, to ensure alignment with CDBG-DR regulations and Program policies.**
- 2) **Review and provide guidance on program policies such as structure eligibility, minimum design standards, environmental review procedures and scope of work development. This may include participating in special meetings with program staff and/or external stakeholders to further develop policies and approaches to specific program or project challenges.**

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- 3) **Participate in monthly meetings with staff and stakeholders to discuss CDBG-DR program requirements and project implementation.**

The CM Contractor must submit official timesheets for every person included on an invoice for which subject matter expert time is being billed. The timesheet must clearly show the worker's name, hours worked each day and a description of work completed. Generally, this is shown as a grid with column headings such as: Date, Employee, Description of Work, and Hours. Timesheets must be signed by the employee and their supervisor.

9. Effective Date and Term

A. This Agreement is effective June 21, 2021 through ~~June 30, 2025~~ **December 31, 2027** ("Effective Date") with ~~(5) five~~ **three (3)** optional one (1) year extensions, not to exceed a total of nine (9) years. ~~Upon approved NCB Justification by DGS-PD, DRU and the approval of the State Program Manager,~~ **The** Contract Manager may exercise the optional years in varying increments at the same rates as submitted in response to the RFP, ~~with the final contract amendment approval by DGS.~~ So, for example, the Contract Manager may choose to extend the term of this Agreement by two or four years, etc. No services shall be provided before approval by **HCD** DGS, or after the termination date.

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BUDGET DETAIL AND PAYMENT PROVISIONS

1. Agreement Amount

The total amount of this Agreement shall not exceed \$269,018,241.00.

2. Budget Detail

COST YEARS 1-3 (6/21/21 – 6/21/24)

Per Grant Award (Unit) Cost - Quantities and contract values will vary depending on program conditions and available funds.			
	Quantity	Unit Rate	Total Cost
Initial Home Inspection and Estimate	1,824	\$1,800.00	\$3,283,200.00
<u>Wildfire Prepared Home Designation</u>	<u>95</u>	<u>\$1,800.00</u>	<u>\$171,000.00</u>
Labor costs for: Conventional Construction Design-Build, Acquisition Services for Replacement MHU's including Site preparation, Installation, and Construction Management (includes Installation Management)	1,824	\$28,000.00	\$51,072,000.00
Construction Hard Costs (materials and labor)**	1	\$203,119,956.00 \$207,528,431.00	\$208,389,956.00 \$207,528,431.00
Interim and Final Inspections	2,645	\$750.00	\$1,983,750.00
Tier 2 Environmental Review – Solution 1 or 2 applications within archaeology sensitivity model	800	\$1,600.00	\$1,280,000.00
Tier 2 Environmental Review - Solution 1 applications outside of Archaeology Sensitivity Model, not in Mobile Home Parks and/or outside original footprint	500	\$2,100.00	\$1,050,000.00
Tier 2 Environmental Review - Solution 1 applications outside of Archaeology Sensitivity Model, in Mobile Home Parks and/or inside original footprint	400	\$1,300.00	\$520,000.00
Tier 2 Environmental Review – Solution 1 applications relocating to new parcel	160	\$2,900.00	\$464,000.00
Archaeology Sensitivity Model (Butte and Lake)	2	\$21,280.00	\$42,560.00
Section 106 Support	300	\$218.00	\$65,400.00
Threatened/Endangered Species Support	300	\$218.00	\$65,400.00

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Subject Matter Expert Support	350 <u>5,000</u> hours	\$148.50	\$51,975.00 <u>\$742,500.00</u>
Lead-Based Paint Test and Inspection	375	\$1,000.00	\$375,000.00
Asbestos Test and Inspection	375	\$1,000.00	\$375,000.00
YEARS 1-3 TOTAL COST*			\$269,018,241.00

*This is an all-inclusive contract. HCD will not reimburse for any travel or other direct costs.

**Administrative costs will not be billed against this line item.

~~No amendment for time, money, and/or scope shall be authorized without an approved NCB Justification by Department of General Services Procurement Division (DGS-PD), Dispute Resolution Unit (DRU).~~

~~UPON APPROVED NCB AMENDMENT, YEARS 4-6 (6/22/24 – 6/22/27) SHALL BE AT THE RATES OUTLINED BELOW., NOT TO EXCEED \$62,994,050.00.~~

Per Grant Award (Unit) Cost - Quantities and contract values will vary depending on program conditions and available funds.			
	Quantity	Unit Rate	Total Cost
Initial Home Inspection and Estimate	1,824	\$1,800.00	\$3,283,200.00
<u>Wildfire Prepared Home Designation</u>		<u>\$1,800.00</u>	
Labor costs for: Conventional Construction Design-Build, Acquisition Services for Replacement MHU's including Site preparation, Installation, and Construction Management (includes Installation Management)	1,824	\$29,400.00	\$53,625,600.00
Interim and Final Inspections	2,645	\$750.00	\$1,983,750.00
Tier 2 Environmental Review – Solution 1 or 2 applications within archaeology sensitivity model	800	\$1,600.00	\$1,280,000.00
Tier 2 Environmental Review - Solution 1 applications outside of Archaeology Sensitivity Model, not in Mobile Home Parks and/or outside original footprint	500	\$2,100.00	\$1,050,000.00
Tier 2 Environmental Review - Solution 1 applications outside of Archaeology Sensitivity Model, in Mobile Home Parks and/or inside original footprint	400	\$1,300.00	\$520,000.00
Tier 2 Environmental Review – Solution 1 applications relocating to new parcel	160	\$2,900.00	\$464,000.00

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<u>Archaeology Sensitivity Model (Butte and Lake)</u>		<u>\$21,280.00</u>	
<u>Section 106 Support</u>		<u>\$218.00</u>	
<u>Threatened/Endangered Species Support</u>		<u>\$218.00</u>	
<u>Subject Matter Expert Support</u>		<u>\$148.50/hr</u>	
Lead-Based Paint Test and Inspection	375	\$1,050.00	\$393,750.00
Asbestos Test and Inspection	375	\$1,050.00	\$393,750.00
<u>YEARS 4-6 TOTAL COST*</u>	<u>TBD</u>		<u>TBD</u>

*This is an all-inclusive contract. HCD will not reimburse for any travel or other direct costs.

UPON APPROVED NCB AMENDMENT, YEARS 7-9 (6/23/27 – 6/23/30) SHALL BE AT THE RATES OUTLINED BELOW., NOT TO EXCEED \$65,807,550.00

Per Grant Award (Unit) Cost - Quantities and contract values will vary depending on program conditions and available funds.			
	Quantity	Unit Rate	Total Cost
Initial Home Inspection and Estimate	1,824	\$1,800.00	\$3,283,200.00
<u>Wildfire Prepared Home Designation</u>		<u>\$1,800.00</u>	
Labor costs for: Conventional Construction Design-Build, Acquisition Services for Replacement MHU's including Site preparation, Installation, and Construction Management (includes Installation Management)	1,824	\$30,900.00	\$56,361,600.00
Interim and Final Inspections	2,645	\$750.00	\$1,983,750.00
Tier 2 Environmental Review – Solution 1 or 2 applications within archaeology sensitivity model	800	\$1,650.00	\$1,320,000.00
Tier 2 Environmental Review - Solution 1 applications outside of Archaeology Sensitivity Model, not in Mobile Home Parks and/or outside original footprint	500	\$2,100.00	\$1,050,000.00
Tier 2 Environmental Review - Solution 1 applications outside of Archaeology Sensitivity Model, in Mobile Home Parks and/or inside original footprint	400	\$1,300.00	\$520,000.00
Tier 2 Environmental Review – Solution 1 applications relocating to new parcel	160	\$2,900.00	\$464,000.00

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<u>Section 106 Support</u>		<u>\$218.00</u>	
<u>Threatened/Endangered Species Support</u>		<u>\$218.00</u>	
<u>Subject Matter Expert Support</u>		<u>\$148.50/hr</u>	
Lead-Based Paint Test and Inspection	375	\$1,100.00	\$412,500.00
Asbestos Test and Inspection	375	\$1,100.00	\$412,500.00
<u>YEARS 7-9 TOTAL COST*</u>	<u>TBD</u>		<u>TBD</u>

*This is an all-inclusive contract. HCD will not reimburse for any travel or other direct costs.

3. Invoicing and Payment

- A. Contractor shall invoice on a unit basis **or hourly basis, depending on the budget line cost being invoiced and in accordance with the per unit and per hour fees above**, with the total of all invoices not to exceed the amounts shown above.
- B. Contractor shall submit invoices in arrears either on a bi-weekly or monthly interval.
- C. For services satisfactorily rendered, and upon receipt and approval of the invoices, HCD agrees to compensate the Contractor the invoiced amount.
- D. Invoices must include this Agreement number and a Purchase Order number. The Purchase Order number will be provided at a later time by the Contract Manager. A handwritten Agreement number is not acceptable.
- E. Invoices Submission for Contracts Managed Through Grants Network:
 - 1) The Contractor must set up an account in the Grants Network system at www.gn.ecivis.com. The program link will be provided after this Agreement is executed.
 - 2) Invoices shall be submitted through the Contractor's Grant Network account and will include all supporting documentation as an upload in the Financial Report (i.e. reimbursement request).
 - 3) Supporting documentation must include:
 - a) Invoice summary which includes:
 - Performance period,
 - Contract number,
 - Purchase Order number, and

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- The total amount being invoiced.
- b) A clear crosswalk of deliverables/accomplishments for which work is being billed, with a narrative explaining what work was done during the time being billed. Generally, this is shown as a grid with column headings such as: Deliverable, Date, Task, and Description of Services/Deliverable, as appropriate.
- c) **Timesheets, as appropriate.**
 - **Official timesheets must clearly show the worker's name, hours worked each day and a description of work completed. Generally, this is shown as a grid with column headings such as: Date, Employee, Description of Work, and Hours. Timesheets must be signed by the employee and their supervisor.**

4. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the contract, this Agreement shall be of no further force and effect. In this event, HCD shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement. Work assigned by HCD that is in-process and/or completed by the CM Contractor as of the effective date of any Budget Act amendment will be paid to contractor regardless of the Budget Act updates.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this contract, HCD shall have the option to either cancel this Agreement with no liability occurring to HCD other than as described herein, or offer an agreement amendment to Contractor to reflect the reduced amount. Work assigned by HCD that is in-process and/or completed by the CM Contractor will be paid to contractor regardless of the Budget Act updates.

5. Prompt Payment Clause

Payment will be made in accordance with Chapter 4.5 (commencing with Section 927) of Part 3 of Division 3.6 of Title 1 of the Government Code.

EXHIBIT D

HCD ADDITIONAL CONTRACT TERMS AND CONDITIONS

~~PERSONAL/CONSULTING SERVICES (Rev. 10/28/2020)~~

1. Interpretation

In the interpretation of this Agreement, any inconsistencies between the State of California General Terms and Conditions (GTC - 04/2017) and the terms of this Agreement and exhibits or attachments shall be resolved in favor of the GTC – 04/2017.

In the event of any conflict between the terms of this Agreement and any exhibits or attachments incorporated by reference into this Agreement including, but not limited to, Contractor's submittal dated October 30, 2020 in response to the RFP 20-CDBGDR17-002 Full-Service CDBG-DR Construction Management and Delivery Services ("RFP")(See Exhibit E), and that certain "Questions and Answers" document for the RFP dated October 9, 2020 (See Exhibit F), the terms of this Agreement shall control.

2. Publications and Reports

A. Unless otherwise provided for in this Agreement, Contractor shall:

- 1) Incorporate any comments or revisions required by HCD into any publication or report and shall not publish any material until it receives final written HCD approval from the Contract Manager.
- 2) Furnish one copy of each publication and report required plus one reproducible original. Any publication or report produced in PDF must be supplied to HCD in an unlocked, Word or Excel format.

B. Illustrations, maps and graphs in summaries and publications and reports shall be developed in a manner which allows the complete illustration to be contained on a single 8-1/2 by 11 page unless specific written approval is given to the contrary.

C. Graphs, illustrations and printed materials shall be printed in a single color throughout each publication unless prior written HCD approval is granted.

D. Contractor's name shall appear only on the cover and title page of publications and reports and summaries. Covers and title pages will read as follows:

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
TITLE OF PUBLICATION
BY (CONTRACTOR)

E. HCD retains ownership of and reserves the right to use and reproduce all publications and reports and data produced and delivered pursuant to this Agreement.

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F. If the publication and/or report are prepared by nonemployees of HCD, it shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of the report in a separate section of the report (Government Code Section 7550).

3. Progress Reports

Except as otherwise specified, in writing, by HCD, Contractor shall provide a progress report in writing once a month. This progress report shall include, but not be limited to, a statement that the Contractor is or is not on schedule, any pertinent reports or interim findings, and an opportunity to discuss any difficulties or special problems so that remedies can be developed as soon as possible.

4. Presentation

Upon HCD's request, Contractor shall meet with HCD to present any findings, conclusions and recommendations required per this Agreement.

5. Report Delivery

All reports, or other communications except invoices, are to be delivered to the Contract Manager, as outlined in Exhibit A.3.

6. HCD Staff

HCD staff shall be permitted to work side by side with Contractor's staff to the extent and under conditions that may be directed by the Contract Manager. In this regard, HCD staff will be given access to all data, working papers, etc., which Contractor may seek to utilize.

7. Confidentiality of Data and Documents

- A. Contractor will not disclose data or documents or disseminate the contents of the final or any preliminary report without the express prior written permission of the Contract Manager.
- B. Permission to disclose information or documents on one occasion, or public hearings held by HCD relating to the same, shall not authorize Contractor to further disclose such information or documents on any other occasion.
- C. Contractor will not comment publicly to the press or any other media regarding its data or documents, or HCD's actions on the same, except to HCD staff, Contractor's own personnel involved in the performance of this Agreement, or at a public hearing, or in response to questions from a legislative committee.
- D. If requested by HCD, the Contractor shall require each of its employees or officers, who will be involved in the performance of this Agreement, to agree, in

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- writing, to the above terms in an HCD approved form. Contractor shall supply HCD with evidence of the employee or officer's signature on the HCD form.
- E. To the extent that HCD has approved the use of subcontractors in this Agreement, Contractor shall include in its agreements with each approved subcontractor the foregoing provisions related to the confidentiality of data and the non-disclosure of the same.
 - F. Contractor may, at its own expense, and upon written approval by the HCD Contract Manager, publish or utilize, 90 days after any data or document submittal to HCD per this Agreement has become a part of the public record and shall include the following legend:

Legal Notice

This report was prepared as an account of work sponsored by HCD but does not necessarily represent the views of HCD or any of its employees except to the extent, if any, that it has formally been approved by HCD. For information regarding any such action, communicate directly with HCD at P.O. Box 952050, Sacramento, California, 94252-2050. Neither HCD nor the State of California, nor any officer or employee thereof, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document, nor does any party represent that use of the data contained herein would not infringe upon privately owned rights.

8. Provisions Relating to Data

- A. "Data" as used in this Agreement means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may be, for example, document research, experimental, developmental or engineering work; or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by this Agreement. The data may be graphic or pictorial delineations in media, such as drawings or photographs, charts, tables, mathematical modes, collections, extrapolations of data or information, etc. It may be in machine form, punched cards, magnetic tape, computer printouts, or retained in computer memory.
- B. "Proprietary data" is such data as the Contractor has identified in a satisfactory manner as being under Contractor's control prior to commencement of performance of this Agreement and which has been reasonably demonstrated as being of a proprietary force and effect at the time this Agreement is commenced.
- C. "Generated data" is that data which the Contractor has collected, collated, recorded, deduced, read out or postulated for utilization in the performance of this Agreement. Any electronic data processing program, model or software system developed or substantially modified by the Contractor in the performance

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of this Agreement at HCD's expense, together with complete documentation thereof, shall be treated in the same manner as generated data.

- D. "Deliverable data" is that data which under terms of this Agreement is required to be delivered to HCD, in accordance with the terms of this Agreement. Such data shall be the property of HCD.
- E. "Generated data" shall be the property of HCD unless and only to the extent that it is specifically provided otherwise herein.
- F. As to generated data which is reserved to the Contractor by express terms and as to any preexisting or proprietary data which has been utilized to support any premise, postulate or conclusion referred to or expressed in any deliverable hereunder, Contractor shall preserve the same in a form which may be introduced in evidence in a court of competent jurisdiction at Contractor's own expense for a period of not less than three years after acknowledged receipt by HCD of the final report or termination of this Agreement and any and all amendments hereto, or for three years after the conclusion or resolution of any and all audits or litigation relevant to this Agreement, whichever is later.
- G. Prior to the expiration of such time and before changing the form of or destroying any such data, Contractor shall notify HCD, in writing, of any such contemplated action. HCD may within 30 days after said notification determine whether it desires said data to be further preserved and, if HCD elects, the expense of further preserving said data shall be paid for by HCD. Contractor agrees HCD shall have unrestricted reasonable access to the same during said three-year period and throughout the time during which said data is preserved in accordance with this Agreement, and Contractor agrees to use best efforts to furnish competent witnesses or identify such competent witnesses to testify in any court of law regarding said data.

9. **GenAI Disclosure**

Failure to disclose GenAI to the State and submit the [GenAI Disclosure & Factsheet](#) may void this contract. The State reserves its right to seek any and all relief it may be entitled to as a result of such non-disclosure.

10. **Amendments**

Amendments to this Agreement are allowed and shall follow the rules and guidelines outlined in the current State Contracting Manual (SCM) Vol 1, including but not limited to the following:

- A. The time for performance of the tasks and items within the budget may be changed with prior written approval of the Contract Manager. However, the term of this Agreement or contract amount may only be changed by formal amendment mutually agreed by the Parties.

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- B. HCD reserves the right to amend this Agreement at any time during this Agreement term, should it become necessary to complete the agreed upon Work outlined in the Original Agreement and upon approval by HCD/DGS. Any such amendment shall be mutually agreed by the Parties and must be submitted and approved to DGS as an NCB per Section D below.
- C. Dollar amount and timeframe shall be determined based on the procurement method used, as agreed by the Parties. Contractor acknowledges that HCD's ability to negotiate these specific terms may be limited or proscribed as a result of statutes, regulations, or by other restrictions imposed by HCD's governing or control agencies.

~~D. No amendment for time, money, and/or scope shall be authorized without an approved NCB Justification by the Department of General Services, Procurement Division (DGS PD), Dispute Resolution Unit (DRU). Any negotiations of rates, etc. should be at or below the rates already bid.~~

11. Approval of Product

Each product to be approved under this Agreement shall be approved by the Contract Manager. HCD's determination as to satisfactory work shall be final absent fraud, mistake or arbitrariness.

12. Substitutions

Contractor's key personnel as indicated in its proposal may not be substituted without the Contract Manager's prior written approval. Notice to either party may be given by email as provided in Exhibit A.3. Such notice shall be effective when received as indicated on email. Alternatively, notice may be given by personal delivery by any means whatsoever to the party and such notice shall be deemed effective when delivered.

13. Waiver

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy provided therein or by law. Failure of HCD to enforce at any time the provisions of this Agreement, or require at any time performance by Contractor of any provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of HCD to enforce said provisions.

14. Agreement is Complete

Other than as specified herein, no document or communication passing between the parties hereto shall be deemed a part of this Agreement.

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15. Captions

The clause headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.

16. Public Hearings

If public hearings on the subject matter dealt with in this Agreement are held within one year from this Agreement's expiration date, the Contractor shall make available to testify the personnel assigned to this Agreement at the hourly rates specified in the Contractor's proposed budget. HCD will reimburse Contractor for travel of said personnel at the contract rates for such testimony, as may be requested by HCD.

17. Force Majeure

"Force Majeure" is an unforeseeable event outside of a party's reasonable control which prevents or delays performance of that party's obligations under this Agreement. Such event does not include the normal risks a party assumes when it enters a contract. A Force Majeure event is a natural disaster such as an earthquake, flood, hurricane, pandemic, an Act of God, act of war, act of public enemies of this state or of the United States, or other similar event.

Force Majeure also includes actions or measures taken by any governmental authority, including executive orders, public health orders, other governmental orders, laws, regulations, or other government actions taken in response to a "Force Majeure" event, such as a quarantine or other restriction which prevents or delays the performance of a party's obligations under this Agreement.

The party asserting "Force Majeure" must give notice to the other party to this Agreement within ten (10) days of the occurrence of the Force Majeure event, notice to be given in accordance with the notice provisions of this Agreement. Such notice must include a description of the Force Majeure event, how said event has prevented or delayed the party's ability to perform its obligations under this Agreement, a description of reasonable measures the asserting party proposes to take to resume performance of its obligations under this Agreement, and a date by which the party anticipates it will resume performance of its obligations.

18. Permits and Licenses

Contractor shall procure and keep in full force and effect during the term of this Agreement all permits, registrations and licenses necessary to accomplish the work specified in this Agreement and give all notices necessary and incident to the lawful prosecution of the work. Contractor shall keep informed of, observe, comply with, and cause all of its agents and employees to observe and comply with all prevailing Federal, State, and local laws, and rules and regulations made pursuant to said Federal, State, and local laws, which in any way affect the conduct of the work of this Agreement. If

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any conflict arises between provisions of the plans and specifications and any such law above referred to, then the Contractor shall immediately notify HCD in writing.

19. Litigation

HCD, promptly after receiving notice thereof, shall notify the Contractor in writing of the commencement of any claim, suit, or action against HCD or its officers or employees for which the Contractor must provide indemnification (refer to GTC-04/2017) under this Agreement. To the extent permitted by law, HCD shall authorize the Contractor or its insurer to defend such claims, suits, or actions and shall provide it or its insurer, at the Contractor's expense, information and assistance both necessary and available for such defense. The failure of HCD to give such notice, information, authorization or assistance, shall not relieve the Contractor of its indemnification obligations.

The Contractor shall immediately notify HCD of any claim or action against it, which affects or may affect this Agreement, the terms and conditions hereunder, or HCD, and shall take such action with respect to said claim or action which is consistent with the terms of this Agreement and the interest of HCD.

20. Insurance Requirements

A. The Contractor shall not commence performance, on-site at any HCD property, under this Agreement until the Contractor has provided HCD with a certificate of insurance stating that there is liability insurance presently in effect for the Contractor with a Combined Single Limit (CSL) of not less than \$1M per occurrence and the following:

- 1) Commercial General Liability: \$1M per occurrence bodily injury, property damage and products and completed operations, \$2M general aggregate.

The certificate holder should be:

California Department of Housing and Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

- 2) Description of Operations should read:

The certificate of insurance must include the following provision: *The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for HCD under this contract.*

- 3) The Contractor shall provide written notice to HCD within two (2) business days of any cancellation, non-renewal, or material change that affects required insurance coverage.

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- 4) Contractor must maintain Worker's Compensation insurance for all employees that are participating in the work contemplated by this Agreement.

21. Severability

If any provision of this Agreement is held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision of this Agreement and remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are and shall be deemed to be severable.

22. Disputes

- A. Except as otherwise provided in this Agreement, any dispute arising under or relating to the performance of this Agreement, which is not disposed of by mutual agreement of all parties shall be decided via a two-tier resolution process. First, the parties with a dispute will present their dispute documentation to the Contract Manager for review and resolution. If the dispute cannot be resolved by the Contract Manager, then it will be presented to HCD's Deputy Director or designated Executive staff. The decision of the Deputy Director/Executive staff shall be final, conclusive and binding on both parties.
- B. Contractor shall continue to perform its obligations under this Agreement during any dispute, unless HCD directs otherwise.
- C. In the event of any litigation, proceeding or dispute arising out of this Agreement or the need to interpret any language or provision of this Agreement, California law will apply and California courts will decide all such matters as the exclusive forum for such matters.

23. Suspension or Termination

A. Suspension of Work:

The Director or Acting Director of HCD, or his/her designee, by written order may suspend the work of the Contractor, or any portion thereof, for any period up to ninety (90) days, as the Director or his/his designee may deem necessary and for any reason. Any equitable adjustment shall be made in the delivery schedule or contract price, or both, and this Agreement shall be modified in writing accordingly if the stop work order results in an increase in the time required for, or in the Contractor's cost properly allowable to, the performance of any part of this Agreement. In any event, the final total of additional payments shall not exceed the sum provided for in this Agreement unless this Agreement is amended in writing in advance.

B. Termination at Option of State:

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This Agreement may be terminated at any time, in whole or in part, upon ten (10) calendar day's written notice by HCD, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise.

In the event HCD terminates all or a portion of this Agreement for any reason, it is understood that HCD will provide payment to Contractor for satisfactory services rendered and reasonable expenses incurred prior to the termination of this Agreement, and for reasonable expenses incurred by the Contractor prior to said termination, which are not included in charges for services rendered prior to termination, and which could not by reasonable efforts of Contractor have been avoided, but not in excess of the maximum contract amount.

C. Termination for Default:

Notwithstanding anything to the contrary in this Agreement, In the event of a breach or default in the performance of Contractor hereunder, HCD shall provide Contractor with written notice detailing such alleged breach or default. Contractor shall be afforded a thirty day cure period within which to remedy any alleged deficiencies or defaults in performance. In the event that Contractor fails to cure such breach or default within the thirty day cure period, HCD shall be permitted to terminate this Agreement in whole or in part by written notice to Contractor, and HCD will provide payment to Contractor according to the Budget Detail and Payment Provisions contained in Exhibit B for satisfactory services rendered and reasonable expenses incurred prior to the termination of this Agreement, and for reasonable expenses incurred by the Contractor prior to said termination, which are not included in charges for services rendered prior to termination, and which could not by reasonable efforts of Contractor have been avoided, but not in excess of the maximum contract amount. Upon receipt of any notice terminating this Agreement in whole or in part, the Contractor shall (1) immediately discontinue all services affected (unless the notice directs otherwise); and (2) deliver to HCD's Contract Manager all data, reports, summaries, and such other information and materials as may have been accumulated or generated by the Contractor in performing under this Agreement, whether completed or in progress.

D. Termination Due to Bankruptcy:

In the event proceedings in bankruptcy are commenced by or against the Contractor, or the Contractor is adjudged bankrupt or a receiver is appointed, the Contractor shall notify HCD immediately in writing and HCD may terminate this Agreement and all further rights and obligations by giving three (3) days' notice in writing in the manner specified herein.

E. Convenience:

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If HCD determines that Contractor fails to cure an alleged breach after receipt of a notice of alleged breach per Section 22.C., and after HCD submits a notice of termination for failure to fulfill contract obligations, it is later determined that the Contractor had not so failed or breached its obligations, the termination shall be deemed to have been made for the convenience of HCD.

F. Cumulative Remedies:

The rights and remedies of HCD provided in this Agreement are in addition to any other rights and remedies provided by law.

G. **Completion:**

In the event of termination for default, HCD reserves the right to take over and complete the work by contract or other means. In such case, Contractor is liable to HCD for any additional costs incurred by HCD to complete the work.

H. Threats to HCD employee(s):

Contractor agrees to be fully responsible to HCD for the acts and omissions of Contractor's subcontractors and any other persons directly or indirectly employed by Contractor or any of its subcontractors. Note: The word 'acts' in the preceding sentence includes any threat, whether real, implied, apparent or perceived, made to an employee of the State of California. Any such threat will be grounds, in HCD's discretion, to terminate this contract."

24. Public Contract Code

The Contractor is advised that provisions of Public Contract Code Sections 10335 through 10381 pertaining to the duties, obligations and rights of a consultant service contractor are applicable to this Agreement.

25. Evaluation of Contractor's Performance (STD 4 - Contract/Contractor Evaluation)

The Contractor's performance under this Agreement will be evaluated by HCD upon completion of this Agreement. A copy of the written evaluation will be maintained in this Agreement's contract file and may be submitted to the Department of General Services, Office of Legal Services.

26. Priority Hiring Considerations for Contracts Exceeding \$200,000.00

If this Agreement includes services in excess of \$200,000.00, the Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200, in accordance with Public Contract Code §10353.

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27. Potential Subcontractors

- A. Nothing contained in this Agreement or otherwise, shall create any contractual relation between HCD and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor agrees to be fully responsible to HCD for the acts and omissions of its subcontractors and persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor.
- B. No work shall be subcontracted without the prior written approval of HCD. Upon the termination of any subcontract, HCD shall be notified immediately. Any subcontract shall include all the relevant terms and conditions of this Agreement and its attachments in addition to any other relevant terms and conditions.
- C. Contractor's obligation to pay its subcontractors is an independent obligation from HCD's obligation to make payments to the Contractor. As a result, HCD shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor. Contractor represents that it has or shall secure at its own expense, all staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any contractual relationship with any governmental entity.
- D. When subcontractors are used, HCD will pay the Contractor who, in turn, will be responsible for paying the subcontractor directly. Subcontractor fees and costs are included in the "total" price of this Agreement.
- E. If subcontractor(s) fails to execute a portion of the work in a satisfactory manner, the Contractor shall immediately remove the subcontractor upon written request from the Contract Manager, but only if such breach of subcontractor has not been cured within a period of ten (10) days after receipt of a formal notice of alleged breach. Said subcontractor may not be employed for another portion of this Agreement without prior notification and written approval from the Contract Manager. The Contract Manager will not entertain requests to arbitrate disputes between the Contractor and subcontractor concerning performance of their contract duties.
- F. Contractor shall not substitute a subcontractor in place of another without prior notification and written approval from the Contract Manager. All requests to substitute a subcontractor must be submitted in writing to the Contract Manager, along with documentation to support the substitution.

28. Disabled Veteran Business Enterprises (DVBE)

If Contractor has committed to achieve a DVBE participation goal in Contractor's accepted bid or offer, in this Agreement, or if DVBE participation requirements

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were stated in the solicitation as an applicable condition for qualifying as a responsive bidder:

- A. Contractor must comply with all rules, regulations, ordinances, and statutes that apply to the California DVBE Program established in Military and Veterans Code Section 999, including, but not limited to, the requirements of Military and Veterans Code Section 999.5(d).
- B. Per Military and Veterans Code Section 999.5(g), Contractor must use the DVBE subcontractors and suppliers proposed in the accepted bid or offer unless (1) a substitution is requested in writing and (2) before commencing work under this Agreement, the proposed replacement is approved by HCD and the Department of General Services. Absent exceptional circumstances, a DVBE subcontractor or supplier may only be replaced by another DVBE subcontractor or supplier. (Cal. Code Regs., Tit. 2, § 1896.73.) All changes to the amount or scope of work under this Agreement that will impact the comparative percentage of individual or overall DVBE participation must be authorized by an amendment to this Agreement.

Failure of Contractor to obtain approval before making a DVBE substitution under this Agreement, or failure to maintain the DVBE participation level identified in the bid or offer, this Agreement, or the solicitation, as applicable, may be cause for termination of this Agreement, recovery of damages under rights and remedies due the State of California, and penalties as outlined in Military and Veterans Code Section 999.9 and Public Contract Code Section 10115.10.

- C. Upon completion of work under this Agreement and submittal of the final invoice, Contractor must submit to the Contract Manager a complete and accurate Prime Contractor's Certification – DVBE Subcontracting Report form (STD 817). Upon HCD's request, Contractor must, no later than 30 calendar days after the date on which the request is sent, submit satisfactory proof that Contractor has made all payments owed to each participating DVBE subcontractor or supplier that are not legitimately disputed.

If Contractor fails to timely comply with the preceding requirements of this paragraph (C), HCD will send Contractor a notice to cure and will withhold \$10,000 from the final payment, or the full amount of the final payment if less than \$10,000, until Contractor cures the defect. If Contractor does not cure the defect on or before a final date to be specified in the notice to cure, HCD will disapprove the withheld amount and permanently deduct it from the final payment to Contractor. The final date shall be in HCD's sole discretion but shall be no sooner than 15 calendar days and no later than 30 calendar days after the date on which the notice is sent.

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- D. **If a request for proof of payment or notice to cure under paragraph (C) is only sent by a method other than email, facsimile, or same day delivery, Contractor shall have the additional time to comply specified for the comparable delivery service in Code of Civil Procedure Section 1013.**
- E. **The terms and conditions of this section supplement, and are not supplanted by, the terms and conditions relating to DVBE participation requirements in the State of California General Terms and Conditions (GTC - 04/2017).**

29. Conflict of Interest Clause

A. Purpose

The purpose of this clause is to ensure that the Contractor (1) is not biased, or in any way appear to be biased, in the performance of its duties under this Agreement due to any financial, contractual, organizational, or other interests or relationships relating to the nature of the work it is performing under this Agreement, (2) does not receive any improper gain or financial or other benefits as a result of performing the work required by this Agreement, and (3) does not obtain any unfair competitive advantage over other parties by virtue of its performance of this Agreement.

B. Conflicts of Interest

Contractor represents, warrants, and covenants to HCD as follows:

- 1) No Current or Prior Conflicts of Interest. Contractor has no business, professional, personal, or other interests or relationships, including but not limited to, the representation of current or prior clients that would conflict in any manner or degree with the performance of Contractor's obligations under this Agreement.
- 2) Prohibition on Conflicts. Neither the Contractor, nor its staff or agents, will engage in conduct that would constitute a conflict of interest, whether actual, potential, or perceived, during the term of this Agreement.
- 3) Notice of Conflict. If any actual or potential conflict of interest arises under this Agreement, Contractor shall immediately inform HCD in writing of such conflict and HCD shall be entitled to exercise its rights and remedies under subsection (4) below.
- 4) Termination for Material Conflict. If in the sole and absolute discretion of HCD a material conflict of interest exists that in HCD's opinion would negatively impact or call into question the performance of Contractor's duties under this Agreement, or that would give rise to the appearance of

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a material conflict of interest on the part of Contractor, HCD may elect to terminate this Agreement upon written notice to Contractor. Such termination shall be effective upon the receipt of such notice by Contractor.

30. **Americans with Disabilities Act and Section 508 of the Rehabilitation Act**

- A. **Contractor, by signature hereto, certifies that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101 et seq.), which, among other things, prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.**
- B. **Contractor is responsible for ensuring all products and services provided to HCD pursuant to this Agreement, including hosting services for electronic content, meet the accessibility requirements of the refreshed Section 508 of the Rehabilitation Act (29 U.S.C. § 794d) and all the applicable provisions of the Information and Communication Technology (ICT) Standards and Guidelines. These standards incorporate by reference all of the requirements of Web Content Accessibility Guidelines 2.0 AA success criteria. HCD reserves the right to ask for proof of conformance or to perform testing on any solution to verify conformance.**
- C. **Contractor shall ensure that all deliverables provided by Contractor pursuant to this Agreement that will be posted to HCD's website or will be viewed and/or utilized by persons either within or outside HCD, comply with all of the laws, standards and guidelines referenced in the preceding paragraph. In the event any deliverables provided by Contractor under this Agreement require remediation in order to comply with all of the laws, standards and guidelines referenced in the preceding paragraph, all costs for such remediation shall be borne by Contractor.**

31. **Executive Order N-6-22 – Russia Sanctions**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at

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least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

32. State Contract Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 3/03):
- A. All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a thirty (30)-day cancellation clause and the following provisions:
 - 1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
 - 2) This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
 - 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.
 - 4) The Department has the option to invalidate the contract under the thirty (30)-day cancellation clause or to amend the contract to reflect any reduction in funds.
 - B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.
 - C. Gov. Code § 8546.4(e) provides that State agencies receiving Federal funds shall be primarily responsible for arranging for Federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain Federally required financial and compliance audits.
33. **Background Checks for Access to Sensitive Information (H&S Code, § 50405.5)**
- 1. **Contractor certifies that none of Contractor's employees, contractors, agents, subcontractors (together, "personnel"), or substitute personnel will**

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- receive or otherwise have access to any non-anonymized confidential information, personally identifiable information, personal health information, or financial information owned, controlled, or provided by HCD, or generated or delivered to HCD in the performance of this Agreement (together, “sensitive information”), until Contractor:**
- i. Performs a criminal background check as specified in paragraph (B).**
 - ii. Reviews the criminal background check and determines that granting the personnel access to sensitive information will not pose a threat to the public interest or integrity or effectiveness of HCD’s mission.**
- 2. Contractor will perform one of the following federal and state criminal background checks on personnel who will have access to sensitive information:**
- i. A live scan criminal background check through an approved live scan fingerprinting service provider that includes summary criminal history information from the Federal Bureau of Investigation and California Department of Justice.**
 - ii. In limited circumstances, if personnel are unable to timely access a live scan facility or mobile live scan provider, HCD may, in its sole discretion, authorize Contractor to perform a criminal background check via submission of two (2) FD-258, Applicant Cards (Hard Cards).**
- 3. Background check records will be maintained by the Contractor in accordance with Exhibit C, General Terms and Conditions, Section 4, “Audit” and are subject to audit by HCD. When requested by HCD, background check records will be furnished by the Contractor within twenty-four (24) hours. Contractor will provide any additional detail about a background check that HCD deems necessary.**
- 4. HCD may, in its sole discretion, revoke or deny clearance for any of Contractor’s personnel to review sensitive information.**
- 5. Contractor will bear all fees and costs associated with obtaining and maintaining clearance for any individual required to undergo a criminal background check under this section.**
- 6. Failure to comply with this section is grounds for contract termination.**

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- 7. The requirements of this section apply to any services contract, interagency agreement, or public entity agreement entered into, amended, or renewed on or after January 1, 2024.**