
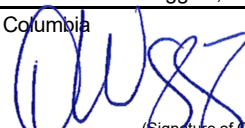


<b>AWARD/CONTRACT</b>		1. Solicitation Number <b>CFOPD-22-R-037</b>	Page of Pages 1   57 + Attachments				
2. Contract Number <b>CFOPD-23-C-015</b>		3. Effective Date March 1, 2023	4. Requisition/Purchase Request/Project No.				
5. Issued By <b>Office of the Chief Financial Officer Office of Contracts 1100 - 4th Street, SW., Suite E610 Washington, DC 20024</b>		Code	6. Administered By (If other than line 5)				
7. Name and Address of Contractor (No. Street, city, country, state and ZIP Code) Principal Bank 655 9th Street Des Moines, IA 50392 Attn: Mike Gaul - Vice President <a href="mailto:gaul.mike@principal.com">gaul.mike@principal.com</a> <a href="tel:515-283-8866">515-283-8866(o)</a>		8. Delivery <input checked="" type="checkbox"/> FOB Destination <input type="checkbox"/> Other (See Schedule Section F)		9. Discount for prompt payment			
Code		Facility		10. Submit Invoices to the Address shown in Line 12   Item (2 copies unless otherwise specified)			
11. Ship to/Mark For Office of the Chief Financial Officer Office of Finance and Treasury Suite W850 1101 4th Street, S.W. Washington, DC 20024 202-727-0181		Code	12. Payment will be made by Office of the Chief Financial Officer Office of Management and Administration Financial Operations/Accounts Payable <a href="https://vendorportal.dc.gov">https://vendorportal.dc.gov</a> 1100 4th Street, SW Suite E600 Washington, DC 20024		Code		
13. Contract Type Requirements with NTE Ceiling		14. Accounting and Appropriation Data					
15A. Item	15B. Supplies/Services	15C. Qty	15D. Unit	15E. Unit Price	15F. Amount		
1	Investment Account Custodial Services	1	Lot	NTE \$120,152.00	NTE 120,152.00		
Total Amount of Contract				NTE 120,152.00			
16. Table of Contents							
(X)	Section	Description	Pages	(X)	Section	Description	Pages
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
	A	Solicitation/Contract Form	1		I	Contract Clauses	29
	B	Supplies or Services and Price/Cost	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS			
	C	Description/Specifications/Work Statement	8		J	List of Attachments	57
	D	Packaging and Marking	13	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
	E	Inspection and Acceptance	14		K	Representations, Certifications and Other Statements of Offerors	
	F	Deliveries or Performance	15				
	G	Contract Administration Data	16		L	Instructions, conditions & notices to offerors	
	H	Special Contract Requirements	21		M	Evaluation factors for award	
<b>Contracting Officer will Complete Item 17 or 18 as Applicable</b>							
17 <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>1 pdf</u> copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18 <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. Name and Title of Signer (Type or print) Michael Gaul, Vice President & Director, Principal Bank				20A. Name of Contracting Officer Drakus Wiggins, CPPO, CPPB			
19B. Name of Contractor  (Signature of person authorized to sign)		19C. Date Signed 2/28/2023		20B. District of Columbia  (Signature of Contracting Officer)		20C. Date Signed 03/01/2023	

## SECTION B

### CONTRACT TYPE, SUPPLIES OR SERVICES AND PRICE

#### **B.1 GENERAL INFORMATION**

The District of Columbia Office of the Chief Financial Officer, Office of Contracts (District), on behalf of the Office of Finance and Treasury (OFT), is awarding a Contractor to provide investment account custodial services.

#### **B.2 CONTRACT TYPE**

The District is awarding a requirements contract with fixed unit prices.

#### **B.3 ALL-INCLUSIVE PRICING**

The stated Price Per Unit for each Contract Line Item Number (CLIN) shall be fixed, inclusive of all of the Contractor's direct cost, indirect cost, and profit; including travel, material, and delivery costs. The price shall include all cost associated with the services described in and required by the Contract. The Total Estimated Price shall represent the price ceiling, fixed fee, or not to exceed amount of the Contract.

##### **B.3.1 NONPROFIT FAIR COMPENSATION ACT OF 2020, D.C. Code § 2-222.01 et seq.**

Nonprofit organizations, as defined in the Act, shall include in their rates the indirect costs incurred in provision of goods or performance of services under this contract pursuant to the nonprofit organization's unexpired Negotiated Indirect Cost Rate Agreement (NICRA). If a nonprofit organization does not have an unexpired NICRA, the nonprofit organization may elect to instead include in its rates its indirect costs:

- (1) As calculated using a *de minimis* rate of 10% of all direct costs under this contract;
- (2) By negotiating a new percentage indirect cost rate with the awarding agency;
- (3) As calculated with the same percentage indirect cost rate as the nonprofit organization negotiated with any District agency within the past two years; however, a nonprofit organization may request to renegotiate indirect costs rates in accordance with B.3.2; or
- (4) As calculated with a percentage rate and base amount, determined by a certified public accountant using the nonprofit organization's audited financial statements from the immediately preceding fiscal year, pursuant to the OMB Uniform Guidance and certified in writing by the certified public accountant.

**B.3.2** If this contract is funded by a federal agency, indirect costs shall be consistent with the requirements for pass-through entities in 2 C.F.R. § 200.331, or any successor regulations.

**B.3.3** The Contractor shall pay its subcontractors which are nonprofit organizations the same indirect cost rates as the nonprofit organization subcontractors would have received as a prime contractor.

**B.4 REQUIREMENTS CONTRACT**

The District will purchase its requirements of the services included herein from the Contractor. The estimated quantities stated in the Price Schedule reflect the best estimates available. The estimate shall not be construed as a representation that the estimated quantity will be required, or that conditions affecting requirements will be stable. The estimated quantities shall not be construed to limit the quantities which may be required from the Contractor by the District or to relieve the Contractor of its obligation to fill all such requirements.

**B.5 PRICE SCHEDULE – REQUIREMENTS**

**B.5.1 BASE PERIOD**

CLIN	Services Description	Estimated Quantity	Unit of Measure	Unit Price	Estimated Total Price
	<b>General/Standard Services</b>				
0001	Total Market Value/Domestic Assets	\$5,000,000,000	Assets	0.000009 (0.09 basis points)	\$45,000.00
0002	Line Item/Recordkeeping Assets	160	Line Items	0	\$0
	<b>Security Transaction Charges</b>				
0003	Outside Held Assets – Standard Holdings	74	Transactions	\$250	\$18,500.00
0004	Buy/Sells/Deliveries – Fed (Domestic Depository Settlements)	69	Transactions	\$6	\$414.00
0005	Buy/Sells/Deliveries – DTC (Fund Settlements (excluding Allsping Funds))	0	Transactions	\$6	\$0
0006	Buy/Sells/Deliveries - Mutual Funds (Derivative Transactions)	0	Transactions	\$6	\$0
0007	Principal Paydown (Principal & Interest Payments - Non-Pooled Assets)	204	Transactions	\$4	\$816.00
0008	All other securities (Callable Bond Transactions)	1	Transactions	\$6	\$6.00
0009	Closely Held Assets (Buy/Sell/Receive/Deliver	0	Transactions	\$150	\$0
0010	Physical Settlements	0	Transactions	\$150	\$0
	<b>Portfolio Reporting</b>				
0011	Portfolio Reporting	18	Accounts	\$3,000	\$54,000.00
	<b>Transaction Processing Per trade</b>				
0012	Fed wires out (Wires (Outbound))	40	Transactions	\$8	\$320.00
0013	Fed wires in	200	Transactions	0	\$0
0014	Disbursement by Check (Other Cash Disbursements (Check/ACH))	137	Transactions	\$8	\$1,096.00
	<b>Estimated Total Amount</b>				<b>\$120,152.00</b>

**B.5.2 OPTION YEAR ONE**

CLIN	Services Description	Estimated Quantity	Unit of Measure	Unit Price	Estimated Total Price
	<b>General/Standard Services</b>				
1001	Total Market Value/Domestic Assets	\$5,500,000,000	Assets	0.000009 (0.09 basis points)	\$60,300.00
1002	Line Item/Recordkeeping Assets	160	Line Items	0	\$0
	<b>Security Transaction Charges</b>				
1003	Outside Held Assets – Standard Holdings	74	Transactions	\$250	\$18,500.00
1004	Buy/Sells/Deliveries – Fed (Domestic Depository Settlements)	69	Transactions	\$6	\$414.00
1005	Buy/Sells/Deliveries – DTC (Fund Settlements (excluding Allsping Funds))	0	Transactions	\$6	\$0
1006	Buy/Sells/Deliveries - Mutual Funds (Derivative Transactions)	0	Transactions	\$6	\$0
1007	Principal Paydown (Principal & Interest Payments - Non-Pooled Assets)	204	Transactions	\$4	\$816.00
1008	All other securities (Callable Bond Transactions)	1	Transactions	\$6	\$6.00
1009	Closely Held Assets (Buy/Sell/Receive/Deliver	0	Transactions	\$150	\$0
1010	Physical Settlements	0	Transactions	\$150	\$0
	<b>Portfolio Reporting</b>				
1011	Portfolio Reporting	18	Accounts	\$3,000	\$54,000.00
	<b>Transaction Processing Per trade</b>				
1012	Fed wires out (Wires (Outbound))	40	Transactions	\$8	\$320.00
1013	Fed wires in	200	Transactions	0	\$0
1014	Disbursement by Check (Other Cash Disbursements (Check/ACH))	137	Transactions	\$8	\$1,096.00
	<b>Estimated Total Amount</b>				<b>\$135,452.00</b>

**B.5.3 OPTION YEAR TWO**

CLIN	Services Description	Estimated Quantity	Unit of Measure	Unit Price	Estimated Total Price
	<b>General/Standard Services</b>				
2001	Total Market Value/Domestic Assets	\$6,050,000,000	Assets	0.000009 (0.09 basis points)	\$71,824.00
2002	Line Item/Recordkeeping Assets	160	Line Items	0	\$0
	<b>Security Transaction Charges</b>				
2003	Outside Held Assets – Standard Holdings	74	Transactions	\$250	\$18,500.00

Contract No. CFOPD-23-C-015  
Investment Account Custodial Services

2004	Buy/Sells/Deliveries – Fed (Domestic Depository Settlements)	69	Transactions	\$6	\$414.00
2005	Buy/Sells/Deliveries – DTC (Fund Settlements (excluding Allsping Funds))	0	Transactions	\$6	\$0
2006	Buy/Sells/Deliveries - Mutual Funds (Derivative Transactions)	0	Transactions	\$6	\$0
2007	Principal Paydown (Principal & Interest Payments - Non-Pooled Assets)	204	Transactions	\$4	\$816.00
2008	All other securities (Callable Bond Transactions)	1	Transactions	\$6	\$6.00
2009	Closely Held Assets (Buy/Sell/Receive/Deliver)	0	Transactions	\$150	\$0
2010	Physical Settlements	0	Transactions	\$150	\$0
	<b>Portfolio Reporting</b>				
2011	Portfolio Reporting	18	Accounts	\$3,000	\$54,000.00
	<b>Transaction Processing Per trade</b>				
2012	Fed wires out (Wires (Outbound))	40	Transactions	\$8	\$320.00
2013	Fed wires in	200	Transactions	0	\$0
2014	Disbursement by Check (Other Cash Disbursements (Check/ACH))	137	Transactions	\$8	\$1,096.00
	<b>Estimated Total Amount</b>				<b>\$146,976.00</b>

**B.5.4 OPTION YEAR THREE**

CLIN	Services Description	Estimated Quantity	Unit of Measure	Unit Price	Estimated Total Price
	<b>General/Standard Services</b>				
3001	Total Market Value/Domestic Assets	\$6,655,000,000	Assets	0.000009 (0.09 basis points)	\$108,274.68
3002	Line Item/Recordkeeping Assets	160	Line Items	0	\$0
	<b>Security Transaction Charges</b>				
3003	Outside Held Assets – Standard Holdings	74	Transactions	\$250	\$18,500.00
3004	Buy/Sells/Deliveries – Fed (Domestic Depository Settlements)	69	Transactions	\$6	\$414.00
3005	Buy/Sells/Deliveries – DTC (Fund Settlements (excluding Allsping Funds))	0	Transactions	\$6	\$0
3006	Buy/Sells/Deliveries - Mutual Funds (Derivative Transactions)	0	Transactions	\$6	\$0
3007	Principal Paydown (Principal & Interest Payments - Non-Pooled Assets)	204	Transactions	\$4	\$816.00
3008	All other securities (Callable Bond Transactions)	1	Transactions	\$6	\$6.00

Contract No. CFOPD-23-C-015  
Investment Account Custodial Services

3009	Closely Held Assets (Buy/Sell/Receive/Deliver)	0	Transactions	\$150	\$0
3010	Physical Settlements	0	Transactions	\$150	\$0
	<b>Portfolio Reporting</b>				
3011	Portfolio Reporting	18	Accounts	\$3,000	\$54,000.00
	<b>Transaction Processing Per trade</b>				
3012	Fed wires out (Wires (Outbound))	40	Transactions	\$8	\$320.00
3013	Fed wires in	200	Transactions	0	\$0
3014	Disbursement by Check (Other Cash Disbursements (Check/ACH))	137	Transactions	\$8	\$1,096.00
	<b>Estimated Total Amount</b>				<b>\$183,426.68</b>

**B.5.5 OPTION YEAR FOUR**

CLIN	Services Description	Estimated Quantity	Unit of Measure	Unit Price	Estimated Total Price
	<b>General/Standard Services</b>				
4001	Total Market Value/Domestic Assets	\$7,320,500,000	Assets	0.000009 (0.09 basis points)	\$145,088.07
4002	Line Item/Recordkeeping Assets	160	Line Items	0	\$0
	<b>Security Transaction Charges</b>				
4003	Outside Held Assets – Standard Holdings	74	Transactions	\$250	\$18,500.00
4004	Buy/Sells/Deliveries – Fed (Domestic Depository Settlements)	69	Transactions	\$6	\$414.00
4005	Buy/Sells/Deliveries – DTC (Fund Settlements (excluding Allsping Funds))	0	Transactions	\$6	\$0
4006	Buy/Sells/Deliveries - Mutual Funds (Derivative Transactions)	0	Transactions	\$6	\$0
4007	Principal Paydown (Principal & Interest Payments - Non-Pooled Assets)	204	Transactions	\$4	\$816.00
4008	All other securities (Callable Bond Transactions)	1	Transactions	\$6	\$6.00
4009	Closely Held Assets (Buy/Sell/Receive/Deliver)	0	Transactions	\$150	\$0
4010	Physical Settlements	0	Transactions	\$150	\$0
	<b>Portfolio Reporting</b>				
4011	Portfolio Reporting	18	Accounts	\$3,000	\$54,000.00
	<b>Transaction Processing Per trade</b>				
4012	Fed wires out (Wires (Outbound))	40	Transactions	\$8	\$320.00
4013	Fed wires in	200	Transactions	0	\$0
4014	Disbursement by Check (Other Cash Disbursements (Check/ACH))	137	Transactions	\$8	\$1,096.00
	<b>Estimated Total Amount</b>				<b>\$220,240.07</b>

**B.5.6 Summary**

<b>SUMMARY</b>	
B.5.1 Base Year	\$120,152.00
B.5.2 Option Year One	\$135,452.00
B.5.3 Option Year Two	\$146,976.00
B.5.4 Option Year Three	\$183,426.68
B.5.5 Option Year Four	\$220,240.07
<b>Total Amount</b>	<b>\$806,246.75</b>

## SECTION C

### DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

#### C.1 SCOPE

The District of Columbia Office of the Chief Financial Officer, Office of Contracts (District), on behalf of the Office of Finance and Treasury (OFT), is awarding a contract to provide investment account custodial services.

#### C.2 BACKGROUND

C.2.1 The Office of Finance and Treasury (OFT) executes investments for the District's general fund, bonds proceeds, reserves accounts and other investment accounts. The portfolio is approximately \$3-4.0 billion in size (normalized levels) and consists of approximately 20 separate investment accounts. The Cash and Investment Management Unit (CIMU) manages the daily investment activity, conducting approximately zero to ten trades a day. The financial products primarily traded daily include but are not limited to CDs, Mutual Funds, Treasury Bills and Notes, Government Agency Securities and Commercial Paper. The CIMU has the authority but does not normally engage in Repurchase (Repo) Agreements. The investment activity is governed by the Financial Institutions Deposit and Investment Amendment Act as well as by the District's Cash & Investment Management Investment Policy ("Investment Policy" or "IPS"). Our goal is to invest with integrity, prudence, and skill to accomplish the following hierarchy of objectives; (1) safety of principal, (2) maintenance of liquidity, (3) maximization of returns.

C.2.2 The District requests security custody services in connection with the buying, holding and selling of investment securities which may be subject to repurchase agreements and, other instruments for all cash and financial assets of the various District of Columbia funds as identified in the District's Annual Comprehensive Financial Report (ACFR). The District invests idle cash balances in short-term secured investments to preserve principal, meet anticipated cash needs, and generate investment earnings.

C.2.3 The District's investment activities include the following:

1. Annual average market value of the District's investment portfolio is approximately \$5.0 billion (including Money Market Mutual Funds). The OFT Cash and Investment Management Unit (CIMU) team executes up to approximately ten trades per day. The portfolio consists of money market funds, direct obligations (federal and agency securities), commercial paper, and bank CD's.
2. The District's cash flow varies because of timing differences between receipts, such as, tax collections, debt financing proceeds, and disbursements, such as payroll expenditures and payments for payroll, and purchased goods and services.
3. The CIMU is responsible for investing the District's idle funds, consistent with the requirements outlined in the Investment Policy and the Financial Institutions Deposit and



Investment Act of 1997 (the “Investment Act”). The IPS and the Investment Act is subject to change however the District’s representative will notify the vendor.

C.2.4 The District is currently using Kyriba treasury workstation but will be transitioning to Oracle Cloud for the 2023 Fiscal Year. The District also utilizes Clearwater Analytics for investment reporting.

### **C.3 REQUIREMENTS**

#### C.3.1 Investment Custodial Requirements

1. The Contractor shall provide custody services by safekeeping and receiving securities in the accounts established for the benefit of the District of Columbia. Securities available for purchase shall include but not limited to: United States Treasury bills, bonds, notes, debentures or other evidence of indebtedness of the United States government or government-sponsored agencies, mortgage backed securities, municipal debt obligations, certificates of deposit, investment grade corporate bonds, money market funds, and commercial paper.
2. The Contractor shall collect investment income and apply the income to its respective custody accounts’ accordingly.
3. The Contractor shall be responsible for transacting on behalf of the District to settle purchases and sale of securities, application of all corporate event provisions related to the District’s securities and retrieve income and transaction activities at the time of maturity.
4. The Contractor shall, on a daily basis, obtain the market price for all securities. When a market pricing is not readily available, it is the custodian’s responsibility to notify the District immediately.
5. The Contractor shall provide online viewing access of transactions and online balance information of all accounts. The Contractor shall verify and remit funds via DVP (delivery vs. payment) method to ensure that the securities purchased were delivered when wiring funds to the instructed counterparty.
6. The Contractor shall provide every morning by 10:00 a.m. (ET) an electronically generated report to the CIMU, or obtainable by said time via the Contractor’s online system, that details of all investments maturing in the next 10 business days. The information shall be sufficient for the District to communicate instructions with respect to maturing funds to the Contractor.
7. The Contractor shall provide every morning by 10:00 a.m. (ET) an email or through its secure portal, confirmation that all investment activities for prior day are reconciled. If there are any outstanding items or issues, the Contractor must contact the assigned COTR with relevant details before 11 a.m. (ET).
8. The Contractor shall accept money market funds trades up to 4:30 p.m. (ET), the close of

the underlying mutual fund, or the cut off time for the representative broker, whichever is available to the Contractor for same-day settlement, and may include mirroring the District's short-term money market funds so that the District can invest or redeem proceeds same day as the trade execution for the sweep funds that have been approved.

- (i) Money market fund investments transacted through the Contractor via investment portal or by any other means shall be included in daily transaction and position reports and monthly statements.
9. The movement of funds made by the Contractor at the direction of the District shall include the following, but not limited to:
  - a. All existing District assets held in custody moved to the Contractor on a transition date to be agreed;
  - b. Receiving and transferring funds for investment from and to the District's Custodial Account;
  - c. Transferring funds to specified counterparties against the receipt of securities to settle purchase trades;
  - d. Transferring securities to specified counterparties against the receipt of funds to settle sell trades;
  - e. Receiving and wiring principal and interest from matured investments to the District's Concentration Account, when instructed by the CIMU;
  - f. Wiring or receiving funds or securities to compensate for errors; and
  - g. Wiring principal and interest payments on securities held to the investment organization.
10. The Contractor shall transmit investment data in BAI or CSV or any other acceptable automated format to but not limited to Kyriba, Clearwater, and when available by the Contractor, Oracle Cloud (DIFS), the District's treasury service provider and investment analytics service provider, on a daily basis with accurate details including trade and settlement dates, dollar amount of transactions and other pertinent details. The Contractor shall notify the District of any data feed issues with service providers within 24 hours or less.
11. The Contractor shall confirm or highlight any issues related to trade settlement in a timely fashion to avoid any adverse impact to the District. For all other inquiries by the District, the Contractor shall respond within 24 hours or less.

### **C.3.2 Investment Confirmations**

1. CIMU will forward investment directive to the Contractor via the Contractor's online portal or email.
2. The Contractor shall thoroughly review investment instructions for accuracy of authorized signer, dates, calculations, and security descriptions before the Contractor executes the instructions.

3. The Contractor shall accept and/or release securities only upon simultaneous transfer of the specified funds between the District's Custodial Account and the investment organizations (DVP – Delivery vs. Payment) as noted in trade confirmations.
4. The Contractor shall confirm receipt of each investment instructions with the District's Investment Unit representative within one to two hour upon receipt by email.

#### **C.3.4 Security Liquidation**

1. If an investment organization enters into bankruptcy, enters into receivership, or violates the terms of an investment agreement with the District, the District may direct the Contractor to 1) obtain bids on any securities or 2) liquidate all securities held in the District's Custodial Account associated with that investment organization.

#### **C.3.5 Transaction Failures**

1. In the event securities are not received or delivered in a timely manner, that causes the investment organization, the Contractor, or the District to "fail" on a transaction, the Contractor shall work with the CIMU and/or the relevant investment organization to determine the cause of the failure and determine appropriate compensation and resolution for the event.
2. Upon the District's final determination of how the failure occurred and the appropriate compensation, the District will direct the Contractor as necessary.

#### **C.3.6 Dealer of Last Resort**

1. The Contractor shall maintain access to, or have the ability to obtain, securities necessary for the District to bid investment funds up to 4:30 PM (EST) every business day, unless otherwise approved by the District to send trades to the market for best execution price.
2. All funds not invested by the District's close of business, shall be invested in an overnight investment product provided by the Contractor. Each investment shall seek the highest yield available within the Districts safety and liquidity requirements of the Attachment J.3, District of Columbia Financial Institution Deposit and Investment Act of 1997 and Attachment J.4, Investment Policy, while maintaining the security of the investment or money market fund account.

#### **C.3.7 Account Registration**

1. All securities, either owned as direct purchases, or held pursuant to repurchase agreements or as collateral on deposit, shall be held by the Contractor in an account registered (FBO - For the Benefit Of) in the name of the Government of the District of Columbia or in an omnibus account in the Contractor's name and shall accurately track the District's account.
2. The Contractor shall use either the District's existing Federal Reserve account, setup a separate account on the District's behalf, or trade through an omnibus account and

accurately track and record keep the District's account.

### **C.3.8 Authorized Investment Individuals**

1. The District will maintain and provide to the Contractor a list of individuals authorized to instruct the Contractor on investment transactions.
2. The District will provide the Contractor with an updated list in the event of any changes.
3. The Contractor shall not execute any transactions or accept instructions from any individual not included on the list.

### **C.3.9 Statements and Reports**

1. The Contractor shall provide on a monthly basis, on or before the 3rd business day of the following month, an electronic statement including at a minimum, the prior month's activities for each account that will present a summary position of assets held in the account with a summary total, a beginning account balance, each security, CUSIP, description, purchase date, par value, cost and market value and, a chronological list of activity and an ending account balance. The Contractor shall provide additional reporting as may be requested by the District.
2. The Contractor shall maintain summary and detailed statistics on the District's investment activities on a monthly and year-to-date basis for both the calendar year and the District's fiscal year (October 1st through September 30th). The statistical data shall be provided through the Contractor's on-line system or shall be delivered electronically.
3. The Contractor shall include in the statistics the following:
  - a. Number of trades
  - b. Types of trades,
  - c. Dollar amount of trades,
  - d. Frequency of collateral substitutions,
  - e. Average dollar amounts of investments,
  - f. Specific dollar amounts, and
  - g. Times and dates of all wire transfers sent and received
4. The Contractor shall provide online web access to account and investment information including daily trading/transactions, balances, holdings, and reports. The Contractor is required to provide access to at least 18 months of historical data.
5. The Contractor is required to provide a monthly Performance Measurement report detailing performance data at the aggregate and at account level for any given time period.

## SECTION D

### PACKAGING AND MARKING

#### D.1 PACKAGING

All reports and deliverables that are in “hard copy” and physically transported through the U.S. mail or private courier services are to be securely packaged using the Contractor’s best practices.

#### D.2 MARKING

- D.2.1 Unless otherwise specified herein, all reports and deliverables delivered under this contract must be plainly marked, stating the Contractor’s name, contract number and addressed to the recipient, including the name of the office or floor, and the recipient’s office telephone number as noted in the contract.
- D.2.2 In case of carload lots, the Contractor shall tag the car, stating Contractor’s name and contract number. Any failure to comply with these instructions will place the material at the Contractor’s risk.
- D.2.3 Deliveries by rail, water, truck or otherwise, must be within the working hours and in ample time to allow for unloading and if necessary, the storing of the materials or supplies before closing time. Deliveries at any other time will not be accepted unless specific arrangements have been previously made with the contact person identified in the contract at the delivery point.

## SECTION E

### INSPECTION, ACCEPTANCE AND WARRANTY OF SERVICES

#### E.1 INSPECTION

E.1.1 All services provided by the Contractor under this contract shall be subject to inspection by the Contracting Officer's Technical Representative ("COTR") identified in Section G.1 (b). Such inspection will be in accordance with Section 1.12 below.

#### E.2 ACCEPTANCE

Acceptance of all services provided under this contract shall be performed by the COTR. Acceptance means approval by the COTR of specific services as partial or complete performance of the contract.

#### E.3 WARRANTY OF SERVICES

E.3.1 The time period for this warranty provision is the life of the contract plus all active options and extensions.

E.3.2 Warranty Provision:

(a) Notwithstanding inspection and acceptance by the District or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this contract will conform to the requirements of this contract and the additional agreements signed by the parties. The Contracting Officer shall give written notice of any defect or nonconformance to the Contractor within 30 days from the date of discovery. This notice shall state either:

(1) That the Contractor shall correct or re-perform any defective or nonconforming services; or

(2) That the District does not require correction or reperformance.

(b) If the Contractor is required to correct or reperform, it shall be at no cost to the District, and any services corrected or reperformed by the Contractor shall be subject to this clause to the same extent as work initially performed. If the Contractor fails or refuses to correct or reperform, the Contracting Officer may, by contract or otherwise, correct or replace with similar services. Any cost occasioned to the District thereby shall be resolved by the parties under Section I.3 or Section I.7, as applicable.

## SECTION F

### PERIOD OF PERFORMANCE AND DELIVERABLES

#### F.1 TERM OF CONTRACT

The term of the contract shall be for a period of one year from the Contract Effective Date.

#### F.2 OPTION TO EXTEND THE TERM OF THE CONTRACT

- F.2.1 The District may extend the term of this contract for a period of four (4), one (1) year option periods, or successive fractions thereof, by written notice to the Contractor before the expiration of the contract; provided that the District will give the Contractor preliminary written notice of its intent to extend before the contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option.
- F.2.2 If the District exercises this option, the extended contract shall be considered to include this option provision.
- F.2.3 The price for the option period shall be as specified in the Section B of the contract.

#### F.3 DELIVERABLES

- F.3.1 The Contractor shall perform the activities required to successfully complete the District's requirements and submit each deliverable to the COTR identified in Section G in accordance with Section C.
- F.3.2 For contracts subject to the 51% District Residents New Hires Requirement and First Source Employment Agreement, the Contractor shall submit to the District, as a deliverable, the report described in Section I.31 that is required by the 51% District Residents New Hires Requirements and First Source Employment Agreement. If the Contractor does not submit the report as part of the deliverables, final payment to the Contractor shall not be paid pursuant to Section G.6.

## SECTION G

### CONTRACT ADMINISTRATION

#### G.1 CONTRACT ADMINISTRATORS

**(a) Contracting Officer**

- i. The Contracting Officer (or “CO”) for this contract is:

Drakus Wiggins  
Contracting Officer  
Office of the Chief Financial Officer  
1100 4<sup>th</sup> St. SW Suite E620  
Washington, DC 20024  
Telephone: (202) 442-7121  
Fax: 202-442-6454  
E-mail address: drakus.wiggins@dc.gov

- ii. The Contracting Officer is the only official authorized to legally bind the District and make changes to the requirements, terms and conditions of this contract. Only the Contracting Officer can increase, decrease, extend or terminate this contract. All other changes are unauthorized.
- iii. The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this contract, unless issued in writing and signed by the Contracting Officer.
- iv. In the event the Contractor effects any change at the instruction or request of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

**(b) Contracting Officer Technical Representative (COTR)**

- i. The COTR for this contract is:

Frank Decker  
Investment Manager  
Office of Finance & Treasury (OFT)  
1101 4th St. SW, Suite W850  
Washington, DC 20024  
(202) 727-0181  
frank.decket@dc.gov

- ii. The COTR is responsible for general administration of the contract and advising the Contracting Officer as to the Contractor’s compliance or noncompliance with the



contract. The COTR has the responsibility of ensuring the work conforms to the requirements of the contract and such other responsibilities and authorities as may be specified in the contract. These include:

- a. Keeping the Contracting Officer fully informed of any technical or contractual difficulties encountered during the performance period and advising the Contracting Officer of any potential problem areas under the contract;
  - b. Coordinating site entry for Contractor personnel, if applicable;
  - c. Reviewing invoices for completed work and approving invoices if the Contractor's costs are consistent with the negotiated amounts and progress is satisfactory and commensurate with the rate of expenditure;
  - d. Reviewing and approving invoices for deliverables to ensure receipt of services.
  - e. Timely processing of invoices and vouchers in accordance with the District's payment provisions; and
  - f. Maintaining a file that includes all contract correspondence, modifications, records of inspections and invoice or vouchers.
- iii. The COTR does NOT have the authority to:
- a. Award, agree to, or sign any contract, delivery order or task order. Only the Contracting Officer shall make contractual agreements, commitments or modifications;
  - b. Grant deviations from or waive any of the terms and conditions of the contract;
  - c. Increase the dollar limit of the contract or authorize work beyond the dollar limit of the contract,
  - d. Authorize the expenditure of funds by the Contractor;
  - e. Change the period of performance; or
  - f. Authorize the use of District property, except as specified under the contract.
- iv. The Contractor will be fully responsible for any changes to the terms of the contract not authorized in advance, in writing, by the Contracting Officer; may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

## **G.2 INVOICE PAYMENT**

- G.2.1 The District will make payments to the Contractor, upon the submission of proper invoices, at the prices stipulated in this contract, for supplies delivered and accepted or services performed and accepted, less any discounts, allowances or adjustments provided for in this contract.
- G.2.2 The District will pay the Contractor on or before the 30<sup>th</sup> day after receiving a proper invoice from the Contractor. The District reserves the right to conduct post payment reviews or audits.

G.2.3 Unless otherwise specified in this contract, and with presentation of a properly executed invoice:

- a) Payment will be made on completion and acceptance of each item for which the price is stated in the Pricing Schedule in Section B,
- b) Payment will be made on completion and acceptance of each percentage or milestone of work in accordance with the prices stated in the Pricing Schedule in Section B, or
- c) Payment may be made on partial deliveries of goods and services accepted by the District if the Contractor requests it and the amount due on the deliveries warrants it as determined by the District.

### **G.3 INVOICE SUBMITTAL**

G.3.1 The Contractor shall create and submit payment requests in an electronic format through the DC Vendor Portal, <https://vendorportal.dc.gov>

G.3.2 The Contractor shall submit proper invoices on a monthly basis or as otherwise specified in Section G.4.

G.3.3 To constitute a proper invoice, the Contractor shall enter all required information into the Portal after selecting the applicable purchase order number which is listed on the Contractor's profile.

### **G.4 THE QUICK PAYMENT ACT**

#### **G.4.1 Interest Penalties to Contractors**

G.4.1.1 The District will pay interest penalties on amounts due to the Contractor under the Quick Payment Act, D.C. Official Code § 2-221.01 *et seq.*, as amended, for the period beginning on the day after the required payment date and ending on the date on which payment of the amount is made. Interest shall be calculated at the rate of at least 1% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before the required payment date. The required payment date shall be:

G.4.1.1.1 The date on which payment is due under the terms of this contract;

G.4.1.1.2 Not later than 7 calendar days, excluding legal holidays, after the date of delivery of meat or meat food products;

G.4.1.1.3 Not later than 10 calendar days, excluding legal holidays, after the date of delivery of a perishable agricultural commodity; or

G.4.1.1.4 30 calendar days, excluding legal holidays, after receipt of a proper invoice for the amount of the payment due.

G.4.1.2 No interest penalty shall be due to the Contractor if payment for the completed delivery of goods or services is made on or before:

G.4.1.2.1 3<sup>rd</sup> day after the required payment date for meat or a meat product;

G.4.1.2.2 5<sup>th</sup> day after the required payment date for an agricultural commodity; or

G.4.1.2.3 15<sup>th</sup> day after any other required payment date.

G.4.1.3 Any amount of an interest penalty which remains unpaid at the end of any 30-day period shall be added to the principal amount of the debt and thereafter interest penalties shall accrue on the added amount.

#### **G.4.2 Payments to Subcontractors**

G.4.2.1 The Contractor shall take one of the following actions within seven (7) days of receipt of any amount paid to the Contractor by the District for work performed by any subcontractor under the contract:

G.4.2.1.1 Pay the subcontractor(s) for the proportionate share of the total payment received from the District that is attributable to the subcontractor(s) for work performed under the contract; or

G.4.2.1.2 Notify the CO and the subcontractor(s), in writing, of the Contractor's intention to withhold all or part of the subcontractor's payment and state the reason for the nonpayment.

G.4.2.2 The Contractor shall pay subcontractors or suppliers interest penalties on amounts due to the subcontractor or supplier beginning on the day after the payment is due and ending on the date on which the payment is made. Interest shall be calculated at the rate of at least 1% per month. No interest penalty shall be paid on the following if payment for the completed delivery of the item of property or service is made on or before the:

G.4.2.2.1 3<sup>rd</sup> day after the required payment date for meat or a meat product;

G.4.2.2.2 5<sup>th</sup> day after the required payment date for an agricultural commodity; or

G.4.2.2.3 15<sup>th</sup> day after any other required payment date.

G.4.2.3 Any amount of an interest penalty which remains unpaid by the Contractor at the end of any 30-day period shall be added to the principal amount of the debt to the subcontractor and thereafter interest penalties shall accrue on the added amount.

G.4.2.4 A dispute between the Contractor and subcontractor relating to the amounts or entitlement of a subcontractor to a payment or a late payment interest penalty under the Quick Payment Act does not constitute a dispute to which the District is a party. The District may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

**G.4.3 Subcontract requirements**

- G.4.3.1 The Contractor shall include in each subcontract under this contract a provision requiring the subcontractor to include in its contract with any lower-tier subcontractor or supplier the payment and interest clauses required under paragraphs (1) and (2) of D.C. Official Code § 2-221.02(d).
- G.4.3.2 The Contractor shall include in each subcontract under this contract a provision that obligates the Contractor, at the election of the subcontractor, to participate in negotiation or mediation as an alternative to administrative or judicial resolution of a dispute between them.

**G.5 ASSIGNMENT OF CONTRACT PAYMENTS**

- G. 5.1 The Contractor may assign funds due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution.
- G.5.2 Any assignment shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party.
- G.5.3 Notwithstanding an assignment of contract payments, the Contractor, not the assignee, is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the assignment and must show that payment of the invoice is to be made directly to the assignee as follows:

*“Pursuant to the instrument of assignment dated \_\_\_\_\_, make payment of this invoice to (name and address of assignee).”*

**G.6 FIRST SOURCE AGREEMENT REQUEST FOR FINAL PAYMENT**

- G.6.1 For contracts subject to the 51% District Residents New Hires Requirement and First Source Employment Agreement, final requests for payment shall be accompanied by the report or a waiver of compliance pursuant to Section I.31.
- G.6.2 No final payment shall be made to the Contractor until the CFO has received the Contracting Officer’s final determination or approval of waiver of the Contractor’s compliance with 51% District Residents New Hires Requirement and First Source Employment Agreement requirements.

## SECTION H

### SPECIAL CONTRACT REQUIREMENTS

#### H.1 STAFFING

The Contractor shall not employ or permit the employment of any unfit or unqualified person or persons not skilled in the tasks assigned to them by the contractor. The Contractor shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by the Contract. The Contractor shall be responsible to the District for all acts and omissions of the Contractor's employees, agents and subcontractors and the Contractor shall enforce strict discipline among the Contractor's employees, agents and subcontractors performing the services under the Contract. To the extent possible, the Contractor shall give the Contracting Officer reasonable notice of changes to key personnel. The Contractor shall use its best efforts to make changes in the key personnel assigned to work on the contract upon the reasonable request by the District and to the extent permissible given the availability of suitable alternate personnel and the requirements of law.

#### H.2 SUBCONTRACTS

The Contractor hereunder shall not subcontract any of the Contractor's work or services to any subcontractor without the prior, written consent of the Contracting Officer in consultation with the COTR. Any such subcontract shall specify that the Contractor and the subcontractor shall be subject to every provision of this Contract. Notwithstanding any such subcontract approved by the District, the Contractor shall remain liable to the District for all Contractor's work and services required hereunder, including any work conducted by a subcontractor. Contractor does not anticipate using subcontractors for performing core custodial services of asset custody and reporting. From time to time, Contractor may use third party vendors in the performance of certain ancillary services; sub-custodian services; operational, technological, and incidental functions; processing reporting; local and global settlement; investment accounting and risk/performance analytics; and/or back-office functions that assist it in its performance of services on a common basis for all or most of its customers utilizing such services. Such vendors are not considered to be subcontractors under this Agreement as they do not perform core custodial services of asset custody and reporting. The term "subcontractor" used in this Contract shall be defined in the same manner as stated in Section H.2. This definition of subcontractor shall apply to its use throughout this agreement in both capitalized and small case form.

#### H.3 CERTIFIED BUSINESS ENTERPRISE SUBCONTRACTING REQUIREMENTS

H.3.1 Beneficiaries of all non-construction contracts for government-assisted projects in excess of \$250,000, unless a waiver has been approved by the Director of the Department of Small and Local Business Development in accordance with D.C. Code §2-218.51, are required to:

- (a) Subcontract at least 35% of the dollar volume to small business enterprises, as defined in D.C. Code §2-218.32; or

- (b) If there are insufficient qualified small business enterprises to completely fulfill the requirement set forth in H.3.1(a), then the subcontracting requirement may be satisfied by subcontracting 35% of the dollar volume to any qualified certified business enterprises, as defined in D.C. Code §§2-218.31-39a; provided, that all reasonable efforts shall be made to ensure that qualified small business enterprises are significant participants in the overall subcontracting work.
- (c) For each government-assisted project for which a certified business enterprise is utilized to meet the subcontracting requirements set forth above in H.3.1(a) or H.3.1(b), the certified business enterprise shall perform at least 35% of the contracting effort with its own organization and resources.
- (d) Beneficiaries certified as a small business enterprise, local business enterprise, or disadvantaged business enterprise shall not have to comply with Sections H.3.1(a) or H.3.1(b).

### H.3.2

- (a) For each government-assisted project for which a certified business enterprise is selected as a Beneficiary and is granted points or a price reduction pursuant to D.C. Code §2-218.43 or is selected through a set-aside program, the certified business enterprise shall perform at least 35% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracted effort shall be with certified business enterprises. A certified business enterprise prime contractor that performs less than 35% of the contracting effort shall be subject to enforcement actions under D.C. Official Code § 2-218.63.
- (b) For each government-assisted project for which a certified joint venture is selected as a Beneficiary and is granted points or a price reduction pursuant to D.C. Code §2-218.43 or is selected through a set-aside program, the certified business enterprise shall perform at least 50% of the contracting effort with its own organization and resources and, if it subcontracts, 35% of the subcontracted effort shall be with certified business enterprises. If the certified business enterprise member of the certified joint venture prime contractor performs less than 50% of the contracting effort, the certified joint venture shall be subject to enforcement actions under D.C. Official Code § 2-218.63.
- (c) For each government-assisted project of \$1 million or less for which a certified business enterprise is selected as a Beneficiary and is granted points or a price reduction pursuant to D.C. Code §2-218.43 or is selected through a set-aside program, the certified business enterprise shall perform at least 50% of the on-site work with its own workforce.

H.3.3 Bids or proposals responding to a solicitation, including an open market solicitation, shall be deemed nonresponsive and shall be rejected if a subcontracting plan is required by law and the Beneficiary fails to submit a subcontracting plan as part of its bid or proposal and the Beneficiary fails to submit a plan that meets the criteria set forth in H.3.4. The subcontracting plan required shall be provided before the District accepts the submission of the bid or proposal.

H.3.4 A Beneficiary's subcontracting plan shall specify all of the following:

- (a) The name and address of the subcontractor;
- (b) A current certification number of the small or certified business enterprise;
- (c) The scope of work to be performed by the subcontractor; and
- (d) The price to be paid by the Beneficiary to the subcontractor.

- H.3.5 No Beneficiary shall be allowed to amend the subcontracting plan filed as part of its bid or proposal except with the consent of the Director of the Department of Small and Local Business Development. Any reduction in the dollar volume of the subcontracted portion resulting from such amendment of the plan shall inure to the benefit of the District.
- H.3.6 No multiyear contracts or extended contracts, which are not in compliance with D.C. Code §2-218.46 or this Section H.3 at the time of the contemplated exercise of the option or extension, shall be renewed or extended, and any such option or extension shall be void.
- H.3.7 A Beneficiary shall submit to the Contracting Officer, project manager, and the Director of the Department of Small and Local Business Development (at [compliance.enforcement@dc.gov](mailto:compliance.enforcement@dc.gov)) copies of the executed contracts with the subcontracts identified in the subcontracting plan. Failure to submit copies of the executed contracts shall render the underlying contract voidable by the District.
- H.3.8 The Beneficiary shall provide written notice to the Department of Small and Local Business Development upon the initiation and completion of a project.
- H.3.9 Within 15 days after the end of each quarter, the Beneficiary shall provide a quarterly report to the Department of Small and Local Business Development (at [compliance.enforcement@dc.gov](mailto:compliance.enforcement@dc.gov)), the Contracting Officer, and the project manager which shall include a list of each subcontractor identified in the subcontracting plan and for each subcontract:
- (a) The price to be paid by the contractor to the subcontractor;
  - (b) A description of the goods procured or the services contracted for;
  - (c) The amount paid by the contractor to the subcontractor under the subcontract; and
  - (d) A copy of the fully executed subcontract, if it was not provided in a prior quarterly report. If not included, the Beneficiary shall not receive credit toward the subcontracting requirements of this section for that subcontract.

The Beneficiary shall go to <https://dslbd.dc.gov> → Scroll down to SBE Forms under the section ‘Stay in Compliance’ → Click on that link & select ‘District Agency Compliance’ in order to access the DSLBD forms for beneficiaries to use for reporting requirements. The Beneficiary may further contact DSLBD at (202) 727-3900 for instructions on SBE Forms.

- H.3.10 The Beneficiary shall meet on an annual basis with the Department of Small and Local Business Development, the Contracting Officer, and the project manager to provide an update of the subcontracting plan for utilization of small business enterprises and certified business enterprises. The Department of Small and Local Business development shall provide the Beneficiary with a 30-day written notice of the meeting.

H.3.11 A Beneficiary and/or certified business enterprise subject to this section, that fails to meet the requirements of this section shall be subject to penalties set forth in D.C. Code §2-218.63.

#### H.3.12 Waiver of Subcontracting Requirements

- (a) The Director of the Department of Small and Local Business Development may waive the subcontracting requirements only if there is insufficient market capacity for the goods and services that comprise the project and such lack of capacity leaves the contractor commercially incapable of achieving the subcontracting requirements.
- (b) The Beneficiary may request a waiver of the subcontracting requirements by timely filing a written request with to the attention of the Contracting Officer detailing the reasons justifying a waiver, including the Beneficiary's efforts to secure involvement by Certified Business Enterprises. The Contracting Officer will, in turn, use the Beneficiary's information to submit a waiver request to the Director of the Department of Small and Local Business Development.
- (c) The Contracting Officer will provide written notice of the waiver determination to the Beneficiary prior to the acceptance of bids or proposals and upon a decision of the waiver by the Director of the Department of Small and Local Business Development.
- (d) The Beneficiary should provide the following information in its waiver request to the Contracting Officer to demonstrate the Beneficiary's good faith efforts to secure involvement by a Certified Business Enterprise:
  - i. Whether the Beneficiary advertised in general circulation, trade association, or other media outlets concerning the subcontracting opportunity;
  - ii. Whether the Beneficiary provided written notice to a reasonable number of certified business enterprises that their interest in the subcontracting opportunity was being solicited;
  - iii. Whether the Beneficiary conducted any pre-solicitation or pre-bid conferences to inform certified business enterprises of the subcontracting opportunity;
  - iv. Whether the Beneficiary provided sufficient time to allow certified business enterprises to participate effectively in its efforts to secure involvement by a certified business enterprise;
  - v. Whether the Beneficiary followed up responses of interest by conducting negotiations with certified business enterprises;
  - vi. Whether rejections by the Beneficiary of certified business enterprises as being unqualified were based on sound reasoning and thorough investigation of their capabilities;
  - vii. Whether the Beneficiary made efforts to assist interested certified business enterprises in obtaining bonding, lines of credit, or insurance required by the Beneficiary;
  - viii. Whether the Beneficiary effectively used the services of the Department of Small and Local Business Development, (202) 727-3900 and <http://dslbd.dc.gov>, in recruiting qualified certified business enterprises; and
  - ix. Whether bids submitted by certified business enterprises were excessive or noncompetitive based upon a review of prevailing market conditions.



- (e) While the information described in (d) above will assist the Director of the Department of Small and Local Business Development in reviewing the waiver request, it does not guarantee that a waiver will, in fact, be approved. Additional factors may be considered and additional information may be requested from the Beneficiary to support the waiver request.

H.3.13 In addition to the information provided by the Beneficiary, the Contracting Officer will include the following information in its written request for a waiver:

- (a) The number of certified business enterprises, if any, qualified to perform the elements of the work that comprise the project;
- (b) A summary of the market research or outreach conducted to analyze the relevant market; and
- (c) The consideration given to alternate methods for acquiring the work to be subcontracted in order to make the work more amenable to being performed by certified business enterprises.

H.3.14 For purposes of this Section H.3, the term:

- (a) “Beneficiary” means a business enterprise that is the prime contractor or developer on a government-assisted project.
- (b) “Government-assisted project” means:
  - i. A contract executed by an agency on behalf of the District or pursuant to statutory authority that involves District funds or, to the extent not prohibited by federal law, funds that the District administers in accordance with a federal grant or otherwise;
  - ii. A project funded in whole or in part by District funds;
  - iii. A project that receives a loan or grant from a District agency;
  - iv. A project that receives bonds or notes or the proceeds thereof issued by a District agency, including tax increment financing or payment in lieu of tax bonds and notes, or industrial revenue bonds;
  - v. A project that receives District tax exemptions or abatements that are specific to the project and not to the nature of the entity undertaking the project, such as a religious institution or nonprofit corporation; or
  - vi. A development project conducted pursuant to a disposition under section 1 of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801).

H.3.15 Notwithstanding the requirements set forth in this Section H.3, a Beneficiary, and any other certified business enterprise subject to this section, shall fully comply with the requirements set forth in D.C. Code §§ 2-218.46, 2-218.51. If there is a conflict between the requirements set

forth in this Section H.3 and D.C. Code §§ 2-218.46, 2-218.51, the requirements set forth in D.C. Code §§ 2-218.46, 2-218.51 shall govern.

#### **H.4 WARRANTIES**

- H.4.1 The Contractor warrants and agrees that it is lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.
- H.4.2 The Contractor warrants and agrees that it is of legal authority and capacity to enter into and perform under the Contract, and that it has the financial ability to perform its obligations under such Contract.
- H.4.3 The Contractor warrants and agrees that it has been duly authorized to operate and do business in all places where it will be required to do business under the Contract that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.
- H.4.4 The Contractor warrants and agrees that it has no present interest and shall not knowingly acquire any interest which would conflict in any manner with its duties and obligations under the Contract.
- H.4.5 The Contractor warrants and agrees that all systems analysis, systems design and programming pursuant to the Contract or for use in its performance there under has been and shall be prepared or done in a high quality, professional and competent manner using only qualified personnel.
- H.4.6 The Contractor further represents and warrants that all programs implemented in its performance under the contract shall meet the performance standards required there under and shall correctly and accurately perform their intended functions on the equipment supplied by the District or Contractor.
- H.4.7 The Contractor warrants and agrees that all services provided by it under the Contract shall be performed in a prompt, high quality, professional and competent manner using only qualified personnel.
- H.4.8 The Contractor warrants and agrees that it will not take any action inconsistent with any of the terms, conditions, agreements, or covenants set forth in this Contract without the express written consent of the District.
- H.4.9 The Contractor warrants and agrees that it shall keep all equipment in good condition and repair, and shall not permit anything to be done that may materially impair the value thereof. The Contractor shall use such equipment only in the ordinary course of its performance under the Contract and shall not permit such equipment to be used in violation of any applicable law, regulation or policy of insurance.

H.4.10 The Contractor warrants and agrees that it shall not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any component of any goods, system proposed in the Contract or any interest therein, or permit any of it to become a fixture or accession to other goods or property without the prior written consent of the District.

#### **H.5 DISCLOSURE OF LITIGATION**

Given the size and scope of Contractor's operations. Contractor is occasionally involved in litigation, both as a defendant and as a plaintiff. However, Contractor does not believe that any pending litigation will have a material adverse effect on its business, financial position or net income. Contractor's public filings provide additional information at <https://investors.principal.com/investor-relations/financials/statutory-filings/default.aspx>. The Contractor shall notify the District at the same time and in the same manner as it notifies all its clients of any material litigation that would adversely affect the ability of the Contractor to provide services under this Contract.

#### **H.6 CONTINUITY OF SERVICES**

The Contractor recognizes that the services provided under this contract are vital to the District of Columbia and must be continued without interruption and that, upon contract expiration or termination, a successor, either the District Government or another Contractor, at the District's option, may continue to provide these services. If another Contractor is awarded a future contract for performance of the required services, the original Contractor shall cooperate fully with the District and the new Contractor in any transition activities that the Contracting Officer deems necessary during the term of the contract. To that end, the Contractor agrees to exercise its best efforts and cooperation to affect an orderly and efficient transition to a successor.

#### **H.7 BACKGROUND INVESTIGATIONS AND OTHER INTEGRITY REQUIREMENTS**

H.7.1 The District may initiate investigations into the backgrounds of any of the Contractor's officers, principals, investors, owners, employees, vendors, subcontractors, or subcontractors' officers, principals, owners, employees or vendors, or any other associates of the Contractor(s) it deems appropriate. Such background investigations may include the completion of certain documents, and fingerprint identification by appropriate law enforcement agencies.

H.7.2 The Contractor agrees that, during the term of the Contract and any renewal thereof, it shall be obligated to provide such information about its officers, directors, employees and owners, as well as all information about its subcontractors' officers, directors, employees and owners, as the District may reasonably request and the Contractor is permitted to provide. The Contractor also agrees that the District may conduct background investigations of such persons.

H.7.3 The District may also require that contractors (1) fully cooperate with official inquiries by responding to questions truthfully and under oath when required, whether orally or in writing, (2) provide documents and other information of official interest, and (3) within reasonable requirements, attend integrity training.

**H.8 DIVERSION, REASSIGNMENT AND REPLACEMENT OF KEY PERSONNEL**

The key personnel specified in the contract are considered to be essential to the work being performed hereunder. To the extent possible, the Contractor shall give the Contracting Officer reasonable notice of changes to key personnel. The Contractor shall use its best efforts to make changes in the key personnel assigned to work on the contract upon the reasonable request by the District and to the extent permissible given the availability of suitable alternate personnel and the requirements of law. Prior to diverting any of the specified key personnel for any reason, the Contractor shall notify the CO with the rationale and qualifications of the replacement personnel.

**H.9 ADVISORY AND ASSISTANCE SERVICES**

This contract is a “non-personal services contract”. The Contractor and the Contractor’s employees: (1) shall perform the services specified herein as independent contractors, not as employees of the government; (2) shall be responsible for their own management and administration of the work required and bear sole responsibility for complying with any and all technical, schedule, financial requirements or constraints attendant to the performance of this contract; (3) shall be free from supervision or control by any government employee with respect to the manner or method of performance of the service specified; but (4) shall, pursuant to the government’s right and obligation to inspect, accept or reject work, comply with such general direction of the CO, or the duly authorized representative of the CO as is necessary to ensure accomplishment of the contract objectives.

## SECTION I

### CONTRACT CLAUSES

#### **I.1 LAWS AND REGULATIONS INCORPORATED BY REFERENCE**

To the extent applicable, the provisions of the following acts, together with the provisions of applicable regulations made pursuant to said acts are hereby incorporated by reference into this contract; together with the laws and regulations of the District of Columbia:

- A. Contract Work Standards Act of August 13, 1962, also known as the Contract Work Hours and Safety Standards Act of 1962, 76 Stat. 357-360.
- B. Buy American Act, Act of March 3, 1983, c.212, Title III, 47 Stat. 1520, as amended.
- C. Walsh-Healy Public Contracts Act, Act of June 30, 1936, c.881, 49 Stat. 2036, as amended. (Applies only when contract is \$10,000 or more).
- D. Mayor's Order 85-85, dated June 10, 1985, as amended, entitled: "Compliance with Equal Opportunity Obligations in Contracts."
- E. Public Law 93-112, Rehabilitation Act of 1973, Section 504, as amended.
- F. Mayor's Order 83-265, dated November 9, 1983 entitled: Employment Agreement Goals and Objectives for all District of Columbia Projects."
- G. D.C. Law 5-93, dated May 9, 1984, the First Source Employment Agreement Act of 1984.
- H. Protecting Pregnant Workers Fairness Act of 2016, D.C. Official Code § 32-1231.01 et seq. (PPWF Act)
- I. Unemployed Anti-Discrimination Act of 2012, D.C. Official Code § 32-1361 et seq.
- J. Fair Criminal Record Screening Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-152)
- K. Title I of the Way to Work Amendment Act of 2006, effective June 8, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 et seq.), as amended, ("Living Wage Act of 2006") which applies to all contracts for services in the amount \$100,000 or more in a 12-month period. The current living wage rate, the Living Wage Act Fact Sheet which includes exemption information, and the Living Wage Act Poster may be found at <https://does.dc.gov/service/office-wage-hour-compliance-0> or contact the Department of Employment Services at (202) 724-7000.

## **I.2 WAIVER**

The waiver of any breach of the contract will not constitute a waiver of any subsequent breach thereof, or a waiver of the contract.

## **I.3 INDEMNIFICATION**

I.3.1 The Contractor agrees to defend, indemnify and hold harmless the District, its officers, agencies, departments, agents, and employees (collectively the "District") from and against any and all claims, losses, liabilities, penalties, fines, forfeitures, demands, causes of action, suits, costs and expenses incidental thereto (including cost of defense and attorneys' fees), ("Claims") directly resulting from, or arising out of, or in any way connected to activities or work performed by the Contractor, the negligence of the Contractor; provided the Contractor is given reasonable notice of any Claim and an opportunity to correct any alleged mistake, defend against any action, and/or participate in any settlement proceeding and further provided that "negligence" for purposes of this provision shall not include the Contractor's failure to consider the prudence or imprudence of any direction provided by a person authorized to give it. Additionally, the Contractor shall not be liable under this indemnification for Claims resulting from actions of the Contractor taken in accordance with direction of an authorized representative, or action omitted because no such direction was given. This indemnification shall not include Claims arising out of the District's negligence, willful misconduct or breach of duty under this Agreement.

I.3.2 The indemnification obligation under this section shall not be limited by the existence of any insurance policy or by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or any subcontractor, and shall survive the termination of this Contract. The District agrees to give Contractor written notice of any claim of indemnity under this section. Additionally, Contractor shall have the right and sole authority to control the defense or settlement of such claim, provided that no contribution or action by the District is required in connection with the settlement.

I.3.3 To the extent permitted by law, the District agrees to hold the Contractor harmless for Claims which may be imposed, assessed or incurred against the Contractor, or the account, arising out of or in connection with the performance of the Contractor's obligations in accordance with the provisions of this Agreement. This provision does not extend to any liability, loss, claim, damages or expense arising from the negligence or default of the Contractor.

## **I.4 TRANSFER**

No contract or any interest therein shall be transferred by the parties to whom the award is made; such transfer will be null and void and will be cause to annul the contract.

## **I.5 TAXES**

(a) The Government of the District of Columbia is exempt from and will not pay Federal Excise Tax, Transportation Tax, and the District of Columbia Sales and Use Taxes.

- (b) Tax exemption certificates are no longer issued by the District for Federal Excise Tax. The following statement may be used by the supplier when claiming tax deductions for Federal Excise Tax exempt items sold to the District.

“The District of Columbia Government is Exempt from Federal Excise Tax –  
Registration No. 52-73-0206-K, Internal Revenue Service, Baltimore, Maryland.”

Exempt from Maryland Sales Tax, Registered with The Comptroller of The Treasury –  
Exemption No. 09339

“The District of Columbia Government is Exempt from Sales and Use Tax –  
Registration No. 53-600, The District of Columbia Office of Tax and Revenue.”

## **I.6 OFFICIALS NOT TO BENEFIT**

- I.6.1 Unless a determination is made as provided herein, no officer or employee of the District will be admitted to any share or part of this contract or to any benefit that may arise therefrom, and any contract made by the Contracting Officer or any District employee authorized to execute contracts in which they or an employee of the District will be personally interested shall be void, and no payment shall be made thereon by the District or any officer thereof, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit. A District employee shall not be a party to a contract with the District and will not knowingly cause or allow a business concern or other organization owned or substantially owned or controlled by the employee to be a party to such a contract, unless a written determination has been made by the head of the procuring agency that there is a compelling reason for contracting with the employee, such as when the District’s needs cannot reasonably otherwise be met. (Procurement Practices Reform Act of 2010, D.C. Law 18-0371, D.C. Official Code, section 2-359.10, and Chapter 18 of the DC Personnel Regulations)
- I.6.2 The Contractor represents to the best of its knowledge and belief that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder.

## **I.7 DISPUTES**

All disputes arising under or relating to this contract shall be resolved as provided herein. The parties agree; however, that such final decisions shall not affect any other rights or remedies available to the Contractor under applicable law.

- (a) **Claims by a Contractor against the District:** Claim, as used in paragraph (a) of this clause, means a written assertion by the Contractor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.

- (1) All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to the Contracting Officer for a decision. The Contractor's claim shall contain at least the following:
  - (i) A description of the claim and the amount in dispute;
  - (ii) Data or other information in support of the claim;
  - (iii) A brief description of the Contractor's efforts to resolve the dispute prior to filing the claim; and
  - (iv) The Contractor's request for relief or other action by the Contracting Officer.
- (2) The Contracting Officer may meet with the Contractor in a further attempt to resolve the claim by agreement.
- (3) The Contracting Officer shall issue a decision on any claim within 120 calendar days after receipt of the claim. Whenever possible, the CO shall take into account factors such as the size and complexity of the claim and the adequacy of the information in support of the claim provided by the Contractor.
- (4) The Contracting Officer's written decision shall do the following:
  - (i) Provide a description of the claim or dispute;
  - (ii) Refer to the pertinent contract terms;
  - (iii) State the factual areas of agreement and disagreement;
  - (iv) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
  - (v) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
  - (vi) Indicate that the written document is the contracting officer's final decision; and
  - (vii) Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.
- (5) Failure by the Contracting Officer to issue a decision on a contract claim within 120 days of receipt of the claim will be deemed to be a denial of the claim, and will authorize the commencement of an appeal to the Contract Appeals Board as authorized by D.C. Official Code § 2-360.04.
- (6) If a Contractor is unable to support any part of his or her claim and it is determined that the inability is attributable to a material misrepresentation of fact or fraud on the part of the Contractor, the Contractor shall be liable to the District for an amount equal to the unsupported part of the claim in addition to all costs to the District attributable to the cost of reviewing that part of the Contractor's claim. Liability this paragraph (a)(6) shall be determined within six (6) years of the commission of the misrepresentation of fact or fraud.



- (7) Pending final decision of an appeal, action, or final settlement, a Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.
  
- (b) **Claims by the District against a Contractor:** Claim as used in paragraph (b) of this clause, means a written demand or written assertion by the District seeking, as a matter of right, the payment of money in a sum certain, the adjustment of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.
  - (1) The Contracting Officer shall decide all claims by the District against a Contractor arising under or relating to a contract.
  
  - (2) The Contracting Officer shall send written notice of the claim to the Contractor. The Contracting Officer's written decision shall do the following:
    - (i) Provide a description of the claim or dispute;
    - (ii) Refer to the pertinent contract terms;
    - (iii) State the factual areas of agreement and disagreement;
    - (iv) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
    - (v) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
    - (vi) Indicate that the written document is the Contracting Officer's final decision; and
    - (vii) Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.
  
  - (3) The Contracting Officer shall support the decision by reasons and shall inform the Contractor of its rights as provided herein.
  
  - (4) Before or after issuing the decision, the CO may meet with the Contractor to attempt to resolve the claim by agreement.
  
  - (5) The authority contained in this paragraph (b) shall not apply to a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another District agency is specifically authorized to administer, settle, or determine.
  
  - (6) This paragraph shall not authorize the Contracting Officer to settle, compromise, pay, or otherwise adjust any claim involving fraud.

- (c) Decisions of the Contracting Officer shall be final and not subject to review unless an administrative appeal or action for judicial review is timely commenced by the Contractor as authorized by D.C. Official Code §2-360.04.
- (d) Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

## **I.8 CHANGES**

- (a) The parties, upon mutual agreement, may, at any time, by written order, and without notice to the surety, if any, make changes in the contract within the general scope hereof. If such change causes an increase or decrease in the cost of performance of the contract, or in the time required for performance, an equitable adjustment shall be made. Any claim for adjustment for a change within the general scope must be asserted within ten (10) days from the date the change is agreed upon; provided, however, that the parties, if determined that the facts justify such action, may receive, consider, and adjust any such claim asserted at any time prior to the date of final settlement of the contract. If the parties fail to agree upon the adjustment to be made, the dispute shall be determined as provided in **Section I.7 Disputes**.
- (b) The District shall not require the Contractor, and the Contractor shall not require a subcontractor, to undertake any work that is beyond the original scope of the contract or subcontract, including work under a District-issued change order, when the additional work increases the contract price beyond the not-to-exceed price or negotiated maximum price of the contract, unless the CO:
  - (1) Agrees with the Contractor, and if applicable the subcontractor, on a price for the additional work;
  - (2) Obtains a certification of funding to pay for the additional work;
  - (3) Makes a written, binding commitment with the Contractor to pay for the additional work within thirty (30) days after the Contractor submits a proper invoice; and
  - (4) Provides the Contractor with written notice of the funding certification.
- (c) The Contractor shall include in its subcontracts for this account a clause that requires the Contractor to:
  - (1) Within five (5) business days of its receipt of notice of the approved additional funding, provide the subcontractor with notice of the amount to be paid to the subcontractor for the additional work to be performed by the subcontractor;
  - (2) Pay the subcontractor any undisputed amount to which the subcontractor is entitled for the additional work within ten (10) days of receipt of payment from the District; and
  - (3) Notify the subcontractor and CO in writing of the reason(s) the Contractor withholds any payment from a subcontractor for the additional work.

- (d) Neither the District, Contractor, nor any subcontractor may declare another party to be in default, or assess, claim, or pursue damages for delays until the parties agree on a price for the additional work.

## **I.9 TERMINATION FOR DEFAULT**

- A. The District may, subject to the provisions of paragraph C., below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances: (i) If the Contractor fails to make delivery of the supplies or to perform the services within the time specified within the project work plan or any extension thereof; or (ii) If the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.
- B. In the event the District terminates this contract in whole or part as provided in paragraph A. above, the District may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or service similar to those so terminated; and the Contractor shall be liable to the District for any excess costs for similar supplies or services. Provided, that the Contractor shall continue the performance of this contract to the extent not terminated under provisions of this clause. The Contractor shall work with any subsequent contractor to ensure a smooth transfer of information for a period of sixty (60) days.
- C. Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not restricted to, acts of God or of public enemy, acts of the District or Federal Government in either their sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of the subcontractor, and if such default arises out of causes beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess cost for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.
- D. If this contract is terminated as provided in paragraph A., above, the District in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the District, in the manner and to the extent directed by the Contracting Officer, (i) completed supplies, (ii) such partially completed supplies and materials, information, and contract rights (herein after called “manufacturing materials”) as the Contractor has specifically produced or specifically produced or specifically acquired for the performance being terminated; and the Contractor, shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the District has an interest. Payment for completed supplies delivered to and accepted by the District shall be at the

contract price. Payment for manufacturing materials delivered to and agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact. The District may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sums as the Contracting Office determines to be necessary to protect the District against loss because of outstanding liens or claims of former lien holders.

- E. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provision of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for a termination for convenience be the same as if the notice of termination had been issued pursuant to such clause. Section I.10 "Termination for Convenience."
- F. The rights and remedies of the District provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this contract.
- G. As used in paragraph C., above, the terms "subcontractor" and "subcontractors" means subcontractor(s) at any tier.
- H. The Contractor shall be paid for the work performed up to the date of transfer of assets to a successor custodian in conjunction with this section.

**I.10 TERMINATION FOR CONVENIENCE**

- (a) The District may terminate performance of work under this contract in whole or, from time to time, in part if the Contracting Officer determines that a termination is in the District's interest. The Contracting Officer shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and effective date.
- (b) After receipt of a Notice of Termination, and except as directed by the Contracting Officer, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:
  - (1) Stop work as specified in the notice.
  - (2) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the contract.
  - (3) Terminate all contracts to the extent they relate to the work terminated.
  - (4) Assign to the District, as directed by the Contracting Officer, all rights, title and interest of the Contractor under the subcontracts terminated, in which case the District will have the right to settle or pay any termination settlement proposal arising out of those terminations.

(5) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts. The approval or ratification will be final for purposes of this clause.

(6) As directed by the Contracting Officer, transfer title and deliver to the District (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other materials produced or acquired for the work terminated, and (ii) the completed or partially completed plans, drawings, information, and other property that, if the contract has been completed, would be required to be furnished to the District.

(7) Complete performance of the work not terminated.

(8) Take any action that may be necessary, or that the Contracting Officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the District has or may acquire an interest.

(9) Use its best efforts to sell, as directed or authorized by the Contracting Officer, any property of the types referred to in subparagraph (6) above; provided, however, that the Contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, the Contracting Officer. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the District under this contract, credited to the price or cost of the work, or paid in any other manner directed by the Contracting Officer.

(c) After the expiration of ninety (90) days (or such longer period as may be agreed to) after receipt by the Contracting Officer of acceptable inventory schedules, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality of termination inventory not previously disposed of excluding items authorized for disposition by the Contracting Officer. The Contractor may request the District to remove those items or enter into an agreement for their storage. Within fifteen (15) days, the District will accept title to those items and remove them or enter into a storage agreement. The Contracting Officer may verify the list upon removal of the items, or if stored, within forty-five (45) days from submission of the list, and shall correct the list, as necessary, before final settlement.

(d) After termination, the Contractor shall submit a final termination settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer. The Contractor shall submit the proposal promptly, but no later than one year from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this one-year period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after one year or any extension. If the Contractor fails to submit the proposal within the time allowed, the Contracting Officer may determine, on the basis of information available, the amount, if any, due to the Contractor because of the termination and shall pay the amount determined.

(e) Subject to paragraph (d) above, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph (e) or paragraph (f) below, exclusive of costs shown in subparagraph (f)(3) below, may not exceed the total contract price as reduced by (1) the amount of payment previously made and (2) the contract price of work not terminated. The contract shall be amended, and the Contractor paid the agreed amount. Paragraph (f) below shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

(f) If the Contractor and the Contracting Officer fail to agree on the whole amount to be paid because of the termination work, the Contracting Officer shall pay the Contractor the amounts determined by the Contracting Officer as follows, but without duplication of any amounts agreed on under paragraph (e) above:

(1) The contract price for completed supplies or services accepted by the District (or sold or acquired under subparagraph (b)(9) above) not previously paid for, adjusted for any saving of freight and other charges.

(2) The total of :

(i) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under subparagraph (f)(1) above;

(ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subparagraph (f)(1) above; and

(iii) A sum, as profit on subparagraph f(1) above, determined by the Contracting Officer to be fair and reasonable; however, if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, the Contracting Officer shall allow no profit under this subparagraph (iii) and shall reduce the settlement to reflect the indicated rate of loss.

(3) The reasonable cost of settlement of the work terminated, including-

(i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) The termination and settlement of subcontractors (excluding the amounts of such settlements); and

(iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

(g) Except for normal spoilage, and except to the extent that the District expressly assumed the risk of loss, the Contracting Officer shall exclude from the amounts payable to the Contractor under paragraph (f) above, the fair value as determined by the Contracting Officer, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the District or to a buyer.

(h) The Contractor shall have the right of appeal, under the Disputes clause, from any determination made by the Contracting Officer under paragraphs (d), (f) or (j), except that if the Contractor failed to submit the termination settlement proposal within the time provided in paragraph (d) or (j), and failed to request a time extension, there is no right of appeal. If the Contracting Officer has made a determination of the amount due under paragraph (d), (f) or (j), the District will pay the Contractor (1) the amount determined by the Contracting Officer if there is no right of appeal or if no timely appeal has been taken, or (2) the amount finally determined on an appeal.

(i) In arriving at the amount due the Contractor under this clause, there shall be deducted:

- (1) All unliquidated advances or other payments to the Contractor under the termination portion of the contract;
- (2) Any claim which the District has against the Contractor under this contract; and
- (3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Contractor or sold under the provisions of this clause and not recovered by or credited to the District.

(j) If the termination is partial, the Contractor may file a proposal with the Contracting Officer for an equitable adjustment of the price(s) of the continued portion of the contract. The Contracting Officer shall make any equitable adjustment agreed upon. Any proposal by the Contractor for an equitable adjustment under this clause shall be requested within ninety (90) days from the effective date of termination unless extended in writing by the Contracting Officer.

- (k)
- (1) The District may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the contract, if the Contracting Officer believes the total of these payments will not exceed the amount to which the Contractor shall be entitled.
  - (2) If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the District upon demand together with interest computed at the rate of 10 percent (10%) per year. Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess payment is repaid. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Contracting Officer because of the circumstances.

(l) Unless otherwise provided in this contract or by statute, the Contractor shall maintain all records and documents relating to the terminated portion of this contract for 3 years after final settlement. This includes all books and other evidence bearing on the Contractor's costs and expenses under this contract. The Contractor shall make these records and documents available to the District, at the Contractor's office, at all reasonable times, without any direct charge. If approved by the Contracting Officer, photographs, micrographs, or other authentic reproductions may be maintained instead of original records and documents.

(m) The Contractor may terminate performance of work under this Contract by delivering to the District 60-day advance notice of termination.

(n) The Contractor shall be paid for the work performed up to the date of transfer of assets to a successor custodian.

(o) Upon the direction of the Contracting Officer, in conjunction with this section, the Contractor shall work with any subsequent contractor to ensure a smooth transfer of information and assets.

(p) The parties agree that provisions in this section shall not affect any other rights or remedies available to the Contractor under applicable law.

#### **I.11 TERMINATION OF CONTRACTS FOR CERTAIN CRIMES AND VIOLATIONS**

A. The District may terminate without liability any contract and may deduct from the contract price or otherwise recover the full amount of any fee, commission, percentage, gift, or consideration paid in violation of this title if:

(1) the Contractor has been convicted of a crime arising out of or in connection with the procurement of any work to be done or any payment made under this contract.

(2) There has been any breach or violation of:

(A) Any provision of the District of Columbia Procurement Practices Reform Act of 2010, (D.C. Law 18-371; D.C. Official Code §§ 2-351.01, et seq., or

(B) The contract provision against contingent fees.

B. If a contract is terminated pursuant to this section, the Contractor: (i) May be paid only the actual costs of the work performed to the date of termination, plus termination costs, if any; and (ii) shall refund all profits or fixed fees realized under the contract.

C. The rights and remedies contained in this Clause are in addition to any other rights or remedies provided by law, and the exercise of any of them is not a waiver of any other right or remedy provided by law.



## **I.12 EXAMINATION OF THE BOOKS**

- I.12.1 The Contractor shall establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the District under the contract that results from this solicitation. The Contractor shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of three (3) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of three (3) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of the contract. The Contractor shall assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, District, or other personnel duly authorized by the Contracting Officer.
- I.12.2 The Contracting Officer, the DC Inspector General, OCFO, and the District of Columbia Auditor, and/or any of their duly authorized representatives shall, until three years after final payment, have the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to the contract. Notwithstanding anything to the contrary contained in this agreement, such right to examine shall not include the computer systems or processing systems from which data is generated; information, data or processes that are proprietary to the Contractor; materials, processes, or procedures related to recordkeeping, data access or data security; materials precluded by regulation, court order or regulatory authority; or physical facility audits

## **I.13 NON-DISCRIMINATION CLAUSE**

The Contractor shall comply with Mayor's Order 85-85, "Compliance With Equal Opportunity Requirements In Contracts," Effective June 10, 1985, the rules implementing Mayors Order 85-85, 33 DCR 4952 (published August 15, 1986), and the DC Human Rights Act of 1977, as amended, D.C. Official Code § 2-1401.01, et seq. ("D.C. Human Rights Act").

## **I.14 SERVICE CONTRACT ACT OF 1965**

Definitions:

"Act", as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351- 358). "Contractor" as used in this clause, means the prime Contractor or any subcontractor at any tier. "Service employee" as used in this clause, means any person (other than a person employed in a bona fide executive, administrative, or professional capacity as defined in 29 CFR 541) engaged in performing a Government contract nor exempted under 41 U.S.C. 356, the principal purpose of which is to furnish services in the United States as defined in section 22.1001 of the Federal Acquisition Regulation. It includes all such persons regardless of the actual or alleged contractual relationship between them and a contractor.

- A. **Applicability.** To the extent that the Act applies, this contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of

the Secretary of Labor (29CFR 4). All interpretations of the Act in Subpart C of 29 CFR 4 are incorporated in this contract by reference. This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C, 29 CFR 4.

- B. **Compensation:** (i) The Contractor shall pay not less than the minimum wage and shall furnish fringe benefits to each service employee under this contract in accordance with wages and benefits determined by the Secretary of Labor or the Secretary's authorized representative, as specified in any attachments to this contract; (ii) If there is an attachment, the Contractor shall classify any class of service employees not listed in it, but to be employed under this contract. The classification shall provide a reasonable relationship to those listed in the attachment. The Contractor shall pay that class wages and fringe benefits determined by agreement of the interested parties: The contracting agency, the Contractor, and the employees who will perform the contract or their representatives. If the interested parties do not agree, the Contracting Officer shall submit the question, with a recommendation for final determination to the Office of Government Contract Wage Standards, Wage and Hour Division Employment Standards Administration (ESA), and the Department of Labor. Failure to pay such employees the compensation agreed upon by the interested parties or finally determined by ESA is a contract violation. (iii) If the term of this contract is more than one (1) year, the minimum wages and fringe benefits required for service employees under this contract shall be subject to adjustment after 1 year and not less often than once every two (2) years under wage determinations issued by ESA.
- C. **Minimum Wage.** In the absence of a minimum wage attachment for this contract, the Contractor shall not pay any service or other employees performing this contract less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206). Nothing in this clause shall relieve the Contractor of any other legal or contractual obligations to pay a higher wage to any employee.
- D. **Successor Contracts.** If this contract succeeds a contract subject to the Act under which substantially the same services were furnished and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, then, in the absence of a minimum wage attachment to this contract, the Contractor may not pay any service employee performing this contract less than the wages and benefits, including those accrued and any prospective increases, provided for under that agreement. No Contractor may be relieved of this obligation unless the limitations of 29 CFR 4.1c (b) apply or unless the Secretary of Labor or the Secretary's authorized representative - (i) Determines that the agreement under the predecessor was not the result of arms-length negotiations, or (ii) Finds, after a hearing under 29 CFR 4.10, that the wages and benefits provided for by that agreement vary substantially from those prevailing for similar services in the locality.
- E. **Notification to Employees.** The Contractor shall notify each service employee commencing work on this contract of the minimum wage and any fringe benefits required to be paid, or shall post a notice of these wages and benefits in a prominent and

accessible place at the work site, using such poster as may be provided by the Department of Labor.

- F. **Safe and sanitary working conditions.** The Contractor shall not permit services called for by this contract to be performed in building or surroundings or under working conditions provided by or under the control or supervision of the Contractor that are unsanitary, hazardous, or dangerous to the health or safety of service employees. The Contractor shall comply with the health standards applied under 29 CFR Part 1925.
- G. **Records.** The Contractor shall maintain for three (3) years from the completion of the work, and make available for inspection and transcription by authorized ESA representatives, a record of the following:
- (i) For each employee subject to the Act –
    - (a) Name and address;
    - (b) Work classification or classifications, rate or rates of wages and fringe benefits provided;
    - (c) Rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;
    - (d) Daily and weekly hours worked; and
    - (e) Any deductions, rebates, or refunds from total daily and weekly compensation.
  - (ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by ESA under the terms of paragraph (B)(iii) of this clause. A copy of the report required by paragraph (D) of this clause will fulfill this requirement.
- H. **Withholding of Payments and Termination of Contract:** The Contracting Officer shall withhold from the prime contractor under this or any other government contract with the prime contractor any sums the Contracting Officer, or an appropriate officer of the Labor Department, decides may be necessary to pay underpaid employees. Additionally, any failure to comply with the requirements of this clause may be grounds for termination for default.
- I. **Contractor's Report:** (i) If there is a wage determination attachment to this contract and any classes of service employees not listed on it are to be employed under the contract, the Contractor shall report promptly to the Contracting Officer the wages to be paid and the fringe benefits to be provided each of these classes, when determined under paragraph C. of this clause. (ii) If wages to be paid or fringe benefits to be furnished any service employee(s) under the contract are covered in collective

bargaining agreement effective at any time when the contract is being performed, the prime Contractor shall provide to the Contracting Officer a copy of the agreement and full information on the application and accrual of wages and benefits (including any prospective increases) to service employees working on the contract. The prime Contractor shall report when contract performance begins, in the case of agreements then in effect, and shall report subsequently effective agreements, provisions, or amendments promptly after they are negotiated.

- J. **Variations, tolerances, and exemptions involving employment:** Notwithstanding any of the provisions in this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions authorized by the Secretary of Labor: (i) In accordance with regulations issued under Section 14, of the Fair Labor Standards Act of 1938 by the Administrator of the Wage and Hour Division, ESA(29 CFR 520, 521, 524 and 525), apprentices, student learners, and workers whose earning capacity is impaired by age or by physical or mental deficiency or injury, may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Service Contract Act, without diminishing any fringe benefits or payments in lieu of these benefits required under section 2(a)(2) of the Act. (ii) The Administrator will issue certificates under the Act for employing apprentices, and student learners, disabled persons, or disabled clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of minimum wages, but without changing requirements concerning fringe benefits for supplementary cash payments in lieu of these benefits; (iii) The Administrator may also withdraw, annul, or cancel such certificates under 29 CFR 525 and 528; and (iv) an employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips credited by the employer against the minimum wage required by section 2(a)(1) of the Act or section 2(b)(1) of the Act, in accordance with regulations in 29 CFR 531. However, the amount of credit shall not exceed 40 percent of the minimum rate specified in section 6(a) (1) of the Fair Labor Standards Act of 1938, as amended.

#### **I.15 RECOVERY OF DEBTS OWED THE DISTRICT**

The Contractor hereby agrees that the District may use Section I.3 or Section I.7, as applicable, to satisfy in whole or part, any debt due the District.

#### **I.16 NON-DISCLOSURE AGREEMENT**

- A. The Contractor shall maintain as confidential, and shall not disclose to third parties without the District's prior written consent, any District information including, but not limited to, the District's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans. Confidential Information does not include any information that is: (i) already known to or in possession of the parties, (ii) is or becomes publicly known, (iii) is obtained from a third party who is not under a duty of confidentiality to the disclosing party, (iv) was independently developed or (v) the parties agree in writing that the information is free of the restrictions set out in this Agreement.

- B. The Contractor shall at all times obtain the prior written approval from the Contracting Officer before it, any of its officers, agents, employees or subcontractors, either during or after expiration or termination of the contract, make any statement, or issue any material, for publication through any medium of communication, bearing on the work performed or data collected under this contract.
- C. No information regarding the Contractor's performance of the contract shall be disclosed by the Contractor to anyone other than District Government officials unless written approval is obtained in advance from the Contracting Officer.
- D. The District shall ensure that its personnel do not disclose to any non-District person or organization information concerning the process the Contractor uses to provide services under the awarded contract.
- E. Notwithstanding anything herein to the contrary, Contractor may disclose information if made in response to a valid order of a court or other tribunal or authorized agency of the government or if made in connection with any audit or regulatory examination of the Contractor or any of its affiliates by any governmental agency. Contractor, and its affiliates, may disclose information provided to it by the District for purposes of due diligence, risk assessment or other similar purposes, solely if required to provide services under the Contract.

**I.17 GOVERNMENT PROPERTY**

Contractor use of Government property shall be governed by Chapter 41 of Title 27 of the D.C. Municipal Regulations.

**I.18 RIGHTS IN DATA**

**A. Definitions**

1. "Products" - A deliverable under any contract that may include commodities, services and/or technology furnished by or through Contractor, including existing and custom Products, such as, but not limited to: a) recorded information, regardless of form or the media on which it may be recorded; b) document research; c) experimental, developmental, or engineering work; d) licensed software; e) components of the hardware environment; f) printed materials (including but not limited to training manuals, system and user documentation, reports, drawings); g) third party software; h) modifications, customizations, custom programs, program listings, programming tools, data, modules, components; and i) any intellectual property embodied therein, whether in tangible or intangible form, including but not limited to utilities, interfaces, templates, subroutines, algorithms, formulas, source code, and object code.

2. "Existing Products" - Tangible Products and intangible licensed Products that exist prior to the commencement of work under the contract. Existing Products must be

identified on the Product prior to commencement of work or else will be presumed to be Custom Products.

3. “Custom Products” - Products, preliminary, final or otherwise, which are created or developed by Contractor, its subcontractors, partners, employees, resellers or agents for the District under the contract.

4. “District” – The District of Columbia and its agencies.

**B. Title to Project Deliverables**

The Contractor acknowledges that it is commissioned by the District to perform services detailed in the contract. The District shall have ownership and rights for the duration set forth in the contract to use, copy, modify, distribute, or adapt Products as follows:

1. Existing Products: Title to all Existing Licensed Product(s), whether or not embedded in, delivered or operating in conjunction with hardware or Custom Products, shall: (1) remain with Contractor or third party proprietary owner, who retains all rights, title and interest (including patent, trademark or copyrights). Effective upon payment, the District is granted an irrevocable, non-exclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, adapt (unless Contractor advises the District as part of Contractor’s proposal that adaptation will violate existing agreements or statutes and Contractor demonstrates such to the District’s satisfaction) and distribute Existing Product to District users up to the license capacity stated in the contract with all license rights necessary to fully effect the general business purpose(s) of the project or work plan or contract; and (2) be licensed in the name of the District. The District agrees to reproduce the copyright notice and any other legend of ownership on any copies authorized under this paragraph.

2. Custom Products: Effective upon Product creation, Contractor hereby conveys, assigns, and transfers to the District the sole and exclusive rights, title and interest in Custom Product(s), whether preliminary, final or otherwise, including all patent, trademark and copyrights. Contractor hereby agrees to take all necessary and appropriate steps to ensure that the Custom Products are protected against unauthorized copying, reproduction and marketing by or through Contractor.

**C. Transfers or Assignments of Existing or Custom Products by the District**

The District may transfer or assign Existing or Custom Products and the licenses thereunder to another District agency. Nothing herein shall preclude the Contractor from otherwise using the related or underlying general knowledge, skills, ideas, concepts, techniques and experience developed under a project or work plan in the course of Contractor’s business.

**D. Subcontractor Rights**

Whenever any data, including computer software, are to be obtained from a subcontractor under the contract, the Contractor shall use this clause, **Rights in Data**, in the subcontract, without alteration, and no other clause shall be used to enlarge or diminish the District's or the Contractor's rights in that subcontractor data or computer software which is required for the District.

**E. Source Code Escrow**

1. For all computer software furnished to the District with the rights specified in section B.2, the Contractor shall furnish to the District, a copy of the source code with such rights of the scope as specified in section B.2 of this clause. For all computer software furnished to the District with the restricted rights specified in section B.1 of this clause, the District, if the Contractor either directly or through a successor or affiliate shall cease to provide the maintenance or warranty services provided the District under the contract or any paid-up maintenance agreement, or if the Contractor should be declared insolvent by a court of competent jurisdiction, shall have the right to obtain, for its own and sole use only, a single copy of the current version of the source code supplied under the contract, and a single copy of the documentation associated therewith, upon payment to the person in control of the source code the reasonable cost of making each copy.

2. If the Contractor or Product manufacturer/developer of software furnished to the District with the rights specified in section B.1 of this clause offers the source code or source code escrow to any other commercial customers, the Contractor shall either: (1) provide the District with the source code for the Product; (2) place the source code in a third party escrow arrangement with a designated escrow agent who shall be named and identified to the District, and who shall be directed to release the deposited source code in accordance with a standard escrow arrangement acceptable to the District; or (3) will certify to the District that the Product manufacturer/ developer has named the District as a named beneficiary of an established escrow arrangement with its designated escrow agent who shall be named and identified to the District, and who shall be directed to release the deposited source code in accordance with the terms of escrow.

3. The Contractor shall update the source code, as well as any corrections or enhancements to the source code, for each new release of the Product in the same manner as provided above, and certify such updating of escrow to the District in writing.

**F. Indemnification and Limitation of Liability**

The Contractor shall indemnify and save and hold harmless the District, its officers, agents and employees acting within the scope of their official duties against any liability, including costs and expenses, (i) for violation of proprietary rights, copyrights, or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any data furnished under this contract, or (ii) based

upon any data furnished under this contract, or based upon libelous or other unlawful matter contained in such data.

**I.19 PATENTS**

The Contractor shall hold and save the District, its officers, agents, servants and employees harmless from liability of any nature or kind, including costs, expenses, for or on account of any patented or unpatented invention, article, process, or appliance, manufactured or use in the performance of this contract, including their use by the District, unless otherwise specifically stipulated in this contract.

**I.20 RESEVED**

**I.21 APPROPRIATION OF FUNDS**

The District's liability under this contract is contingent upon the future availability of appropriated monies with which to make payment for the contract purposes. The legal liability on the part of the District for payment of any money shall not arise unless and until such monies shall have been provided. The District's obligation to pay under this contract is subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351; (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (2001); (iii) D.C. Official Code § 47-105 (2001); and (iv) D.C. Official Code § 1-204.46 (2001), as the foregoing statutes may be amended from time to time. Any expenditures under the contract in excess of the encumbered budget authority are subject to appropriation or additional budget authority.

**I.22 MULTIYEAR CONTRACT**

If funds are not appropriated or otherwise made available for the continued performance in a subsequent year of a multiyear contract, the contract for the subsequent year shall be terminated, either automatically or in accordance with the termination clause of this contract. Unless otherwise provided for in this contract, the effect of termination is to discharge both the District and the Contractor from future performance of the Contract, but not from their existing obligations. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred, but not amortized in the price of the supplies or services delivered under the Contract.

**I.23 RESERVED**

**I.24 CONTRACTS IN EXCESS OF \$1 MILLION DOLLARS**

Any contract in excess of one million dollars (\$1,000,000) within a 12-month period shall not be binding or give rise to any claim or demand against the District unless first approved by the Council of the District of Columbia and signed by the Contracting Officer.



**I.25 CONTRACTS THAT CROSS FISCAL YEARS**

Continuation of this contract beyond the current fiscal year is contingent upon future fiscal appropriations.

**I.26 RESERVED**

**I.27 AMERICANS WITH DISABILITIES ACT OF 1990 (“ADA”)**

During the performance of the contract, the Contractor and any of its subcontractors shall comply with the ADA. The ADA makes it unlawful to discriminate in employment against a qualified individual with a disability. See 42 U.S.C. § 12101 et seq.

**I.28 FREEDOM OF INFORMATION ACT (“FOIA”)**

The District of Columbia’s Freedom of Information Act, at D.C. Official Code § 2-532 (a)(3), requires the District to make available for inspection and copying any record produced or collected pursuant to a District contract with a private contractor to perform a public function, to the same extent as if the record were maintained by the agency on whose behalf the contract is made. If the Contractor receives a request for such information, the Contractor shall immediately send the request to the COTR designated in subsection G.1 who will provide the request to the FOIA Officer for the agency with programmatic responsibility in accordance with the D.C. Freedom of Information Act. If the agency with programmatic responsibility receives a request for a record maintained by the Contractor pursuant to the contract, the COTR will forward a copy to the Contractor. In either event, the Contractor is required by law to provide all responsive records to the COTR within the timeframe designated by the COTR, however, Contractor may redact confidential information, trade secrets and commercial or financial information, as such information will result in substantial harm to the Contractor. The FOIA Officer for the agency with programmatic responsibility will determine the releasability of the records. The District will reimburse the Contractor for the costs of searching and copying the records in accordance with D.C. Official Code § 2-532 and Chapter 4 of Title 1 of the *D.C. Municipal Regulations*.

**I.29 RESERVED**

**I.30 INSURANCE**

- A. GENERAL REQUIREMENTS. The Contractor at its sole expense shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall have its insurance broker or insurance company submit a Certificate of Insurance to the CO giving evidence of the required coverage prior to commencing performance under this contract. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, the CO. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A- /

VII or higher. The Contractor shall require all of its subcontractors to carry the same insurance required herein.

Except for item number 2 below regarding Auto Liability Insurance and item number 4 below Regarding Crime Insurance, which are excluded from this requirement, all required policies shall contain a waiver of subrogation provision in favor of the Government of the District of Columbia.

The Government of the District of Columbia shall be included in all policies required hereunder to be maintained by the Contractor and its subcontractors (except for workers' compensation, professional liability and crime) as an additional insureds for claims against The Government of the District of Columbia relating to this contract, with the understanding that any affirmative obligation imposed upon the insured Contractor or its subcontractors (including without limitation the liability to pay premiums) shall be the sole obligation of the Contractor or its subcontractors, and not the additional insured. The additional insured status under the Contractor's and its subcontractors' Commercial General Liability insurance policies shall be effected using the ISO Additional Insured Endorsement form CG 20 10 11 85 (or CG 20 10 07 04 **and** CG 20 37 07 04) or such other endorsement or combination of endorsements providing coverage at least as broad and approved by the CO in writing. The Contractor and its subcontractors' liability policies (except for workers' compensation, professional liability, and crime) shall be endorsed using ISO form CG 20 01 04 13 or its equivalent so as to indicate that such policies provide primary coverage (without any right of contribution by any other insurance, reinsurance or self-insurance, including any deductible or retention, maintained by an Additional Insured) for all claims against the additional insured arising out of the performance of this Statement of Work by the Contractor or its subcontractors, or anyone for whom the Contractor or its subcontractors may be liable. These policies shall include a separation of insureds clause applicable to the additional insured.

If the Contractor and/or its subcontractors maintain broader coverage and/or higher limits than the minimums shown below, the District requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Grantee and subcontractors.

1. Commercial General Liability Insurance ("CGL") - The Contractor shall provide evidence satisfactory to the CO with respect to the services performed that it carries a CGL policy, written on an occurrence (not claims-made) basis, on Insurance Services Office, Inc. ("ISO") form CG 00 01 04 13 (or another occurrence-based form with coverage at least as broad and approved by the CO in writing), covering liability for all ongoing and completed operations of the Contractor, including ongoing and completed operations under all subcontracts, and covering claims for bodily injury, including without limitation sickness, disease or death of any persons, injury to or destruction of property, including loss of use resulting therefrom, personal and advertising injury, and including coverage for liability arising out of an Insured Contract (including the tort liability of another assumed in a contract) and acts of terrorism (whether caused by a foreign or domestic source). Such coverage shall have limits of liability of not less than \$1,000,000 each occurrence, a \$2,000,000 general aggregate (including a per location or per project aggregate limit endorsement, if applicable) limit, a \$1,000,000 personal and advertising injury limit, and a \$2,000,000 products-completed operations aggregate limit.

2. Automobile Liability Insurance - The Contractor shall provide evidence satisfactory to the CO of commercial (business) automobile liability insurance written on ISO form CA 00 01 10 13 (or another form with coverage at least as broad and approved by the CO in writing) including coverage for all owned, hired, borrowed and non-owned vehicles and equipment used by the Contractor, with minimum per accident limits equal to the greater of (i) the limits set forth in the Contractor's commercial automobile liability policy or (ii) \$1,000,000 per occurrence combined single limit for bodily injury and property damage.
3. i) Workers' Compensation Insurance - The Contractor shall provide evidence satisfactory to the CO of Workers' Compensation insurance in accordance with the statutory mandates of the District of Columbia or the jurisdiction in which the contract is performed.  
  
ii) Employer's Liability Insurance - The Contractor shall provide evidence satisfactory to the CO of employer's liability insurance as follows: \$500,000 per accident for injury; \$500,000 per employee for disease; and \$500,000 for policy disease limit.  
  
iii) All insurance required by this paragraph 3 shall include a waiver of subrogation endorsement for the benefit of Government of the District of Columbia.
4. Crime Insurance (3rd Party Indemnity) - The Contractor shall provide a Crime policy to cover the dishonest acts of Contractor, its employees and/or volunteers which result in a loss to the District. The policy shall provide a limit of \$100,000 per occurrence.
5. Cyber Liability Insurance - The Contractor shall provide evidence satisfactory to the Contracting Officer of Cyber Liability Insurance, with limits not less than \$5,000,000 per occurrence or claim, \$5,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not limited to, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. This insurance requirement will be considered met if the general liability insurance includes an affirmative cyber endorsement for the required amounts and coverages. Shared limits with the Professional Liability coverage will be acceptable.
6. Installation Floater Insurance - For projects involving District property being installed, fabricated or erected by a contractor, the contractor shall provide an installation floater policy with a limit equal to the full contract value. The policy shall cover property while located at the project site, at temporary locations, or in transit; deductibles will be the sole responsibility of the contractor.
7. Professional Liability Insurance (Errors & Omissions) - The Contractor shall provide Professional Liability Insurance (Errors and Omissions) to cover liability resulting from any error or omission in the performance of professional services under this Contract. The policy shall provide limits of \$5,000,000 per claim or per occurrence for each wrongful act

and \$5,000,000 annual aggregate. The Contractor warrants that any applicable retroactive date precedes the date the Contractor first performed any professional services for the Government of the District of Columbia and that continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least ten years after the completion of the professional services. Shared limits with the Cyber Liability coverage will be acceptable.

8. Commercial Umbrella or Excess Liability - The Contractor shall provide evidence satisfactory to the CO of commercial umbrella or excess liability insurance with minimum limits equal to the greater of (i) the limits set forth in the Contractor's umbrella or excess liability policy or (ii) \$5,000,000 per occurrence and \$5,000,000 in the annual aggregate, following the form and in excess of all liability policies. **All** liability coverages must be scheduled under the umbrella and/or excess policy. The insurance required under this paragraph shall be written in a form that annually reinstates all required limits. Coverage shall be primary to any insurance, self-insurance or reinsurance maintained by the District and the "other insurance" provision must be amended in accordance with this requirement and principles of vertical exhaustion.

B. PRIMARY AND NONCONTRIBUTORY INSURANCE.

The insurance required herein shall be primary to and will not seek contribution from any other insurance, reinsurance or self-insurance including any deductible or retention, maintained by the Government of the District of Columbia.

- C. DURATION. The Contractor shall carry all required insurance until all contract work is accepted by the District of Columbia and shall carry listed coverages for ten years for construction projects following final acceptance of the work performed under this contract and two years for non-construction related contracts.
- D. LIABILITY. These are the required minimum insurance requirements established by the District of Columbia. **HOWEVER, THE REQUIRED MINIMUM INSURANCE REQUIREMENTS PROVIDED ABOVE WILL NOT IN ANY WAY LIMIT THE CONTRACTOR'S LIABILITY UNDER THIS CONTRACT.**
- E. CONTRACTOR'S PROPERTY. Contractor and subcontractors are solely responsible for any loss or damage to their personal property, including but not limited to tools and equipment, scaffolding and temporary structures, rented machinery, or owned and leased equipment. A waiver of subrogation shall apply in favor of the District of Columbia.
- F. MEASURE OF PAYMENT. The District shall not make any separate measure or payment for the cost of insurance and bonds. The Contractor shall include all of the costs of insurance and bonds in the contract price.
- G. NOTIFICATION. The Contractor shall provide the CO with ten (10) days prior written notice in the event of non-payment of premium or material change or cancellation of coverage. The Contractor will also provide the CO with an updated Certificate of Insurance should its insurance coverages renew during the contract.

- H. CERTIFICATES OF INSURANCE. The Contractor shall submit certificates of insurance giving evidence of the required coverage as specified in this section prior to commencing work. Certificates of insurance must reference the corresponding contract number. Evidence of insurance shall be submitted to:

**The Government of the District of Columbia**

**And mailed to the attention of:  
(Name of Contracting Officer/Agency)  
(Address)  
(Phone Number)  
(E-mail Address)**

The CO may request and the Contractor shall promptly deliver updated certificates of insurance. If the insurance initially obtained by the Contractor expires prior to completion of the contract, renewal certificates of insurance and additional insured and other endorsements shall be furnished to the CO prior to the date of expiration of all such initial insurance. For all coverage required to be maintained after completion, an additional certificate of insurance evidencing such coverage shall be submitted to the CO on an annual basis as the coverage is renewed (or replaced).

- I. DISCLOSURE OF INFORMATION. The Contractor agrees that the District may disclose the name and contact information of its insurers to any third party which presents a claim against the District for any damages or claims resulting from or arising out of work performed by the Contractor, its agents, employees, servants or subcontractors in the performance of this contract.
- J. CARRIER RATINGS. All Contractor's and its subcontractors' insurance required in connection with this contract shall be written by insurance companies with an A.M. Best Insurance Guide rating of at least A- VII (or the equivalent by any other rating agency) and authorized in the District.

**I.31 51% DISTRICT RESIDENTS NEW HIRES REQUIREMENTS AND FIRST SOURCE EMPLOYMENT AGREEMENT**

- I.31.1 For contracts for services in the amount of \$300,000 or more, the Contractor shall comply with the First Source Employment Agreement Act of 1984, as amended, D.C. Official Code § 2-219.01 et seq. (First Source Act).
- I.31.2 The Contractor shall enter into and maintain during the term of the contract, a First Source Employment Agreement (Employment Agreement) with the District of Columbia Department of Employment Service's (DOES), in which the Contractor shall agree that:
- (a) The first source for finding employees to fill all jobs created in order to perform the contract shall be the First Source Register; and

- (b) The first source for finding employees to fill any vacancy occurring in all jobs covered by the Employment Agreement shall be the First Source Register.
- I.31.3 The Contractor shall not begin performance of the contract until its Employment Agreement has been accepted by DOES. Once approved, the Employment Agreement shall not be amended except with the approval of DOES.
- I.31.4 The Contractor agrees that at least 51% of the new employees hired to perform the contract shall be District residents.
- I.31.5 The Contractor's hiring and reporting requirements under the First Source Act and any rules promulgated thereunder shall continue for the term of the contract.
- I.31.6 The CO may impose penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract, for a willful breach of the Employment Agreement, failure to submit the required hiring compliance reports, or deliberate submission of falsified data.
- I.31.7 If the Contractor does not receive a good faith waiver, the CO may also impose an additional penalty equal to 1/8 of 1% of the total amount of the direct and indirect labor costs of the contract for each percentage by which the Contractor fails to meet its hiring requirements.
- I.31.8 Any contractor which violates, more than once within a 10-year timeframe, the hiring or reporting requirements of the First Source Act shall be referred for debarment for not more than five (5) years.
- I.31.9 The contractor may appeal any decision of the CO pursuant to this clause to the D.C. Contract Appeals Board as provided in Section I.7.
- I.31.10 The provisions of the First Source Act do not apply to nonprofit organizations which employ 50 employees or less.
- I.31.11 The provisions of the First Source Act do not apply to nonprofit organizations which employ 50 employees or less.

**I.32 COVENANT AGAINST CONTINGENT FEES**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the District will have the right to terminate the contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of the commission, percentage, brokerage, or contingent fee.

**I.33 HEALTH AND SAFETY STANDARDS**

Items delivered under this contract shall conform to all requirements of the Occupational Safety and Health Act of 1970, as amended (“OSHA”), and Department of Labor Regulations under OSHA, and all Federal requirements in effect at time of bid opening/proposal submission.

**I.34 FORCE MAJEURE**

Neither the Contractor nor the District shall be deemed in default or otherwise liable hereunder due to either party’s inability to perform by reason of any fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any municipal, county, state or national ordinance or law, or any executive, administrative or judicial orders (which judicial orders are not the result of any act or omission to act which would constitute a default hereunder), the breakdown, failure or malfunction of any utility, telecommunications, or computer system; or any order or regulation of any banking or securities industry including changes in market rules and market conditions affecting the execution or settlement of transactions; or any failure or delay of any transportation, power or other essential thing required, or similar causes beyond the parties control.

**I.35 GOVERNING LAW**

This contract shall be governed by, and construed in accordance with, the laws of the District of Columbia, including, but not limited to, the District of Columbia Procurement Practices Reform Act of 2010, (D.C. Law 18-371; D.C. Official Code §§ 2-351.01, et seq. and D.C. MUN. REGS. tit. 27.

**I.36 ORDER OF PRECEDENCE**

A conflict in language shall be resolved by giving precedence to the document in the highest order of priority that contains language addressing the issue in question. The following documents are incorporated into the contract by reference and made a part of the contract in the following order of precedence:

- (1) Contract
- (2) Contract Attachments J.5 – J.7
- (3) Contract Attachments J.1 – J.4
- (4) Contractor Proposal dated October 12, 2022

**SECTION J**

**ATTACHMENTS**

The following Attachments are hereby incorporated:

- J.1 U.S. Department of Labor Wage Determination No. 2015-4281, Revision 24, Dated 06/27/2022
- J.2 Doing Business with Integrity
- J.3 Financial Institutions Deposit and Investment Amendment Act
- J.4 District Investment Policy
- J.5 Custodial Agreement
- J.6 Account Acceptance Agreement
- J.7 Electronic Signature Agreement



"REGISTER OF WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT ACT By direction of the Secretary of Labor	U.S. DEPARTMENT OF LABOR EMPLOYMENT STANDARDS ADMINISTRATION WAGE AND HOUR DIVISION WASHINGTON D.C. 20210  Wage Determination No.: 2015-4281 Revision No.: 24 Date Of Last Revision: 06/27/2022
Daniel W. Simms Director	Division of Wage Determinations

Note: Contracts subject to the Service Contract Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658.

If the contract is entered into on or after January 30 2022 or the contract is renewed or extended (e.g. an option is exercised) on or after January 30 2022:	With certain exceptions Executive Order 14026 applies to the contract. The contractor must pay all covered workers at least \$15.00 per hour (or the applicable wage rate listed on this wage determination if it is higher) for all hours spent performing on the contract in 2022.
If the contract is entered into on or after January 30 2022 or the 2022 and the contract is not renewed or extended on or after January 30 2022:	With certain exceptions Executive Order 13658 applies to the contract. The contractor must pay all covered workers at least \$11.25 per hour (or the applicable wage rate listed on this wage determination if it is higher) for all hours spent performing on the contract in 2022.

The applicable Executive Order minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the Executive Orders is available at <https://www.dol.gov/agencies/whd/government-contracts>.

States: District of Columbia Maryland Virginia

Area: District of Columbia Statewide  
 Maryland Counties of Calvert Charles Prince George's  
 Virginia Counties of Alexandria Arlington Fairfax Falls Church Fauquier Loudoun Manassas Manassas Park Prince William Stafford

**\*\*Fringe Benefits Required Follow the Occupational Listing\*\***

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
01000 - Administrative Support And Clerical Occupations		
01011 - Accounting Clerk I		19.39
01012 - Accounting Clerk II		21.79
01013 - Accounting Clerk III		24.36
01020 - Administrative Assistant		37.47
01035 - Court Reporter		28.71
01041 - Customer Service Representative I		16.73
01042 - Customer Service Representative II		18.25
01043 - Customer Service Representative III		20.48
01051 - Data Entry Operator I		16.64
01052 - Data Entry Operator II		18.16
01060 - Dispatcher Motor Vehicle		23.00
01070 - Document Preparation Clerk		18.23
01090 - Duplicating Machine Operator		18.23

01111 - General Clerk I	17.51
01112 - General Clerk II	19.12
01113 - General Clerk III	21.47
01120 - Housing Referral Assistant	25.33
01141 - Messenger Courier	19.79
01191 - Order Clerk I	16.71
01192 - Order Clerk II	18.23
01261 - Personnel Assistant (Employment) I	19.76
01262 - Personnel Assistant (Employment) II	22.10
01263 - Personnel Assistant (Employment) III	24.63
01270 - Production Control Clerk	26.81
01290 - Rental Clerk	18.17
01300 - Scheduler Maintenance	20.31
01311 - Secretary I	20.31
01312 - Secretary II	22.72
01313 - Secretary III	25.33
01320 - Service Order Dispatcher	20.56
01410 - Supply Technician	37.47
01420 - Survey Worker	21.30
01460 - Switchboard Operator/Receptionist	17.45
01531 - Travel Clerk I	19.03
01532 - Travel Clerk II	20.71
01533 - Travel Clerk III	22.45
01611 - Word Processor I	18.62
01612 - Word Processor II	20.92
01613 - Word Processor III	23.39
05000 - Automotive Service Occupations	
05005 - Automobile Body Repairer Fiberglass	28.60
05010 - Automotive Electrician	26.35
05040 - Automotive Glass Installer	24.82
05070 - Automotive Worker	24.82
05110 - Mobile Equipment Servicer	21.35
05130 - Motor Equipment Metal Mechanic	27.74
05160 - Motor Equipment Metal Worker	24.82
05190 - Motor Vehicle Mechanic	27.74
05220 - Motor Vehicle Mechanic Helper	19.53
05250 - Motor Vehicle Upholstery Worker	23.17
05280 - Motor Vehicle Wrecker	24.82
05310 - Painter Automotive	26.35
05340 - Radiator Repair Specialist	24.82
05370 - Tire Repairer	15.88
05400 - Transmission Repair Specialist	27.74
07000 - Food Preparation And Service Occupations	
07010 - Baker	17.31
07041 - Cook I	17.78
07042 - Cook II	20.67
07070 - Dishwasher	14.59***
07130 - Food Service Worker	14.77***
07210 - Meat Cutter	20.41
07260 - Waiter/Waitress	14.12***
09000 - Furniture Maintenance And Repair Occupations	
09010 - Electrostatic Spray Painter	23.06
09040 - Furniture Handler	14.06***
09080 - Furniture Refinisher	22.12
09090 - Furniture Refinisher Helper	16.39
09110 - Furniture Repairer Minor	19.45
09130 - Upholsterer	19.86
11000 - General Services And Support Occupations	
11030 - Cleaner Vehicles	14.32***
11060 - Elevator Operator	15.64
11090 - Gardener	23.36
11122 - Housekeeping Aide	15.64
11150 - Janitor	15.64
11210 - Laborer Grounds Maintenance	17.44
11240 - Maid or Houseman	14.58***

11260 - Pruner	16.35
11270 - Tractor Operator	21.37
11330 - Trail Maintenance Worker	17.44
11360 - Window Cleaner	16.64
12000 - Health Occupations	
12010 - Ambulance Driver	23.71
12011 - Breath Alcohol Technician	25.31
12012 - Certified Occupational Therapist Assistant	35.59
12015 - Certified Physical Therapist Assistant	30.02
12020 - Dental Assistant	23.78
12025 - Dental Hygienist	50.57
12030 - EKG Technician	37.13
12035 - Electroneurodiagnostic Technologist	37.13
12040 - Emergency Medical Technician	23.71
12071 - Licensed Practical Nurse I	22.63
12072 - Licensed Practical Nurse II	25.31
12073 - Licensed Practical Nurse III	28.22
12100 - Medical Assistant	18.95
12130 - Medical Laboratory Technician	28.82
12160 - Medical Record Clerk	22.95
12190 - Medical Record Technician	27.06
12195 - Medical Transcriptionist	20.72
12210 - Nuclear Medicine Technologist	43.13
12221 - Nursing Assistant I	13.87***
12222 - Nursing Assistant II	15.59
12223 - Nursing Assistant III	17.01
12224 - Nursing Assistant IV	19.11
12235 - Optical Dispenser	25.02
12236 - Optical Technician	21.36
12250 - Pharmacy Technician	18.40
12280 - Phlebotomist	21.37
12305 - Radiologic Technologist	37.13
12311 - Registered Nurse I	30.40
12312 - Registered Nurse II	36.78
12313 - Registered Nurse II Specialist	36.78
12314 - Registered Nurse III	44.14
12315 - Registered Nurse III Anesthetist	44.14
12316 - Registered Nurse IV	52.91
12317 - Scheduler (Drug and Alcohol Testing)	31.36
12320 - Substance Abuse Treatment Counselor	28.68
13000 - Information And Arts Occupations	
13011 - Exhibits Specialist I	24.30
13012 - Exhibits Specialist II	30.10
13013 - Exhibits Specialist III	36.82
13041 - Illustrator I	22.26
13042 - Illustrator II	27.57
13043 - Illustrator III	33.73
13047 - Librarian	42.46
13050 - Library Aide/Clerk	17.98
13054 - Library Information Technology Systems Administrator	38.33
13058 - Library Technician	23.37
13061 - Media Specialist I	27.67
13062 - Media Specialist II	30.94
13063 - Media Specialist III	34.50
13071 - Photographer I	20.30
13072 - Photographer II	22.87
13073 - Photographer III	28.64
13074 - Photographer IV	34.67
13075 - Photographer V	41.62
13090 - Technical Order Library Clerk	22.57
13110 - Video Teleconference Technician	30.04
14000 - Information Technology Occupations	
14041 - Computer Operator I	22.89
14042 - Computer Operator II	25.63

14043 - Computer Operator III		28.56
14044 - Computer Operator IV		31.72
14045 - Computer Operator V		35.16
14071 - Computer Programmer I	(see 1)	26.99
14072 - Computer Programmer II	(see 1)	
14073 - Computer Programmer III	(see 1)	
14074 - Computer Programmer IV	(see 1)	
14101 - Computer Systems Analyst I	(see 1)	
14102 - Computer Systems Analyst II	(see 1)	
14103 - Computer Systems Analyst III	(see 1)	
14150 - Peripheral Equipment Operator		22.89
14160 - Personal Computer Support Technician		31.72
14170 - System Support Specialist		38.69
15000 - Instructional Occupations		
15010 - Aircrew Training Devices Instructor (Non-Rated)		36.47
15020 - Aircrew Training Devices Instructor (Rated)		44.06
15030 - Air Crew Training Devices Instructor (Pilot)		52.81
15050 - Computer Based Training Specialist / Instructor		36.47
15060 - Educational Technologist		46.20
15070 - Flight Instructor (Pilot)		52.81
15080 - Graphic Artist		36.01
15085 - Maintenance Test Pilot Fixed Jet/Prop		51.76
15086 - Maintenance Test Pilot Rotary Wing		51.76
15088 - Non-Maintenance Test/Co-Pilot		51.76
15090 - Technical Instructor		31.61
15095 - Technical Instructor/Course Developer		38.67
15110 - Test Proctor		25.52
15120 - Tutor		25.52
16000 - Laundry Dry-Cleaning Pressing And Related Occupations		
16010 - Assembler		17.13
16030 - Counter Attendant		17.13
16040 - Dry Cleaner		19.57
16070 - Finisher Flatwork Machine		17.13
16090 - Presser Hand		17.13
16110 - Presser Machine Drycleaning		17.13
16130 - Presser Machine Shirts		17.13
16160 - Presser Machine Wearing Apparel Laundry		17.13
16190 - Sewing Machine Operator		20.38
16220 - Tailor		21.20
16250 - Washer Machine		17.94
19000 - Machine Tool Operation And Repair Occupations		
19010 - Machine-Tool Operator (Tool Room)		29.55
19040 - Tool And Die Maker		35.89
21000 - Materials Handling And Packing Occupations		
21020 - Forklift Operator		22.18
21030 - Material Coordinator		26.81
21040 - Material Expediter		26.81
21050 - Material Handling Laborer		15.98
21071 - Order Filler		16.60
21080 - Production Line Worker (Food Processing)		22.18
21110 - Shipping Packer		18.17
21130 - Shipping/Receiving Clerk		18.17
21140 - Store Worker I		16.31
21150 - Stock Clerk		20.29
21210 - Tools And Parts Attendant		22.18
21410 - Warehouse Specialist		22.18
23000 - Mechanics And Maintenance And Repair Occupations		
23010 - Aerospace Structural Welder		40.71
23019 - Aircraft Logs and Records Technician		32.27
23021 - Aircraft Mechanic I		38.65
23022 - Aircraft Mechanic II		40.71
23023 - Aircraft Mechanic III		42.69
23040 - Aircraft Mechanic Helper		27.20
23050 - Aircraft Painter		36.70
23060 - Aircraft Servicer		32.27

23070 - Aircraft Survival Flight Equipment Technician	36.70
23080 - Aircraft Worker	34.57
23091 - Aircrew Life Support Equipment (ALSE) Mechanic I	34.57
23092 - Aircrew Life Support Equipment (ALSE) Mechanic II	38.65
23110 - Appliance Mechanic	22.74
23120 - Bicycle Repairer	17.40
23125 - Cable Splicer	36.39
23130 - Carpenter Maintenance	27.29
23140 - Carpet Layer	22.54
23160 - Electrician Maintenance	29.95
23181 - Electronics Technician Maintenance I	32.91
23182 - Electronics Technician Maintenance II	34.94
23183 - Electronics Technician Maintenance III	36.78
23260 - Fabric Worker	25.98
23290 - Fire Alarm System Mechanic	29.84
23310 - Fire Extinguisher Repairer	23.94
23311 - Fuel Distribution System Mechanic	37.07
23312 - Fuel Distribution System Operator	28.53
23370 - General Maintenance Worker	23.48
23380 - Ground Support Equipment Mechanic	38.65
23381 - Ground Support Equipment Servicer	32.27
23382 - Ground Support Equipment Worker	34.57
23391 - Gunsmith I	23.94
23392 - Gunsmith II	27.83
23393 - Gunsmith III	31.11
23410 - Heating Ventilation And Air-Conditioning Mechanic	30.17
23411 - Heating Ventilation And Air Contidioning Mechanic (Research Facility)	31.78
23430 - Heavy Equipment Mechanic	29.18
23440 - Heavy Equipment Operator	26.20
23460 - Instrument Mechanic	33.14
23465 - Laboratory/Shelter Mechanic	29.55
23470 - Laborer	16.48
23510 - Locksmith	32.72
23530 - Machinery Maintenance Mechanic	30.29
23550 - Machinist Maintenance	30.16
23580 - Maintenance Trades Helper	18.27
23591 - Metrology Technician I	33.14
23592 - Metrology Technician II	34.91
23593 - Metrology Technician III	36.61
23640 - Millwright	29.89
23710 - Office Appliance Repairer	22.96
23760 - Painter Maintenance	22.38
23790 - Pipefitter Maintenance	30.60
23810 - Plumber Maintenance	29.07
23820 - Pneudraulic Systems Mechanic	31.11
23850 - Rigger	31.05
23870 - Scale Mechanic	27.83
23890 - Sheet-Metal Worker Maintenance	29.04
23910 - Small Engine Mechanic	22.69
23931 - Telecommunications Mechanic I	37.06
23932 - Telecommunications Mechanic II	39.03
23950 - Telephone Lineman	37.13
23960 - Welder Combination Maintenance	27.58
23965 - Well Driller	27.13
23970 - Woodcraft Worker	31.11
23980 - Woodworker	23.94
24000 - Personal Needs Occupations	
24550 - Case Manager	20.75
24570 - Child Care Attendant	15.17
24580 - Child Care Center Clerk	18.91
24610 - Chore Aide	14.42***

24620 - Family Readiness And Support Services Coordinator	20.75
24630 - Homemaker	20.75
25000 - Plant And System Operations Occupations	
25010 - Boiler Tender	37.98
25040 - Sewage Plant Operator	28.29
25070 - Stationary Engineer	37.98
25190 - Ventilation Equipment Tender	26.74
25210 - Water Treatment Plant Operator	28.29
27000 - Protective Service Occupations	
27004 - Alarm Monitor	23.83
27007 - Baggage Inspector	19.39
27008 - Corrections Officer	29.35
27010 - Court Security Officer	30.66
27030 - Detection Dog Handler	21.69
27040 - Detention Officer	29.35
27070 - Firefighter	31.96
27101 - Guard I	19.39
27102 - Guard II	21.69
27131 - Police Officer I	33.25
27132 - Police Officer II	36.96
28000 - Recreation Occupations	
28041 - Carnival Equipment Operator	16.91
28042 - Carnival Equipment Repairer	18.48
28043 - Carnival Worker	12.94***
28210 - Gate Attendant/Gate Tender	18.07
28310 - Lifeguard	12.75***
28350 - Park Attendant (Aide)	20.22
28510 - Recreation Aide/Health Facility Attendant	14.76***
28515 - Recreation Specialist	25.05
28630 - Sports Official	16.10
28690 - Swimming Pool Operator	21.48
29000 - Stevedoring/Longshoremen Occupational Services	
29010 - Blocker And Bracer	34.82
29020 - Hatch Tender	34.82
29030 - Line Handler	34.82
29041 - Stevedore I	32.51
29042 - Stevedore II	36.97
30000 - Technical Occupations	
30010 - Air Traffic Control Specialist Center (HFO) (see 2)	46.70
30011 - Air Traffic Control Specialist Station (HFO) (see 2)	32.20
30012 - Air Traffic Control Specialist Terminal (HFO) (see 2)	35.47
30021 - Archeological Technician I	20.86
30022 - Archeological Technician II	23.34
30023 - Archeological Technician III	28.90
30030 - Cartographic Technician	28.90
30040 - Civil Engineering Technician	32.88
30051 - Cryogenic Technician I	32.01
30052 - Cryogenic Technician II	35.36
30061 - Drafter/CAD Operator I	20.86
30062 - Drafter/CAD Operator II	23.34
30063 - Drafter/CAD Operator III	26.01
30064 - Drafter/CAD Operator IV	32.01
30081 - Engineering Technician I	22.92
30082 - Engineering Technician II	25.72
30083 - Engineering Technician III	28.79
30084 - Engineering Technician IV	35.64
30085 - Engineering Technician V	43.61
30086 - Engineering Technician VI	52.76
30090 - Environmental Technician	28.90
30095 - Evidence Control Specialist	28.90
30210 - Laboratory Technician	28.21
30221 - Latent Fingerprint Technician I	37.63
30222 - Latent Fingerprint Technician II	41.56
30240 - Mathematical Technician	35.01

30361 - Paralegal/Legal Assistant I	23.32
30362 - Paralegal/Legal Assistant II	28.90
30363 - Paralegal/Legal Assistant III	35.35
30364 - Paralegal/Legal Assistant IV	42.76
30375 - Petroleum Supply Specialist	35.36
30390 - Photo-Optics Technician	28.90
30395 - Radiation Control Technician	35.36
30461 - Technical Writer I	28.83
30462 - Technical Writer II	35.27
30463 - Technical Writer III	42.68
30491 - Unexploded Ordnance (UXO) Technician I	29.68
30492 - Unexploded Ordnance (UXO) Technician II	35.91
30493 - Unexploded Ordnance (UXO) Technician III	43.04
30494 - Unexploded (UXO) Safety Escort	29.68
30495 - Unexploded (UXO) Sweep Personnel	29.68
30501 - Weather Forecaster I	32.01
30502 - Weather Forecaster II	38.93
30620 - Weather Observer Combined Upper Air Or	(see 2) 26.01
Surface Programs	
30621 - Weather Observer Senior	(see 2) 28.90
31000 - Transportation/Mobile Equipment Operation Occupations	
31010 - Airplane Pilot	35.91
31020 - Bus Aide	16.18
31030 - Bus Driver	23.52
31043 - Driver Courier	20.34
31260 - Parking and Lot Attendant	15.09
31290 - Shuttle Bus Driver	19.93
31310 - Taxi Driver	17.71
31361 - Truckdriver Light	22.24
31362 - Truckdriver Medium	24.14
31363 - Truckdriver Heavy	23.78
31364 - Truckdriver Tractor-Trailer	23.78
99000 - Miscellaneous Occupations	
99020 - Cabin Safety Specialist	17.51
99030 - Cashier	13.79***
99050 - Desk Clerk	14.61***
99095 - Embalmer	34.10
99130 - Flight Follower	29.68
99251 - Laboratory Animal Caretaker I	16.35
99252 - Laboratory Animal Caretaker II	17.88
99260 - Marketing Analyst	37.55
99310 - Mortician	34.10
99410 - Pest Controller	21.91
99510 - Photofinishing Worker	18.65
99710 - Recycling Laborer	22.98
99711 - Recycling Specialist	28.16
99730 - Refuse Collector	20.81
99810 - Sales Clerk	14.24***
99820 - School Crossing Guard	18.02
99830 - Survey Party Chief	31.00
99831 - Surveying Aide	19.26
99832 - Surveying Technician	29.45
99840 - Vending Machine Attendant	17.03
99841 - Vending Machine Repairer	21.64
99842 - Vending Machine Repairer Helper	17.03

\*\*\*Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$15.00 per hour) or 13658 (\$11.25 per hour). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 and 13658 are not currently being enforced as to contracts or contract-like instruments entered into

with the federal government in connection with seasonal recreational services or seasonal recreational equipment rental for the general public on federal lands.

---

Note: Executive Order (EO) 13706 Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Service Contract Act for which the contract is awarded (and any solicitation was issued) on or after January 1 2017. If this contract is covered by the EO the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness injury or other health-related needs including preventive care; to assist a family member (or person who is like family to the employee) who is ill injured or has other health-related needs including preventive care; or for reasons resulting from or to assist a family member (or person who is like family to the employee) who is the victim of domestic violence sexual assault or stalking. Additional information on contractor requirements and worker protections under the EO is available at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:

HEALTH & WELFARE: \$4.80 per hour up to 40 hours per week or \$192.00 per week or \$832.00 per month

HEALTH & WELFARE EO 13706: \$4.41 per hour up to 40 hours per week or \$176.40 per week or \$764.40 per month\*

\*This rate is to be used only when compensating employees for performance on an SCA-covered contract also covered by EO 13706 Establishing Paid Sick Leave for Federal Contractors. A contractor may not receive credit toward its SCA obligations for any paid sick leave provided pursuant to EO 13706.

VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor 3 weeks after 5 years and 4 weeks after 15 years. Length of service includes the whole span of continuous service with the present contractor or successor wherever employed and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of eleven paid holidays per year: New Year's Day Martin Luther King Jr.'s Birthday Washington's Birthday Memorial Day Juneteenth National Independence Day Independence Day Labor Day Columbus Day Veterans' Day Thanksgiving Day and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4.174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) COMPUTER EMPLOYEES: This wage determination does not apply to any individual employed in a bona fide executive administrative or professional capacity as defined in 29 C.F.R. Part 541. (See 41 C.F.R. 6701(3)). Because most Computer Systems Analysts and Computer Programmers who are paid at least \$27.63 per hour (or at least \$684 per week if paid on a salary or fee basis) likely qualify as exempt computer professionals under 29 U.S.C. 213(a)(1) and 29 U.S.C. 213(a)(17) this wage determination may not include wage rates for all occupations within those job families. In such instances a conformance will be necessary if there are nonexempt employees in these job families working on the contract.

Job titles vary widely and change quickly in the computer industry and are not determinative of whether an employee is an exempt computer professional. To be exempt computer employees who satisfy the compensation requirements must also have a primary duty that consists of:

(1) The application of systems analysis techniques and procedures including consulting with users to determine hardware software or system functional specifications;



(2) The design development documentation analysis creation testing or modification of computer systems or programs including prototypes based on and related to user or system design specifications;

(3) The design documentation testing creation or modification of computer programs related to machine operating systems; or

(4) A combination of the aforementioned duties the performance of which requires the same level of skills. (29 C.F.R. 541.400).

Any computer employee who meets the applicable compensation requirements and the above duties test qualifies as an exempt computer professional under both section 13(a)(1) and section 13(a)(17) of the Fair Labor Standards Act. (Field Assistance Bulletin No. 2006-3 (Dec. 14 2006)). Accordingly this wage determination will not apply to any exempt computer employee regardless of which of these two exemptions is utilized.

2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am. If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

**\*\* HAZARDOUS PAY DIFFERENTIAL \*\***

An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance explosives and incendiary materials. This includes work such as screening blending dying mixing and pressing of sensitive ordnance explosives and pyrotechnic compositions such as lead azide black powder and photoflash powder.

All dry-house activities involving propellants or explosives. Demilitarization modification renovation demolition and maintenance operations on sensitive ordnance explosives and incendiary materials. All operations involving re-grading and cleaning of artillery ranges.

A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with or in close proximity to ordnance (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands face or arms of the employee engaged in the operation irritation of the skin minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving unloading storage and hauling of ordnance explosive and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordnance explosives and incendiary material differential pay.

**\*\* UNIFORM ALLOWANCE \*\***

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract by the employer by the state or local law etc.) the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition where uniform cleaning and maintenance is made the responsibility of the employee all contractors and subcontractors subject to

this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount or the furnishing of contrary affirmative proof as to the actual cost) reimburse all employees for such cleaning and maintenance at a rate of \$3.35 per week (or \$.67 cents per day). However in those instances where the uniforms furnished are made of ""wash and wear"" materials may be routinely washed and dried with other personal garments and do not require any special treatment such as dry cleaning daily washing or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract by the contractor by law or by the nature of the work there is no requirement that employees be reimbursed for uniform maintenance costs.

**\*\* SERVICE CONTRACT ACT DIRECTORY OF OCCUPATIONS \*\***

The duties of employees under job titles listed are those described in the ""Service Contract Act Directory of Occupations"" Fifth Edition (Revision 1) dated September 2015 unless otherwise indicated.

**\*\* REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE Standard Form 1444 (SF-1444) \*\***

**Conformance Process:**

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e. the work to be performed is not performed by any classification listed in the wage determination) be classified by the contractor so as to provide a reasonable relationship (i.e. appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination (See 29 CFR 4.6(b)(2)(i)). Such conforming procedures shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees (See 29 CFR 4.6(b)(2)(ii)). The Wage and Hour Division shall make a final determination of conformed classification wage rate and/or fringe benefits which shall be paid to all employees performing in the classification from the first day of work on which contract work is performed by them in the classification. Failure to pay such unlisted employees the compensation agreed upon by the interested parties and/or fully determined by the Wage and Hour Division retroactive to the date such class of employees commenced contract work shall be a violation of the Act and this contract. (See 29 CFR 4.6(b)(2)(v)). When multiple wage determinations are included in a contract a separate SF-1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

- 1) When preparing the bid the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s).
- 2) After contract award the contractor prepares a written report listing in order the proposed classification title(s) a Federal grade equivalency (FGE) for each proposed classification(s) job description(s) and rationale for proposed wage rate(s) including information regarding the agreement or disagreement of the authorized representative of the employees involved or where there is no authorized representative the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work.
- 3) The contracting officer reviews the proposed action and promptly submits a report of the action together with the agency's recommendations and pertinent information including the position of the contractor and the employees to the U.S. Department of Labor Wage and Hour Division for review (See 29 CFR 4.6(b)(2)(ii)).
- 4) Within 30 days of receipt the Wage and Hour Division approves modifies or disapproves the action via transmittal to the agency contracting officer or notifies the contracting officer that additional time will be required to process the request.

5) The contracting officer transmits the Wage and Hour Division's decision to the contractor.

6) Each affected employee shall be furnished by the contractor with a written copy of such determination or it shall be posted as a part of the wage determination (See 29 CFR 4.6(b)(2)(iii)).

Information required by the Regulations must be submitted on SF-1444 or bond paper.

When preparing a conformance request the ""Service Contract Act Directory of Occupations"" should be used to compare job definitions to ensure that duties requested are not performed by a classification already listed in the wage determination. Remember it is not the job title but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split combine or subdivide classifications listed in the wage determination (See 29 CFR 4.152(c)(1))."



**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER**

---

**DOING BUSINESS WITH INTEGRITY**

---

***Introduction***

You are receiving this because you are a contractor or a vendor who does repeated business with the Office of the Chief Financial Officer (OCFO), Government of the District of Columbia, or you are an organization or individual outside the OCFO with whom we frequently interact.

Our purpose is to advise you of the high expectation of integrity that we strive to bring to bear in all of our business relationships.

***Environment of Trust***

The Office of the Chief Financial Officer is committed to maintaining working relationships that are founded on fair and honest exchanges in all of our business interactions. Our employees are held to high standards of ethical behavior in the conduct of their official business.

We want to share these expectations of ethical business practices with you to ensure that our business relationships are conducted with the highest level of honesty and integrity.

***OCFO Code of Conduct for Employees***

The OCFO Code of Conduct imparts three fundamental values for employees:

- Employees should conduct themselves in such a manner as to maintain and enhance the integrity and professional reputation of the OCFO organization
- Employees should not use their position to secure unwarranted privileges, awards, or exemptions for themselves or others
- Employees should avoid real or perceived conflicts of interest between the employee's private interest and the employee's official duties.

For your reference, the OCFO Code of Conduct can be accessed electronically at [www.cfo.dc.gov](http://www.cfo.dc.gov). Go to Information, click on Integrity and Oversight, then click on Integrity Documents to reach the Code of Conduct.

### ***Confidentiality of Financial and Other Information***

We expect our employees to maintain absolute confidentiality concerning all information that they obtain, observe, or create relating to the financial affairs of those we do business with. We vigorously investigate any compromise of confidentiality by employees or any attempts to improperly obtain such information by private parties or businesses.

### ***Bribery and Conflict of Interest***

In addition to our standards of conduct, there are certain criminal statutes in the federal criminal code relating to bribery and conflict of interest that apply not only to employees of the federal government, but also to employees of the District of Columbia.

- The offer of anything of value in expectation of specific performance by a government employee is a crime, and even the appearance of such activity should be avoided.
- Employees may not accept anything of value (other than their government salaries) for the performance of their duties. This is outlined below under Gratuities and Other Gift Rules.
- Our employees are required to report all offers of bribes and gratuities to us, and we ensure that these matters are investigated and addressed. Likewise, we encourage anyone who believes they may have been solicited for a bribe or gratuity by an OCFO employee to report the matter immediately, as indicated at the end of this document.
- We also expect our employees to avoid conflicts of interest or the appearance of conflicts of interest. A particularly sensitive issue for government employees is the offer of employment with a company doing business with the OCFO. At any point when a government employee is considering employment with a private company that has a business relationship with the government, that employee must discontinue work on any assignment involving that company or face the very real possibility of violating conflict of interest statutes. This could also jeopardize the company's eligibility to be awarded government contracts.
- Employees are also expressly forbidden from performing official duties in situations involving friends, relatives or persons or businesses with whom they, or their family members, have a financial relationship. At any point where such a relationship is discovered or develops, the employee must discontinue their involvement in the official matter. For the employee and the business entity to continue to conduct official business after such a conflict is evident, would be inappropriate and possibly illegal.

### ***Gratuities***

It is always gratifying to hear that our staff has provided exemplary service to those with whom we do business. Sometimes, however, the expression of appreciation is made in a form that is inappropriate for government employees to accept.

OCFO employees are prohibited by law from accepting money or other things of value as an appreciation for a job well done. Sometimes even the mere offer of something of value may violate bribery and gratuity statutes. A more appropriate expression of gratitude for the service rendered is a letter to the employee's supervisor. If you don't know who that is, you may simply send your letter to the Office of the Chief Financial Officer, and it will be routed to the proper official.

### ***Other Gift Rules***

Gifts of food and/or beverages, even during holiday seasons and other celebratory occasions, are not acceptable if the giver has a business relationship of any kind with the D.C. Government. Such offers, while well-intentioned, tend to give the impression of a special relationship between the giver and the government employee.

This rule does not apply to the offer and acceptance of an insignificant item, such as a soft drink, coffee, donuts and other modest items of food and refreshments when not offered as part of a meal. Additional information on gift rules and exceptions is contained in OCFO Code of Conduct, which can be accessed electronically at [www.cfo.dc.gov](http://www.cfo.dc.gov). Go to Information, click on Integrity and Oversight, then click on Integrity Documents to reach the Code of Conduct.

### ***Compliance with Contracting Rules and Regulations***

Ensuring compliance with the provisions of contracts is an important expectation of government employees. Even so, we have seen examples where the rules were not followed, usually based on the "need to get the job done." Such behavior puts both the government employee and the contractor in jeopardy.

If modifications to existing contracts are necessary, they should be formally pursued in accordance with OCFO contracting rules and regulations. No work outside the specifications of a contract should be performed without an approved contract modification. Performing work outside of contract specifications or beyond authorized funding, could result in a default for the contractor and denial of payment for such work. In the more extreme cases, failure to comply with contracting regulations could be considered fraud and may be investigated as a criminal violation.

### ***Reporting Misconduct, Fraud, Waste and Abuse***

The OCFO has a zero tolerance policy for fraud and misconduct involving its employees and programs. Similarly, we do not tolerate attempts to corrupt our employees.

The Office of Integrity and Oversight is an independent entity of the OCFO with responsibility for protecting the integrity of the OCFO and preventing fraud and other misconduct in OCFO programs. OIO conducts investigations of alleged employee misconduct and works closely with federal and District law enforcement agencies in investigating criminal offenses affecting the integrity of the OCFO.

We all want the government's business to be conducted fairly, impartially, and with the highest degree of integrity. The best way to ensure this is to report any indication that illegal acts or administrative misconduct may have occurred. Here is how you can report such matters, by telephone, in person, mail, or electronically:

**OCFO Office of Integrity and Oversight**

1100 4<sup>th</sup> Street, S.W.; Suite 750-E  
Washington, DC 20024  
(202) 442-6433

In addition to receiving your report, investigators are available to discuss any questions or concerns you may have about the matter. Reporting can also be done electronically at the OCFO website: [www.cfo.dc.gov](http://www.cfo.dc.gov). Under Information, click on the Integrity and Oversight link, and then click on Reporting Incidents and Concerns.

**OCFO Confidential Hotline**

In order to address any concern about reporting anonymously, the OCFO has contracted with an independent, third-party organization that provides a confidential hotline service. This hotline is available for reporting allegations of OCFO employee misconduct, and fraud, waste and abuse involving OCFO programs.

Reports can be made by telephone to this toll-free hotline, which is staffed 24 hours a day, at 1-877-252-8805, or it can be accessed at [www.ocfo.ethicspoint.com](http://www.ocfo.ethicspoint.com).

**District of Columbia Office of the Inspector General**

Reports of fraud, waste and abuse may be reported to the Office of the Inspector General by telephone at 1-800-521-1639, or electronically at [www.oig.dc.gov](http://www.oig.dc.gov).

AN ACT  
12-177

*Codification  
District of Columbia  
Code  
1998 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
October 17, 1997

To amend chapter 3 of Title 47 of the District of Columbia Code-to establish methods for depositing and investing District funds and obtaining financial services, including a system that will award banking business based upon a competitive bidding process involving the ranking of financial institutions, and diversification of the District's investment portfolio.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the 'Financial Institutions Deposit and Investment Amendment Act of 1997'.

Sections 47-341 -  
47-350

Sec. 2. Chapter 3 of Title 47 of the District of Columbia is amended as follows: (a) Sections 47-341 through 47-350 are repealed.

(b) A new subchapter index is added to read as follows:

"Subchapter 111-A. Financial Institutions Deposits and Investments.

"Sec.

"47-3 5 1. 1. Definitions.

"47-351.2. Powers of the Mayor.

"47-351.3. General deposit and investment requirements.

"47-351.4. Eligibility requirements; bidding; awards process.

"47-351.5. Competition for banking business.

"47-351.6. Financial score.

"47-351.7. Community development score.

"47-351.8. Collateral and reporting requirements.

"47-351.9. Linked deposits for community development lending.

"47-3 5 1.10. Preservation of banking services.

"47-351.1.11. District funds reserved for certain insured institutions.

"47-351.12. Public disclosure.

"47-351.13. Protection of District funds at risk.

"47-351.14. Check cashing; identification.

"47-351.15. Penalties.

"47-351.16. Rulemaking."



(c) A new subchapter III-A is added to read as follows: "Subchapter III-A. Financial Institutions Deposits and Investments.

New Section  
47-351.1

"§.47-351,1 Definitions.

"For the purposes of this subchapter, the term:

"(1) "Bank" means an insured financial institution as defined in section 2 of the Federal Deposit Insurance Act, approved September 21, 1950 (64 Stat. 873; 12 U.S.C. § 1813), which:

"(A) Accepts demand deposits or deposits that-the depositor may withdraw by check or similar means for payment to third parties or others; and

"(B) Is engaged in the business of making commercial loans.

"(2) 'Banking business" means the deposit or investment of District funds or the use of District funds for the provision of financial services.

"(3) "Community Reinvestment Act" means the Community Reinvestment Act of 1977, approved October 12, 1977 (91 Stat. 1147; 12 U.S.C. §§ 2901-2907).

"(4) "Compensating balances" means collected balances held by the depository to compensate the depository for the cost of financial services rendered.

'(5) 'Credit union" means an institution insured by the National Credit Union Administration, and either serving designated geographical areas within the District of Columbia or serving the employees of the District.

"(6) "Deposit" means District funds which are held by a financial institution subject to withdrawal upon demand by the District or upon a check or warrant of the District or the act of entrusting District funds into a financial institution.

"(7) "District" means the government of the District of Columbia,

"(8) "District funds" means money, currency, notes, or drafts belonging to or under the control of the District, including, but not limited to, the federal payment, federal grants, taxes, fees, special assessments, all other funds received from the federal government, and funds paid to or received by a board, agency, commission, institution, committee, or office

of the District or from any other source. This does not include any assets of a pension, assets held by the District of Columbia Financial Responsibility and Management Assistance Authority, an employee deferred compensation program of the District, or an irrevocable trust established pursuant to § 1-627.1 1.

"(9) "Eligible financial institution" means any bank or any brokerage firm registered with the United States Securities and Exchange Commission ("SEC") or any savings and loan association, savings bank, credit union, or any subsidiary or affiliate thereof meeting the requirements to become eligible to submit a bid pursuant to § 47-351.4.

"(10) 'Financial services" means those services performed by a financial institution in connection with the retention of deposits, including check payment, check clearing, reconciliation of accounts, check printing, the collection and transfer of taxes and fees, night

depository services, custodial services, and other services that may be necessary for the efficient management of District funds.

"(11) "Home Mortgage Disclosure Act" means the Home Mortgage Disclosure Act of 1975, approved December 31, 1975 (89 Stat, 1124, 12 U.S.C. § 2801 *el seq.*).

"(12) "Insured financial institution" or "Insured institution" means a bank, savings and loan association, savings bank, credit union, or any subsidiary or affiliate thereof

"(13) "Invest" means to commit District funds in order to gain profit or interest.

"(14) "Investment" means property acquired with District funds for future profit or interest.

"(15) "Investment grade obligation" means securities that have a minimum rating of BBB, Baa, or BBB- from Standard and Poor's, Moody's Investor Service, or Fitch Investor Service rating agencies that rate the securities.

"(16) "Linked deposit" means limited deposits in an insured financial Institution made Pursuant to an authorization from the Mayor, or CFO pursuant to § 47-351.2(c), to waive the competitive bidding requirements of the act in order to make a deposit in return for that institutions commitment to make community development loans in low-to-moderate income areas.

"(17) 'Low-to-moderate income area' means a census tract in which more than 50% of the households have a median household income of less than 100% of the District's median household income based on the most recent decennial census.

"(18) "Mayor" means the Mayor of the District of Columbia.

"(19) "Mortgage loan@" means a loan that is secured by residential real property. "(20) "Non-insured financial institution' means an investment advisor,

investment banker, investment company, investment trust, or any other company, subsidiary, or affiliate thereof designated by the Mayor, or the CFO during a control year.

"(21) "Quasi-government corporation' means United States government-sponsored enterprises that issue investment-grade obligations. This includes, but is not limited

to, banks for cooperatives, federal land banks, federal intermediate credit banks, federal farm credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley District, the Small Business Administration, or any such agency or enterprise that may be created.

"(22) "Savings and loan association" means an institution organized as a savings and loan association under the laws of the United States, a state, or the District, the deposits of which are insured by the Federal Deposit Insurance Corporation.

"(23) "Savings bank" means an institution organized as a savings bank under the laws of the United States, a state, or the District, the deposits of which are insured by the Federal Deposit Insurance Corporation.

"(24) "Small business" means a business with annual gross sales or revenues of \$5 million or less.

"§ 47-351.2. Powers of the Mayor.

"(a) The Mayor or the Mayor's designated officer shall invest, deposit, or obtain financial services for all District funds that the Mayor does not need for immediate disbursement.

"(b) The Mayor may exercise any power that is necessary to implement and enforce this subchapter.

"(c) During a Control year, as defined in § 47-393(4), the powers exercised by the Mayor pursuant to this subchapter, except for § 47-351.16, shall be exercised by the Chief Financial Officer of the District of Columbia ("CFO").

"§ 47-351.3. General deposit and investment requirements.

"(a) Unless otherwise provided by law, the Mayor, or the CFO pursuant to § 47-351.2(c), shall invest and deposit District funds in, and obtain financial services from, eligible financial institutions.

"(b) The Mayor, or the CFO pursuant to § 47-351.2(c), shall determine what amount of District funds are needed immediately and maintain deposit funds in amounts great enough to satisfy that need. The Mayor, or the CFO pursuant to § 47-351.2(c), shall invest all other funds.

"(c) The Mayor, or the CFO pursuant to § 47-351.2(c), shall invest District funds in:

"(1) Bonds, bills, notes or other obligations issued by the United States government.

"(2) Federally insured negotiable certificates of deposit or other insured or uninsured evidences of deposit at a financial institution;

"(3) Bonds, bills, notes, mortgage-backed or asset-backed securities, or other obligations of a quasi-governmental corporation;

"(4) Prime banker acceptances that do not exceed 270 days maturity;

"(5) Prime commercial paper that does not-

"(A) Have a maturity that exceeds 180 days-, and

"(B) Exceed 10% of the outstanding commercial paper of the issuing corporation at the time of purchase;

"(6) Investment grade obligations of the District or a state or local government-

"(7) Repurchase agreements for the sale or purchase of securities by the District

under the condition that, after a stated period of time, the original seller or purchaser will buy back or sell the securities at an agreed price that shall include interest;

"(8) Investment grade asset-backed or mortgaged-backed securities-, or

"(9) Money market funds registered with the Securities and Exchange Commission and which meet the requirements of Rule 2(a)(7) of the Investment Company Act of 1940, approved August 22, 1940 (54 Stat 789; 15 U. S.C. § 80a- I *et seq.*).

"(d) The Mayor, or the CFO pursuant to § 47-351.2(c), shall not allow the amount of District funds deposited or placed for the provision of financial services in a single eligible financial institution to exceed the lesser of either-

“(1) Twenty-five percent of the total assets of the eligible financial institution, exclusive of District funds; or

“(2) Twenty-five percent of the total District funds available for deposit or investment as of the date of such deposit or placement and as of the end of each fiscal quarter thereafter.

New Section  
47-3SI.4

“§ 47-351.4. Eligibility requirements; bidding; awards process.

“(a) To become eligible to submit a bid under this subsection:

“(1) An insured institution shall provide the Mayor, or the CFO pursuant to § 47-351.2(c), with information from which the Mayor, or the CFO pursuant to § 47-351.2(c), can calculate a community development score under § 47-351.7. This information may include, but need not be limited to, current community development data, Community Reinvestment Act statement and evaluation with a minimum of "satisfactory" rating on its latest Community Reinvestment Act examination, and Home Mortgage Disclosure Act reports.

“(2) A non-insured institution shall submit to the Mayor, or the CFO pursuant to § 47-351.2(c), a statement of Equal Employment Opportunity or Affirmative Action.

“(b) Each year the Mayor, or the CFO pursuant to § 47-351.2(c), shall compile a list of eligible financial institutions that submit the information pursuant to the requirements of subsection (a) of this section.

“(c) The Mayor, or the CFO pursuant to § 47-351.2(c), shall send the solicitations for bids to all financial institutions that are eligible. The Mayor, or the CFO pursuant to § 47-351.2(c), shall remove from the eligible list those financial institutions that the Mayor, or the CFO pursuant to § 47-351.2(c), has deemed to be financially unsound and those bidders that have put District funds at risk pursuant to § 47-351.13(a).

“(d) In solicitations for bids, the Mayor, or the CFO pursuant to § 47-351.2(c), shall include the following information:

“(1) In the case of deposits or investments:

“(A) The term of the deposit or investments,

“(B) The approximate amount available for deposit or investment;

“(C) The evaluation criteria; and

“(D) All other information required by the Mayor, or the CFO pursuant to § 47-351.2(c), or that is necessary for compliance with this subchapter.

“(2) In the case of financial services:

“(A) A list of the financial services needed;

“(B) The evaluation criteria; and

“(C) All other information required by the Mayor, or the CFO pursuant

to § 47-351.2(c), or that is necessary for compliance with this subchapter.

“(e) The Mayor, or the CFO pursuant to § 47-351.2(c), may solicit bids for either single financial services or groups of financial services.

“(f) If applicable, a bidder shall provide the following information in a bid:

“(I) The identity of the bidder,

"(2) The minimum and maximum amount of District funds the bidder will accept;

"(3) "The rate of return;

"(4) The type of financial services to be provided and the cost to the District for the financial services; "

"(5) The amount of the compensating balances, if any, and the rate of return on any deposit used for a compensating balance,

"(6) A description of the experience and capacity of the financial institution to perform the banking business for which the bid is submitted;

"(7) Information necessary to assess risk and liquidity; and

"(8) Any other information required by the Mayor, or the CFO pursuant to § 47-351.2(c).

"(g) The Mayor, or the CFO pursuant to § 47-351.2(c), shall make available to each bidder the notice of the bid award including the terms of the bid award.

"(h) Two or more eligible financial institutions may submit a joint bid.

"(i) The Mayor, or the CFO pursuant to § 47-351.2(c), may at any time prior to the notice of award withdraw a bid solicitation for good cause. The Mayor, or the CFO pursuant to § 47-351.2(c), shall notify any financial institution that has submitted a bid prior to the withdrawal of the bid solicitation.

"(j) The Mayor, or the CFO pursuant to § 47-351.2(c), may retain or maintain deposits, investments, or financial services agreements at a financial institution which is a successor to the contractual agreement.

New Section  
47-351.5

"§ 47-351.5. Competition for banking business.

"(a) Except as otherwise provided by §§ 47-351.9, 47-35 1. 10, and 47-35 1.1 1, the Mayor, or the CFO pursuant to § 47-351.2(c), shall select eligible financial institutions with which to conduct the banking business of the District based on the highest composite score for a bid. If 2 or more eligible financial institutions receive the highest composite score, the Mayor, or the CFO pursuant to § 47--1151.2(c), shall select the eligible financial institution with the highest community development score calculated under § 47-351.7.

"(b) The Mayor, or the CFO pursuant to § 47-351.2(c), shall calculate the composite score of an eligible financial institution in the Following manner:

"(1) Eighty percent based upon a financial score, calculated under § 47-351.6;  
and

"(2) Twenty percent based upon a community development score, calculated under § 47-351.7.

New Section  
47-351.6

"§ 47-351.6. Financial score

"The Mayor, or the CFO pursuant to § 47-351.2(c), shall calculate a financial score for each eligible financial institution. For each bid solicitation, the Mayor, or the CFO pursuant to § 47-351.2(c), shall decide how much weight and how many points to give each of the following elements to calculate the financial score:

- "(1) Investment and deposit bids based on the rate of return that a bidder offers;
- "(2) Financial services bids based on the cost of service,
- "(3) All bids based on an assessment of risk and financial condition,
- "(4) All bids based on the capacity of a bidder to perform and prior performance record; and
- "(5) Any other criteria required to evaluate a bid.

New Section  
47-351.7

"§ 47-351.7. Community development score.

"(a) The Mayor, or the CFO pursuant to § 47-351.2(c), shall calculate the community development score by calculating a ratio of the eligible financial institution's performance for 1 or more of the criteria in each of the 3 categories under subsection (b) of this section; multiplying the ratio by the weight for each category listed in subsection (c) of this section; and then adding the weighted points for all 3 categories to produce the final community development score.

"(b) The Mayor, or the CFO pursuant to § 47-351.2(c), shall calculate a ratio for an eligible financial institutions performance listed within the categories of mortgage lending, community development lending, and financial services. A ratio is the level of activity for a specific criterion divided by the institution's overall performance in the generic activity that includes the specific criterion. The criteria to be considered for mortgage lending are the total mortgage lending made in low-to-moderate income areas in the District and the total mortgage lending made in low-to-moderate income areas by third parties and purchased by the bidding financial institution in the secondary market; for community development lending are the total lending activity to small businesses located in low-to-moderate income areas in the District and the total lending to small businesses located in low-to-moderate income areas in the District by third parties and purchased by the financial institution in the secondary market; and for financial services in the number of branches in low-to-moderate income areas in the District.

"(c) The Mayor, or the CFO pursuant to § 47-351.2(c), shall assign the following weighing factors to the numerical scores given under the categories listed in subsection (b) of this section, to calculate the community development score for an eligible financial institution:

- "(1) Forty percent for mortgage lending;
- "(2) Forty percent for community development lending; and
- "(3) Twenty percent for financial services.

"(d) Non-insured institutions providing investment services are exempt from providing

data for a community development score as prescribed in this section. Investment services from non-insured institutions shall be awarded on the basis of a financial score, as calculated under § 47-351.6.

"(e) The Mayor, or the CFO pursuant to § 47-351.2(c), shall periodically issue a report on the community development efforts of the eligible financial institutions on the eligible bidder's list.

"§ 47-351.8. Collateral and reporting requirements.

"(a) Except for securities directly purchased without a repurchase agreement and money market funds, an eligible financial institution must at all times provide collateral equal to at least 102% of the District funds held by the eligible financial institution -for deposits and investments that are not fully federally insured.

"(b) The Mayor, or the CFO pursuant to § 47-351.2(c), may accept as collateral any combination of the followings-:

"(1) Bonds, bills, or notes for which the interest and principal are guaranteed by the United States government,

"(2) Securities of a quasi-governmental corporation, or

"(3) Investment grade obligations of the District or a state or local government.

"(c) The Mayor, or the CFO pursuant to § 47-351.2(c), may at any time classify the use of a particular type of collateral as ineligible.

"(d) The Mayor, or the CFO pursuant to § 47-351.2(c), may at any time require that collateral exceed 102% of the District funds held for deposit or investment.

"(e) The Mayor, or the CFO pursuant to § 47-351.2(c), shall require the eligible financial institution to place required collateral in a joint custody account established for the benefit of the District at the Federal Reserve Bank under procedures of the Federal Reserve Bank, or in an independent third-party insured institution. Collateral for investments may be placed at a third- party insured institution customer account in a Federal Reserve Bank with the approval of the Mayor, or the CFO pursuant to § 47-351.2(c).

"(f) Upon written approval of the Mayor, or the CFO pursuant to § 47-351.2(c), an eligible financial institution may substitute collateral of greater or equivalent value from the various types listed in subsection (b) of this section.

"(g) An eligible financial institution may not withdraw collateral previously pledged without the prior approval of the Mayor, or the CFO pursuant to § 47-351.2(c).

"(h) An eligible financial institution shall submit to the Mayor, or the CFO pursuant to § 47-351.2(c), monthly verified reports that list " segregated collateral for District funds and its market value. The report shall also include the average daily balance of the amount of District funds on deposit or invested for the previous month. An insured institution shall submit copies of its quarterly call reports within 45 days after each fiscal quarter. A non-insured institution shall submit its Form 10K or annual financial statements within 60 days after each fiscal year.

"§ 47-351.9. Linked deposits for community development lending.

"(a) The Mayor, or the CFO pursuant to § 47-351.2(c), may make a deposit in an insured financial institution in return for a commitment by that institution to make specific community development loans in a low-to-moderate income area. The Mayor, or the CFO pursuant to § 47-351.2(c), shall determine the amount and scope of community development loans required to qualify for such linked deposits.

"(b) When making a linked deposit, the Mayor, or the CFO pursuant to § 47-351.2(c), may accept a below-market interest rate that is within 3 % of the market rate interest if the insured financial institution 'provides an equivalent reduction iii the interest rate charged for the community development lending to which the deposit is linked.

"(c) -The Mayor, or the CFO pursuant to § 47-351.2(c),. may make deposits linked to either specific loans or loan types.

"(d) An insured financial institution may submit to the Mayor, or the CFO pursuant to § 47-351.2(c), a linked deposit application that includes information about the proposed community development lending and any other information the Mayor, or the CFO pursuant to § 47-351.2(c), requires.

"(e) If the Mayor, or the CFO pursuant to § 47-351.2(c), approves a linked deposit application the Mayor, or the CFO pursuant to § 47-351.2(c), and the insured financial institution shall enter into an agreement that includes each of the following terms and conditions and any others the Mayor, or the CFO pursuant to § 47-'351.2(c), may require:

“(1) A requirement that the insured institution shall not assign or sell a loan made with the proceeds of a linked deposit without approval of the Mayor, or the CFO pursuant to § 47-351.2(c), as long as the linked deposit is in effect;

"(2) A requirement that a delay in payment or default by a borrower receiving a linked deposit loan does not affect the agreement between the insured financial institution and

the Mayor, or the CFO pursuant to § 47-351.2(c);

"(3) The terms of the deposit-,

"(4) A requirement that the Mayor, or the CFO pursuant to § 47-351.2(c), shall monitor compliance with the agreement, and

“(5) The terms of the community development loans lending effort.

"(f) The total amount of linked deposits and community development program deposits shall not exceed 7% of the average annual investment balance of the latest audited fiscal year.

New Section  
47-351.10

§47-351.10. Preservation of banking services.

"(a) Without regard to the competitive bidding requirements of §§ 47-351.4 and 47-351.5, the Mayor, or the CFO pursuant to § 47-351.2(c), may place deposits or investments at an insured financial institution for the purpose of maintaining banking services In a low-to-moderate income area in the District.

"(b) If the Mayor, or the CFO pursuant to § 47-351.2(c), waives the requirements of §§

47-351.4 and 47-351.5, the Mayor, or the CFO pursuant to § 47-351.2(c), shall execute a community development program agreement with the insured financial institution or certify that the insured financial institution is meeting the objectives of an existing community development program.

"(c) For the purposes of this section only, a community development program agreement shall meet the requirements of § 26-804(d).



New Section  
47-351.11

"§47-351.11. District funds reserved for certain insured institutions.

"Without regard to the competitive bidding requirements of §§ 47-3 5 1. 5 and 47-3 51.7, the Mayor, or the CFO pursuant to § 47-351.2(c), may reserve up to 1% of District funds available for- deposit or investment in order to make an investment-or a deposit with one or more insured financial institutions located in the District that have less than \$350 million in assets. The amount available for deposit or investment is to be calculated based upon the prior year's average investment balance. In selecting an insured financial institution under this section, the Mayor, or the CFO pursuant to § 47-3151.2(c), shall follow the provisions of § 47-351.4 and shall encourage the use of women-owned banks and federally or District chartered minority-owned banks certified by the District of Columbia N4inority Business Opportunity Commission in accordance with § I- 1 141 *el seq.* The amount of District funds deposited in any such institution shall not exceed the federally insured amount.

New Section  
47-351.12

" § 47-3 51.12. Public disclosure.

"(a) Except as provided in subsection (b) of this section, all information submitted by a financial institution to the Mayor, or the CFO pursuant to § 47-351.2(c), shall be available for public inspection and reproduction during regular business hours.

"(b) Proprietary financial and commercial information of any financial institution shall be kept confidential.

"(c) A breach of confidentiality shall be subject to the penalties set forth in § 47-351.15.

New Section  
47-351.13

47-351.13. Protection of District funds at risk.

"(a) The Mayor, or the CFO pursuant to § 47-351.2(c), may take the action provided for in subsection (b) of this section to protect District funds if:

"(1) A financial institution fails to return a deposit upon demand or upon the termination of or pursuant to the terms of an agreement,

"(2) A financial institution fails to pay a valid check, draft, or warrant issued by the Mayor, or the CFO pursuant to § 47-3 5 1.2(c);

"(3) A financial institution fails to honor a request for the electronic transfer of District funds,

"(4) A financial institution fails to account for a check, draft, warrant, order, deposit, certificate, or money that the District entrusts to it;

"(5) A financial institution fails to return an investment under the terms of an agreement or upon the termination of an agreement;

"(6) A financial institution fails to perform under the terms of an agreement involving banking business"

"(7) A financial institution fails to maintain the required collateral pursuant to §47-351.8;

"(8) A court or a federal, District, or state banking regulator orders a financial institution to refrain from making payments on its liabilities;

"(9) A court or a federal, District, or state banking regulator appoints a conservator or receiver for the financial institution;

"(10) The Mayor, or the CFO pursuant to § 47-354,-2(c), determines that the financial institution is financially unsound,

"(11) A financial institution falls to comply with this subchapter-, or

"(12) Any other action has occurred or is impending which the Mayor, or the CFO pursuant to § 47-3 5 1.2(c), decides would place District funds in jeopardy.

"(b) If the Mayor, or the CFO pursuant to § 47-3 5 1.2(c), determines that any condition under subsection (a) of this section exists, the Mayor, or the CFO pursuant to § 47-3 5 1.2(c),

may, without any further action:

"(I) Withdraw or demand the return of District funds immediately;

'(2) Take action to seize all collateral provided under section 9-,

'(3) Liquidate collateral and retain proceeds in the amount equal to District funds held by the financial institution plus liquidation costs;

"(4) Direct the financial institution to immediately stop performing any financial services for the District-

"(5) Terminate any agreement relating to banking business-,

"(6) Remove the financial institution from the eligible bidder's list; or

"(7) Take other action deemed necessary for the protection of District funds.

New Section

47-351.14

"§ 47-351.14. Check cashing, identification.

"(a) An eligible financial institution shall cash checks issued by the District government without charge for both account and non-account holders.

"(b) An insured institution may require a holder of a check meeting the requirements of subsection (a) of this section to show proper identification. Proper identification is any form of identification as required by the bank in accordance with its rules and regulations.

New Section

47-351.15

"§ 47-351.15. Penalties.

"Any director, officer, manager, agent, or employee of an eligible financial institution who knowingly violates a provision of this subchapter may, upon conviction, be fined not less than \$500 nor more than \$2,000.

## "§ 47-351.16. Rulemaking.

"The Mayor, pursuant to title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204- D.C. Code § I - I 50 *et seq.*), shall issue rules to implement the provisions of this subchapter."

Section  
36-340

## Sec. 3. Conforming amendments.

Section 41(b) of the District of Columbia Worker's Compensation Act of 1980, approved July 1, 1980 (D.C. Law 3-77-, D.C. Code § 36-340(b)), is amended by striking the phrase "District of Columbia Depository Act of 1977, effective October 26, 1977 (D.C. Law 2-32; D.C. Code § 47-271 *et seq.*)" and inserting the phrase "Financial Institutions Deposit and Investment Act of 1997." in its place.

## Sec. 4. Fiscal impact statement.

(a) The District is estimated to gain approximately \$400,000 to \$500,000 in additional interest income over the course of an entire fiscal year. Approximately \$45,000 would be at risk in lost Interest income with the establishment and immediate implementation of a linked deposit or community lending program. The estimated cost would be off-set by additional interest earnings associated with higher yielding investments. The additional interest income would be derived from investing for a marginally longer period of time and with investing in other safe instruments that were previously prohibited.

(b) The District's average investment balance in Fiscal Year 1995 was \$355,300,000, of which \$150,000,000 can be considered as balances eligible for investments for a period of longer than 91 days. Balances included in this core group of funds are capital proceeds, trust funds notes, proceeds and balances in the General Fund in the first and second quarter of the fiscal year. The yield differentials in the 2-year U.S. Agency Bonds and the current rate on District investments in repurchase agreements are approximately 85 basis points. The differential is 24 basis points with commercial paper invested for 90 days.

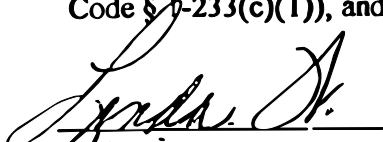
(c) A conservative scenario would be an average composite 30 basis point (one basis point is .1% in interest rate) increase in yield by having a short term portfolio which includes high grade commercial paper and investments in U.S. Treasury or Agency Bonds for a 2-year term on balances not needed for disbursements longer than 91 days. It is very likely that the District, even with a passive investment strategy, could increase interest earnings by \$450,000 per year. There would be no additional expense since the budget of the Treasurer's Office includes the necessary tools to safely invest District funds.

## Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia.

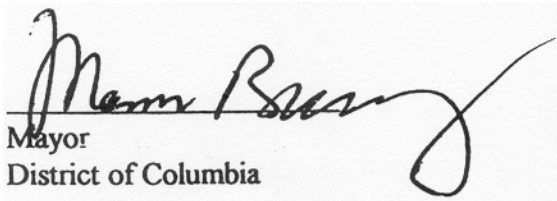
Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116, D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in

**section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Code § 1-233(c)(1)), and publication in the District of Columbia Register.**



Chairman

**Council of the District of Columbia**



Mayor  
District of Columbia

APPROVED: October 17, 1997

ATTACHMENT J.4

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**  
**Office of Finance and Treasury**  
**1101 4<sup>th</sup> Street SW, Suite 850W**  
**Washington, DC 20024**



**CASH & INVESTMENT MANAGEMENT**  
**INVESTMENT POLICY**

**September 16, 2021**

# Table of Contents

<i>A.</i>	<i>Purpose</i>	<i>1</i>
<i>B.</i>	<i>Scope</i>	<i>1</i>
<i>C.</i>	<i>Investment Objectives</i>	<i>1</i>
<i>D.</i>	<i>Investment Authority Delegation</i>	<i>2</i>
<i>E.</i>	<i>Investment Advisory Committee &amp; Reporting</i>	<i>2</i>
<i>F.</i>	<i>Standard of Prudence</i>	<i>2</i>
<i>G.</i>	<i>Ethics and Conflicts of Interest</i>	<i>3</i>
<i>H.</i>	<i>Authorized Investments</i>	<i>3</i>
<i>I.</i>	<i>Portfolio Diversification</i>	<i>4</i>
<i>J.</i>	<i>Prohibited Investments and Investment Practices</i>	<i>5</i>
<i>K.</i>	<i>Maximum Maturity</i>	<i>5</i>
<i>L.</i>	<i>Authorized Financial Institution and Investment Advisors</i>	<i>6</i>
<i>M.</i>	<i>Competitive Selection of Investment Instruments</i>	<i>7</i>
<i>N.</i>	<i>Safekeeping and Custody</i>	<i>8</i>
<i>O.</i>	<i>Investment of Bond Proceeds</i>	<i>8</i>
<i>P.</i>	<i>Internal Controls</i>	<i>8</i>
<i>Q.</i>	<i>Investment Policy Adoption</i>	<i>9</i>

## **GLOSSARY**

## A. PURPOSE

The purpose of this Investment Policy is to set forth the requirements for the cash and investment management of the public funds of the Government of the District of Columbia (the “District”). This Investment Policy has been adopted by, and can only be changed by, the District’s Chief Financial Officer (“CFO”) and the District’s Treasurer.

This Investment Policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. This Investment Policy does not supersede applicable laws and code.

The accounting for the District’s investment portfolio will be consistent with guidelines of the Governmental Accounting Standards Board (GASB), as interpreted by the District’s Office of Financial Operations and Systems.

## B. SCOPE

This Investment Policy governs the overall administration and investment management of those monies held in the District’s investment portfolio. It will apply to such monies from the time of receipt until the time they leave the District’s accounts. This Investment Policy applies to all cash and financial investments of the various funds of the District of Columbia as identified in the District’s Comprehensive Annual Financial Report (Annual Report), except for those financial assets explicitly excluded from coverage for legal or operational reasons. Monies include, but are not limited to, operating funds, debt service funds, capital project funds, and grant money.

The requirements set forth herein will be strictly followed by all those responsible for any aspect of the management or administration of these monies.

## C. INVESTMENT OBJECTIVES

The District seeks to invest funds in assets that will preserve principal and allow the District to meet anticipated daily cash needs, while maximizing investment earnings.

The District’s investment objectives, in order of priority, are as follows:

1. **Safety of Principal** - The District undertakes investments in a manner that seeks to ensure preservation of capital in the overall portfolio. To obtain this objective, the District utilizes highly rated securities and diversifies funds by investing in a variety of securities and sectors.
2. **Maintenance of Liquidity** - The Districts’ investment portfolio must provide sufficient liquidity to enable the District to meet all operating, capital, and other allowable expenditures that might be reasonably anticipated.
3. **Maximizing Return** - The District’s investment portfolio must be structured with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk parameters and cash flow characteristics of the portfolio.

#### **D. INVESTMENT AUTHORITY DELEGATION**

Pursuant to Section 424(d) of the District of Columbia Home Rule Act (as amended), the CFO's duties include "maintaining custody of all investment and invested funds of the District government or in possession of the District government in a fiduciary capacity," and "administering the cash management program of the District government, including the investment of surplus funds in governmental and non-governmental interest-bearing securities and accounts."

In accordance with the DC Law 12-56, the Financial Institutions Deposit and Investment Amendment Act of 1997 (the "Act"), which governs the investment activities of the District of Columbia, the CFO is responsible for managing the District's financial investments. This statute provides methods for depositing and investing District funds and obtaining financial services. The CFO may delegate responsibility for the day-to-day management of the investment program to a designee. In accordance with the official position description and duties of the District Treasurer/Deputy Chief Financial Officer (the "Treasurer"), he/she is responsible for and has the authority to manage and execute the District's investment activity.

#### **E. INVESTMENT ADVISORY COMMITTEE & REPORTING**

An Investment Advisory Committee is established for the purpose of periodically reviewing the performance of the District's investment portfolio, including compliance with this Investment Policy. The Committee will consist of five (5) members: the CFO or his/her designee; the Treasurer; the Associate Treasurer for Asset Management; the Associate Treasurer for Debt and Grants Management; the Associate Treasurer for Banking and Operations; and the Deputy Chief Financial Officer for Revenue Analysis. The CFO or designee will serve as chairperson of the Investment Advisory Committee. If a Committee member is unable to attend a meeting of the committee, the member may appoint a designee to serve on his/her behalf. Committee members may also have staff members attend the Committee meetings in a non-official capacity. At least three (3) members (or designees) must be present for there to be an official meeting of the Committee, and this shall represent a quorum. Any decisions of the Committee shall be decided by consensus or, if a consensus cannot be reached, by majority vote.

The Investment Advisory Committee will be charged with the following responsibilities:

- 1) At least annually, review and, if determined appropriate, make recommendations to the CFO regarding updates to the Investment Policy;
- 2) Assure that the District is in compliance with current laws and the District's Investment Policy; and
- 3) Meet at least semi-annually, to receive a report on and deliberate such topics as economic outlook, portfolio diversification and maturity structure strategy and performance, credit rating exposure, cash flow forecasts, potential risks, and investment policy compliance.

#### **F. STANDARD OF PRUDENCE**

The standard of prudence to be applied to the investment of the District's Portfolio shall be the "Prudent Person Rule" that states:

"Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for



speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The CFO, the Treasurer, and other District employees acting in accordance with written procedures and this Investment Policy and exercising due diligence shall not be assigned personal responsibility for investment performance. Significant deviations from expectations are to be reported in a timely fashion to the CFO.

#### **G. ETHICS AND CONFLICTS OF INTEREST**

1. The CFO, Treasurer, officers and employees involved in the investment process must refrain from any personal business activity that could conflict with proper execution of the investment program or impair their ability to make impartial investment decisions. Employees must disclose to the Investment Advisory Committee any material financial interests in financial institutions that conduct business with the District, and they must also disclose any large personal financial or investment positions that could be related to the performance of the District.
2. The CFO, Treasurer, and other employees involved in the investment process shall avoid any transactions that might impair public confidence in the Government of the District of Columbia.

#### **H. AUTHORIZED INVESTMENTS**

Within its investment portfolio, the District may invest in the following Instruments in accordance with DC Law 12-56 and other applicable law.

1. U.S. Treasury Obligations: United States Treasury bills, notes, or any other obligation or security issued by or backed by the full faith and credit of the United States Treasury.
2. *U.S. Agency Obligations Primary Issuers: U.S. government-sponsored enterprises, which include but are not limited to the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (FHLB), and Federal Farm Credit Banks (FFCB).*
3. *U.S. Agency Obligations Secondary Issuers: Other U.S. government sponsored enterprises that are less marketable and considered secondary Government Special Entities and include but are not limited to the Private Export Funding Corporation (PEFCO), Tennessee Valley Authority (TVA), Financing Corporation (FICO) and Federal Agricultural Mortgage Corporation (Farmer Mac).*
4. *Supranational Agency Bonds: Institutions that have the U.S. government as its largest shareholder and include but are not limited to the International Bank for Reconstruction and Development (IBRD or World Bank), International Finance Corporation (IFC), Asian Development Bank (ADB) and Inter-American Development Bank (IADB).*
5. Municipal Debt Obligations: Bonds, notes and other evidence of indebtedness of any state or local government.
6. Corporate Notes: Issuers domiciled in the United States and Canadian of corporate notes that adhere to the procedures adopted by the state investment board and are purchased on the secondary market.
7. Commercial Paper: Short-term promissory notes issued by corporations and purchased on the secondary market.
8. Federally Insured Bank Deposit or Collateralized Certificates of Deposit (or other evidence of deposit) in state-chartered banks or federally chartered banks or foreign banks with domestic offices.
  - a. Deposits with savings and loans associations or District and federal credit unions shall not exceed the greater of 25% of the total assets of the institution, exclusive of the District’s main depository operating accounts.

- b. Collateralization level shall be at least 102% of the market value of principal, plus accrued interest, or as required by the terms of bond issues, municipal bond insurance policies, and/or other financing agreements which may pertain to the District's monies.
- c. All deposits of District monies in excess of the amount protected by federal deposit insurance will be collateralized with any combination of U.S. Treasury and federal agency obligations.
- d. Collateral must be held by an independent third-party custodian and a marked safekeeping receipt must be supplied to the District as evidence of ownership. The right of collateral substitution is allowed with the permission of the District.

9. Repurchase Agreements:

- a. A signed Master Repurchase Agreement is required
- b. Collateral on Repurchase Agreements must be limited to treasury and agency securities. Collateral shall be delivered to District's safekeeping agent or through a tri-party arrangement in which the proper documents delineating the responsibilities of the parties have been executed. A clearly-marked evidence of ownership (electronic safekeeping receipt) must be supplied to District of Columbia Government and retained.
- c. Any required margin (the amount by which the market value of the securities collateralizing the transaction exceeds the transaction value) will be determined at the time of the transaction, as specified in the Master Repurchase Agreement. Any such required margins shall not be less than 102 percent of the current market value of the collateral. Such collateral shall be revalued on a periodic basis, but not less than quarterly, in order to maintain market protection.
- d. The counterparty is a:
  - i. primary government securities dealer who reports daily to the Federal Reserve Bank of New York
  - ii. a bank, savings and loan association, or diversified securities broker-dealer having at least \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency
  - iii. and has been in operation for at least 5 years

10. Money Market Mutual Funds: Shares in open-end, no-load investment funds provided such funds are registered under the Federal Investment Company Act of 1940. The mutual fund must comply with the diversification, quality and maturity requirements of Rule 2(a)-7, or any successor rule, of the United States Securities and Exchange Commission and cannot hold any investment not permitted by this Investment Policy, specifically Asset-Backed and Mortgage-Backed Securities.

The District must obtain a copy of the fund's prospectus and review for permitted investments, fees, and management.

## **I. PORTFOLIO DIVERSIFICATION**

District diversifies its investment portfolio by adhering to the constraints in the following table. The District recognizes Standard and Poor's (S&P), Moody's and Fitch as the major Nationally Recognized Statistical Ratings Organizations (NRSRO). In the case of split ratings, where the major NRSROs issue different ratings, the lower rating shall apply. Minimum credit ratings and percentage limitations only apply at the time of purchase.

Issuer Type	Maximum % per issue type	Maximum % per issue	Minimum S&P rating at purchase	Minimum Moody rating at purchase	Minimum Fitch rating at purchase	Maximum Maturity
U.S. Treasury Obligations	100%	None	N/A	N/A	N/A	5 years
U.S. Agency Obligations Primary Securities	100%	40%	N/A	N/A	N/A	5 years
U.S. Agency Obligations Secondary Issuance	10%	40%	AA-	Aa3	AA-	5 years
Supranational Agency Bonds	10%	5%	AA-	Aa3	AA-	5 years
Municipal Debt Obligations	100%	5%	AA-	Aa3	AA-	5 years
Corporate Notes <sup>1</sup>	10%	5%	AA-	Aa3	AA-	5 years
Commercial Paper <sup>2</sup>	30%	5%	A-1	P-1	F1	180 days
Federally Insured or Collateralized Certificates of Deposit	30%	25%	N/A	N/A	N/A	5 years
Repurchase Agreements	100%	25%	AA-	Aa3	AA-	90 days
Money Mutual Market Funds	100%	25%	AAA	AAA	AAA	5 years
Negotiable Certificates of Deposit	30%	5%	N/A	N/A	N/A	5 years
Bank Deposits	100%	None	N/A	N/A	N/A	N/A

<sup>1</sup>Corporate notes with a negative outlook may not be purchased.

<sup>2</sup>Maturities less than 100 days must have a short-term credit rating by at least two NRSROs. If rated by all three major NRSROs, it must be rated in the highest short-term rating category from all of them. Maturities longer than 100 days must have a long-term senior unsecured credit rating by at least one NRSRO of AA- or higher.

The concentration constraints and minimum credit ratings for each type of investment apply to the initial purchase and do not automatically trigger a sale as the portfolio value fluctuates or in the event of credit rating downgrade. When a credit rating downgrade occurs, the District must evaluate the downgrade on a case-by-case situation to determine whether to hold or sell the security after further analysis of the credit rating on an ongoing basis and reported to the Investment Committee.

## **J. PROHIBITED INVESTMENTS AND INVESTMENT PRACTICES**

The District is prohibited from:

- 1) Investment in reverse repurchase agreements;
- 2) Short sales (selling a specific security before it has been legally purchased);
- 3) Derivative Products
- 4) Investing in any security for which the investor must be a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933;
- 5) Asset Backed Securities, Mortgage-Backed Securities; including collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICS); or
- 6) Equities

\* Investments in instruments prohibited by this policy (but not prohibited by law) entered into prior to the date of execution of this policy shall be exempt/’grandfathered’ from the prohibition.

## **K. MAXIMUM MATURITY**

The District matches the maturities of its investments with its anticipated cash flow requirements and investment objectives. Accordingly, the investment portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Investment maturities will target to coincide with the expected use of such funds in order to minimize the forced sale of securities prior to maturity.

The District develops investment strategies for each fund based on the specific fund’s objectives, liquidity requirements, time horizon and risk tolerance as presented in the table below. These strategies seek to optimize the benefits to the District’s investment performance over a complete market cycle without being reactive to short term changes in interest rates. For purposes of this Investment Policy, assets of the District will be segregated into four categories based on expected liquidity needs and purposes: Liquidity Portfolio; Core Portfolio; and Other Portfolio.

<b>Portfolio</b>	<b>Liquidity</b>	<b>Core</b>	<b>Other</b>
<b>Fund Objective</b>	Unrestricted operating funds that provide for daily cash flow	Unrestricted operating excess liquidity funds and certain restricted reserves	Internally and externally restricted funds with options for longer time horizons
<b>Purpose</b>	Daily liquidity	Secondary liquidity	Funding of liabilities
<b>Strategy</b>	Ensure adequate cash for operations through investing in pool funds and high-quality securities. Utilize a benchmark that is consistent with the underlying assets. The liquidity component may be blended with the intermediate component and tracked to a customized benchmark.	Match maturities to known liabilities and match duration exposure based on interest rate risk tolerance. Utilize an intermediate market benchmark to manage the risk and return of the portfolio	Manage the risk and return components of the portfolio. Bond indentures may restrict the fund further than this policy. Maturities in certain restricted funds may be matched to needs
<b>Target Duration</b>	1 year or less	0 to 3 years	0 to 3 years
<b>Maximum Single maturity in years</b>	1 year	5 years	5 years

Maturities shall not exceed five (5) years, except for a specified purpose with official approval by the Investment Advisory Committee.

#### **L. AUTHORIZED FINANCIAL INSTITUTIONS AND INVESTMENT ADVISORS**

All Counterparties that desire to provide investment services to the District will be provided with current copies of the District’s Investment Policy. Before an organization can provide investment services to the District, it must confirm in writing that it has received and reviewed the District’s current Investment Policy.

**BROKER-DEALERS.** The District or its investment advisor must maintain and regularly review a list of all authorized broker-dealers that are approved to transact with the District for investment purposes. The District or its investment advisor must maintain and annually review documentation of proof appropriate licenses and financial statements of broker-dealers on the list.

Firms must meet the minimum requirements below to be eligible for consideration to serve as broker/dealers for the District. Final decision to approve a firm will be determined by Treasurer or his/her designee.

- 1) “Primary” dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15c3-1 (uniform net capital rule);
- 2) Capital of at least \$10,000,000;
- 3) Registered as a dealer under the Securities Exchange Act of 1934;
- 4) Member of the Financial Industry Regulatory Authority (FINRA);
- 5) Registered to sell securities in the District of Columbia;
- 6) Engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years; and
- 7) Completed The Government of the District of Columbia Request for Information form.

INVESTMENT ADVISORS. The Office of Finance and Treasury may secure a contract with an external investment advisor to assist with the management of the District’s investment portfolio in a manner that is consistent with the OCFO’s business objectives, procurement rules, and this investment policy. Advisors must be registered under the Investment Advisers Act of 1940 and must act in a non-discretionary capacity, requiring approval from the District before all transactions. Advisors may be authorized to open accounts on behalf of the District with broker/dealers on the Districts’ approved broker-dealer list. The District, in its sole discretion, reserves the right to add or remove broker-dealers to/from its approved broker-dealer list if the District determines that such action is in the District’s best interest.

#### **M. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

Consistent with market best practices, documentation should be maintained on all investments purchased or sold.

- Competitive bids or offers should be obtained, when possible, from at least three separate brokers or financial institutions or by a nationally recognized trading platform. The District will accept the bid which: (a) offers the highest rate of return within the maturity required; (b) optimizes the investment objective of the overall investment portfolio, including diversification requirements.
- In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the treasurer or designee shall document quotations for comparable or alternative securities.
- When purchasing original issue securities, no competitive offerings are required, as all dealers in the selling group offer those securities at the same original issue price. The District is encouraged to document quotations on comparable securities.
- If the District uses an investment advisor to provide investment transaction services, the advisor must retain and provide the District documentation of competitive pricing execution on each transaction.

Securities are generally held to maturity with the following exceptions:

- Liquidity needs of the portfolio require a security to be sold early
- A security with declining credit may be sold early to minimize loss of principal.
- A security exchange that would improve the quality, yield or target duration in the portfolio may be sold early.

**N. SAFEKEEPING AND CUSTODY**

All trades of marketable securities, except money market mutual fund transactions, shall be conducted on a delivery versus payment (DVP) basis. Trades must be executed, cleared, and settled on a delivery versus payment basis to ensure that securities are deposited into the District's safekeeping institution before the release of funds.

The District must designate all safekeeping and banking arrangements and maintain an agreement of the terms executed in writing. The selection of safekeeping and banking partners must follow the District's formal procurement process and include an evaluation of the firm's economic viability. The third-party custodian is required to provide a monthly statement to the agency listing at a minimum each specific security, description, maturity date, market value, par value, purchase date, and CUSIP number

**O. INVESTMENT OF BOND PROCEEDS**

The proceeds of bonds issued by the District shall be invested in accordance with this Investment Policy. Bond proceeds used to fund other debt accounts will be invested in accordance with permitted investments outlined in the bond indenture. Notwithstanding the foregoing, bond proceeds will be invested in accordance with the list of permitted investments, if so specified, in the legislation that authorized the issuance of the bonds. Should there be a discrepancy between this Investment Policy and the authorizing legislation, the legislation will govern.

The District will comply with all applicable sections of the Internal Revenue Code, arbitrage rebate regulations and bond covenants with regard to the investment of bond proceeds. Accounting records will be maintained in a form and for a period of time sufficient to document compliance with these regulations.

**P. INTERNAL CONTROLS**

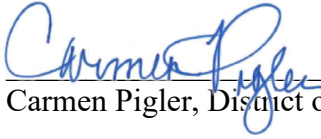
The Treasurer shall establish a framework of internal controls governing the administration and management of the District's investment portfolio, and these controls shall be documented in Office of Finance and Treasury's Policies and Procedures. Such controls shall be designed to prevent and control losses of District monies arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The District will establish an annual process of independent review by an external auditor, which may be performed as part of the District's annual audit.

**Q. INVESTMENT POLICY ADOPTION**

This policy is adopted this 1\_\_ day of \_\_\_\_\_, 2021 .

Adopted by:



\_\_\_\_\_  
Carmen Pigler, District of Columbia Treasurer



\_\_\_\_\_  
Fitzroy Lee, Interim District of Columbia Chief Financial Officer

# GLOSSARY

**ACCRUE:** To recognize revenues when earned and to recognize expenditures as soon as they result in liabilities for benefits received.

**ASKED:** The price at which securities can be purchased.

**ASSET BACKED SECURITIES (ABS):** Securities collateralized by assets that are not conforming mortgage loans. ABS structures have been structured as pass-throughs and as structures with multiple bond classes called pay-throughs. Common types of ABS are those backed by credit card receivables, home-equity loans, automobile loans and student loans.

**BASIS POINT:** The smallest measure used in quoting yields on bonds and notes. One basis point is 0.01 percent of yield. For example, a bond's yield that changed from 3.50 to 3.00 percent would be said to have moved 50 basis points.

**BENCHMARK:** A basket of securities that are similar to the investment criteria of the investment portfolio that is used to compare total return and yield performance over periods of time.

**BID:** The price at which securities can be sold.

**BOOK ENTRY SECURITIES:** Securities that are recorded in electronic records called book entries rather than as paper certificates.

**BROKER:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides.

**COLLATERAL:** Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DELIVERY VERSUS PAYMENT (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**DELIVERY VERSUS RECEIPT:** Delivery of securities with an exchange of a signed receipt for the securities. Also known as "free" delivery.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DISCOUNT:** Amount (stated in dollars or a percent) by which the selling or purchase price of a security is less than its face amount.

**DOWNGRADE:** A negative change in credit ratings.

**DURATION:** The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates.

**EFFECTIVE DURATION:** A measure in years that reflects the price sensitivity given interest rate changes. This measure incorporates probabilities, calls, or options on the securities. For bonds, effective duration is also known as option-adjusted duration, a measure of the bond's movement for a shift in the yield curve. For non-callable bonds, modified duration and effective duration are the same.



**FEDERAL FUNDS:** Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open – market operations.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The president of the New York Federal Reserve Bank is a permanent member while other presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional Banks and about 5,700 commercial banks that are members of the system.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between and the bid and the asked prices is narrow and reasonable size can be done at those quotes.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase or reverse-repurchase agreements that establishes each party's rights in the transaction. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MORTGAGE-BACKED SECURITIES (MBS):** An instrument/security whose cash flow depends on the cash flows of an underlying pool of mortgages. There are three types of mortgage-backed securities: (1) mortgage pass-through securities, (2) collateralized mortgage obligations (CMO), and (3) stripped mortgage-backed securities (IO and PO).

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):** A credit rating agency which issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

**OFFER:** The indicated price at which a seller is willing to sell a security.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the FOMC, in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PAR VALUE:** The nominal or face value of a debt security at maturity.

**PERFORMANCE:** An investment's return (usually total return) compared to a benchmark that is comparable to the risk level or investment objectives of the investment. The return incorporates both interest earnings and price change over a specified period.

**PORTFOLIO:** Collection of financial assets held by an investor.

**PREMIUM:** Amount (stated in dollars or a percent) by which the selling or purchase price of a security is more than its face amount.

**PRINCIPAL:** The invested amount on which interest is charged or earned.

**PRIMARY DEALER:** A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, and banks.

**PRIME RATE:** The rate which banks lend to their best or “prime” customers. Also known as the “reference rate.”

**PRINCIPAL:** The invested amount on which interest is charged or earned.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this District, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**SAFEKEEPING:** A service to customers rendered by banks or trust companies for a fee whereby all securities and valuables of all types and descriptions are held in the bank’s vaults for protection, or in the case of book entry securities, are held and recorded in the customer’s name and are inaccessible to anyone else.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES:** Bonds, notes, mortgages, or other forms of negotiable or non-negotiable instruments.

**SECURITIES AND EXCHANGE COMMISSION (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SETTLEMENT DATE:** The date on which a trade is cleared by delivery of securities against funds. This date may be the same as the trade date or later.

**TENNESSEE VALLEY AUTHORITY (TVA):** A U.S. corporation created in the 1930’s to electrify the Tennessee Valley Area; currently a major utility headquartered in Knoxville Tennessee. TVA's securities are highly liquid and widely accepted.

**TRADE DATE:** The date of execution on which a transaction is initiated or entered into between a buyer and seller.

**TOTAL RETURN:** An investment performance measure over a stated period, which includes coupon interest, interest on interest, and any realized and unrealized gains or losses.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public

issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted to cash.

**WEIGHTED AVERAGE MATURITY:** A weighted average of the expiration dates for a portfolio.

**WHEN-ISSUED TRADES:** Typically, there is a delay between the time a new bond is announced and sold, and the time when it is issued. During this interval, the security trades “WI”, “when, as, and if issued.”

**YIELD:** The rate of annual income on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**YIELD CURVE:** The graphical relationship between yield and maturity among bonds of different maturities and the same credit quality. This line shows the term structure of interest rates.

**YIELD TO MATURITY:** The rate of return yielded by a debt security held to maturity when both interest payments and the investor’s capital gain or loss on the security are considered.

## Custodial Agreement



This Custodial Agreement is made and entered into as of February 1, 2023 (the "Effective Date") by and between Principal Bank® ("Custodian") and the undersigned District of Columbia Office of the Chief Financial Officer ("Owner") as owner(s) in regard to the custody of certain assets of the Owner.

1. **The Account.** The Owner hereby appoints the Custodian as its agent to receive, hold and deal with, subject to the terms hereof, certain assets of the Owner (the "Account"). The Account shall consist of those assets, which the Owner notifies the Custodian shall be included in the Account, together with the income, proceeds and profits thereon. The Custodian agrees to (a) safely keep such assets separate from the assets of other trust accounts and (b) deposit such assets at depositories or agent depositories of the Custodian; provided, however, that the records of the Custodian at all times show that such assets are held on behalf of the Owner, notwithstanding registration in a nominee name as provided for in Section 8 (Registration of Securities).
2. **Investment Managers.** The Custodian shall act upon written direction from the Owner or from one or more investment managers duly appointed in writing by the Owner (each, an "Investment Manager"), unless otherwise specified herein. Any direction given by the Owner or from an Investment Manager may be given directly to the Custodian. The Owner shall furnish the Custodian with a written list of the names, signatures, and extent of authority of all persons authorized to direct the Custodian and otherwise act on behalf of the Owner under the terms of this Custodial Agreement and shall cause such Investment Manager to furnish the Custodian with a written list the names and signatures of the persons who are authorized to represent such Investment Manager under this Custodial Agreement.
3. **Responsibilities of the Custodian.** The Custodian shall with respect to assets held under this Custodial Agreement:
  - (a) Invest and reinvest them as instructed by the Owner or Investment Manager, including in cash or other short-term investment vehicles or instruments as the Owner or Investment Manager considers advisable;
  - (b) Collect the income thereon and their proceeds upon sale, redemption or maturity;
  - (c) From time to time, on the written direction of Owner, make disbursements out of the Account to such persons, in such manner, in such amounts, and for such purposes as may be specified in such written direction. The Custodian shall be under no liability for any disbursement made by it pursuant to such direction;
  - (d) Endorse, assign and deliver assets as directed by the Owner in writing;
  - (e) As instructed by the Owner or Investment Manager, make, execute, acknowledge and deliver any and all certificates of ownership, documents of transfer, or other declarations necessary or appropriate to carry out the custodianship duties and powers;
  - (f) Deliver proxy and other materials for securities held in the Account, including offers to tender or exchange such securities, to the Owner or otherwise as the Owner may direct in writing;
  - (g) Provide monthly to the Owner an itemized statement showing the funds and securities held in the Account as of the last day of the month and all debits, credits, and transactions in the Account since the date of the last statement. Owner consents to receiving this information electronically;
  - (h) Utilize agents other than persons on its regular payroll and delegate to them such ministerial and other non-discretionary duties as it sees fit and to rely upon such information furnished by such agents;
  - (i) Decline to accept any asset which it deems to be unsuitable or inconsistent with its custodial operations;
  - (j) Invest money or assets of the Account in any registered investment company to which the Custodian or an affiliate of the Custodian provides services and receives compensation for providing such services as such investment may be directed by Owner or an agent of Owner;
  - (k) Invest available cash in the Account, pending disbursement or investment, in a cash management vehicle as designated by the Owner. Owner understands and agrees that cash management vehicles made available by the Custodian may include deposit accounts of the Custodian or an affiliate, and that such deposit vehicles are specifically authorized for use in the Account;

- (l) With respect to valuation of assets held in the Account: (A) Obtain the fair market value of publicly traded assets, including securities issued by the Owner, where such assets have a readily ascertainable market value; (B) Rely on pricing direction received from the Owner to the extent any securities issued by the Owner are or become thinly traded and/or a readily ascertainable market value is not available;
- (m) Rely on pricing direction received from the Owner or its authorized agent for any non-publicly traded assets, including non-publicly traded securities issued by the Owner.
4. **Sub-Custodians.** The Custodian may at its discretion appoint and remove sub-custodians, which may be an affiliate of the Custodian, to carry out such of the provisions of this Custodial Agreement as the Custodian may from time to time direct. The Custodian shall be liable for the acts or omissions of a sub-custodian to the same extent as if the action or omission were performed by the Custodian itself, taking into account the facts and circumstances and the established local market practices and laws prevailing in the particular jurisdiction in which the Owner elects to invest.
5. **Directions.** The Custodian's duties with respect to assets will be that of custodian only. Upon receipt of oral directions as confirmed in writing, or written instructions from the Owner or Investment Manager, the Custodian agrees to execute necessary orders to effect such purchases, sales, subscriptions or exchanges of assets as directed. The Custodian shall be under no duty to review or recommend the purchase, retention, sale or other disposition of any asset purchased, retained, sold or otherwise disposed of at the instruction from the Owner or Investment Manager, or to take or omit any other action with respect to assets except in accordance with this Custodial Agreement. The Custodian shall not be liable for any loss or depreciation to assets resulting from any investments made upon the instruction from the Owner or Investment Manager.
6. **Statements.** If, within ninety (90) days after the Custodian mails to the Owner a statement with respect to the Account, the Owner has not given the Custodian written notice of any exception or objection thereto, the statement shall be deemed to have been approved. In such cases, the Custodian shall not be liable for any matters in such statements, except with respect to any acts or transactions as to which the Owner shall set forth in a written statement claiming negligence, willful misconduct or lack of good faith on the part of the Custodian which is filed with the Custodian during such ninety (90) day period.
7. **Special Investments.** As a matter of convenience, the Custodian may include in its reports the value of assets for which it does not maintain custody, including but not limited to investments in common or collective funds not administered by the Custodian, limited partnerships, and unregulated investment funds (each, a "Special Investment"). The Custodian may account for a Special Investment by means of "shadowed" recordkeeping in order to include the Special Investment's value on a composite statement for the Account that includes all of the Account's other investments. The Owner directs the Custodian to report those assets solely as a recordkeeping item on the account statements. The Custodian is not responsible for the accuracy of the information provided by the asset's custodian or other source, and does not certify that any information provided by the custodian or other source is true or correct, notwithstanding any subsequent statement to the contrary regarding the Special Investment. To the extent permitted by law, the Owner agrees to hold the Custodian harmless for Claims (as defined in Section 13 below) regarding Special Investments which may be imposed, assessed or incurred against the Custodian, or the account, arising out of or in connection with the performance of the Custodian's obligations in accordance with the provisions of this Agreement. This provision does not extend to any liability, loss, claim, damages or expense arising from the negligence or default of the Custodian.
8. **Registration of Securities.** The Custodian, in its sole discretion, may cause any or all of the securities under its custody and control pursuant to this Custodial Agreement to be registered in its name as the Custodian, or in the name of its nominee. The Custodian agrees to maintain such records as may be necessary to identify such securities as being a part of the assets held under this Custodial Agreement.
9. **Compensation.** The Custodian shall be entitled to be reimbursed for its expenses hereunder and to compensation for its services as may be agreed to, in writing, from time to time between the Owner and the Custodian. Such expenses and compensation shall be invoiced and not paid out of the assets held under this Custodial Agreement. The Custodian may also pay other expenses out of assets held under this Custodial Agreement as directed by the Owner.
10. **Security Interest.** To the extent not prohibited by applicable law, the Owner hereby agrees that Custodian shall have a continuing lien and security interest in any asset then held by the Custodian for the benefit of the Owner if the Custodian or any of its affiliates or agents: (a) advances financial assets to the Owner for any purpose; or (b) incurs expenses, charges, taxes, assessments, claims, liabilities or other indebtedness in connection with the performance of this Custodial Agreement.

11. **Payment from the Account.** In the event that any payment or disbursement is made from the Account pursuant to the Custodial Agreement and such payment or disbursement is not presented for payment for a period of no less than six (6) months following the date of issue, the Custodian may redeposit the funds in the Account unless otherwise directed by the Owner. The Custodian will follow the Owner's direction, which may include redepositing the funds in the Account or placing the funds in the unclaimed property account in accordance with state unclaimed property laws.
12. **Termination.** This Custodial Agreement shall be subject to annual renewal; however, either party may at any time terminate this Custodial Agreement by giving sixty (60) days' notice in writing to the other party. Upon termination of this Custodial Agreement, the Custodian shall deliver to the Owner or upon its order, all assets in its possession and control hereunder and shall have no further custodial responsibilities for the assets in the Account. In the event that the Owner fails to appoint a successor custodian within sixty (60) days following receipt of the Custodian's notice of termination, the Custodian may, in its sole discretion, petition any court of competent jurisdiction for the appointment of a successor custodian or for other appropriate relief, and any such resulting appointment shall be binding upon all the parties. If a successor custodian cannot be located, either before or after any application has been made to any court, the Owner shall assume custodial responsibilities over the Account.
13. **Limitation of Liability and Indemnification.** The duties and obligations of the Custodian shall be limited to those expressly set forth in this Custodial Agreement. With respect to the performance of its duties under this Custodial Agreement, the Custodian is not a "fiduciary" as that term is defined in the Employee Retirement Income Security Act of 1974 (ERISA) and amendments thereto or any other fiduciary laws. The Custodian shall not be liable for any acts, failures to act, actions, or decisions made by any prior fiduciary, custodian, or trustee.

The Custodian agrees to defend, indemnify and hold harmless the Owner, its officers, agencies, departments, agents, and employees (collectively the "Owner") from and against any and all claims, losses, liabilities, penalties, fines, forfeitures, demands, causes of action, suits, costs and expenses incidental thereto (including cost of defense and attorneys' fees) ("Claims") directly resulting from, or arising out of, or in any way connected to activities or work performed by the Custodian, the negligence of the Custodian; provided the Custodian is given reasonable notice of any Claim and an opportunity to correct any alleged mistake, defend against any action, and/or participate in any settlement proceeding and further provided that "negligence" for purposes of this provision shall not include the Custodian's failure to consider the prudence or imprudence of any direction provided by a person authorized to give it. Additionally, the Custodian shall not be liable under this indemnification for Claims resulting from actions of the Custodian taken in accordance with direction of an authorized representative, or action omitted because no such direction was given. This indemnification shall not include Claims arising out of the Owner's negligence, willful misconduct or breach of duty under this Agreement.

The indemnification obligation under this section shall not be limited by the existence of any insurance policy or by any limitation on the amount or type of damages, compensation or benefits payable by or for Custodian or any subcontractor, and shall survive the termination of this Contract. The Owner agrees to give Custodian written notice of any claim of indemnity under this section. Additionally, Custodian shall have the right and sole authority to control the defense or settlement of such claim, provided that no contribution or action by the Owner is required in connection with the settlement.

To the extent permitted by law, the Owner agrees to hold the Custodian harmless for Claims which may be imposed, assessed or incurred against the Custodian, or the account, arising out of or in connection with the performance of the Custodian's obligations in accordance with the provisions of this Agreement. This provision does not extend to any liability, loss, claim, damages or expense arising from the negligence or default of the Custodian.

14. **Consequential Damages.** Notwithstanding any other provision set forth herein, in no event shall the Custodian be liable for any indirect, consequential, special, incidental, or punitive damages of any kind whatsoever (including, without limitation, lost profits) with respect to the services provided pursuant to this Custodial Agreement, regardless of whether the Custodian has been advised of the possibility of such damages.
15. **Force Majeure.** Notwithstanding anything to the contrary in this Custodial Agreement, except as required by applicable law, the Custodian shall not be responsible or liable for its failure to perform under this Custodial Agreement or for any losses to the Account resulting from any event beyond the reasonable control of the Custodian, its agents or sub-custodians, including but not limited to nationalization, strikes, expropriation, devaluation, seizure, eminent domain or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting the Owner's property; or the breakdown, failure or malfunction of any utilities, telecommunications systems, or computer systems; or any order or regulation of any banking or securities industry, including changes in market rules and market conditions affecting the execution of settlement transactions; or poor or incomplete data provided by the Owner; or acts

of war, terrorism, insurrection or revolution; pandemic; or acts of God; or any similar event, or any other unusual circumstances not reasonably within the control of the Custodian.

16. **Survival.** The provisions of Section 9 (Compensation), Section 10 (Security Interest), Section 12 (Termination), Section 13 (Limitation of Liability and Indemnification), Section 14 (Consequential Damages), and Section 15 (Force Majeure) shall survive the termination or expiration of this Custodial Agreement.
17. **Authority of Signers.** Each individual signing this Custodial Agreement represents and warrants that she or he has, individually or in concert with the other persons signing this Custodial Agreement on behalf of the same entity, the authority to sign this Custodial Agreement and thereby bind that entity to the terms and conditions of this Custodial Agreement. The Custodian may absolutely rely upon any and all such directions, instructions, or notices and shall be fully protected in acting in accordance therewith.
18. **Communication.** If a provision of this Custodial Agreement requires that a communication or document be provided by or to the Custodian in writing or written form, that requirement may also be satisfied by a facsimile transmission, electronic mail or other electronic transmission of text (including electronic records attached thereto), if the Custodian reasonably believes such communication or document has been signed, sent or presented (as applicable) by any person or entity authorized to act on behalf of the Owner. If this Custodial Agreement requires that a communication or document be signed, an electronic signature satisfies that requirement. Any electronic mail or other electronic transmission of text will be deemed signed by the sender if the sender's name or electronic address appears as part of, or is transmitted with, the electronic record. The Custodian will not incur any liability to anyone resulting from actions taken in good faith reliance on such communication or document. Nor shall the Custodian incur any liability in executing instructions from any person or entity authorized to act on behalf of the Owner prior to receipt by it of notice of the revocation of the written authority of such person or entity.
19. **Enforceability.** If any provisions of this Custodial Agreement are held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, and this Custodial Agreement shall be construed and enforced as if such provisions had not been included.
20. **Amendment.** This Custodial Agreement may be amended from time to time by an instrument in writing executed by the parties hereto, or their successors in interest.
21. **Assignment.** No assignment of this Custodial Agreement shall be made by either party without written consent of the other.
22. **Governing Law.** This Custodial Agreement and all transactions hereunder shall be governed by, interpreted, construed and enforced in accordance with the laws of the District of Columbia.
23. **Successors and Assigns.** This Custodial Agreement shall bind the successors and assigns of Owner and shall bind the successors and assigns of the Custodian.
24. **Notices.** Notice to the Custodian shall be directed and mailed as follows:  
Principal Bank:  
222 South Ninth Street, 13th Floor  
Minneapolis, MN 55402  
Notice to the Owner shall be directed and mailed as follows:  
Drakus Wiggins,  
Contracting Officer  
District of Columbia Office of the Chief Financial Officer  
1100 4th Street, S.W. Suite E620  
Washington, DC 20024
25. **Counterparts.** This Custodial Agreement may be executed in counterparts, each of which shall be deemed an original.

**IN WITNESS WHEREOF**, the undersigned have executed this Custodial Agreement to be effective as of the Effective Date.

District of Columbia Office of the Chief Financial Officer    Principal Bank

Signed  \_\_\_\_\_

Name Drakus Wiggins

Business Title Contracting Officer

Signed  \_\_\_\_\_

Name Scott Christensen

Business Title President - Principal Bank

Account Number: 26058901

File Number(s): 26058900F



Principal® Custody Solutions  
Account Acceptance Agreement



---

The attached agreements, disclosures and account setup documentation (“Account Documentation”) contain information specific to the services that District of Columbia Office of the Chief Financial Officer (the “Owner”) has selected Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust Company®, or Principal Bank®, as the case may be (collectively referred to herein as “Principal® Custody Solutions”) to provide services as Trustee/Custodian under the governing Trust/Custody Agreement, executed by Principal® Custody Solutions and the Owner for the District of Columbia Office of the Chief Financial Officer (the “Account”).

# Acceptance


Owner Name ("Owner"): District of Columbia Office of the Chief Financial Officer  
Account Name (the "Account"): District of Columbia Office of the Chief Financial Officer  
Account Number(s): 26058901 and all related sub accounts  
File Number(s): 26058900F


The undersigned individuals represent that they are duly authorized to take action on behalf of the Owner and Principal® Custody Solutions, respectively. The parties certify that they are executing this Acceptance to signify receipt of, and agreement to the terms and conditions specified in the Account Documentation listed below, as of the effective date specified on each document.

## ACCOUNT DOCUMENTATION (only checked items apply):

- Definitions and Disclosure Statement
- Fee Schedule (consisting of):
  - Fee Acknowledgement
  - Fee Summary

### Accepted:

District of Columbia Office of the Chief Financial Officer  
Owner name  
Drakus Wiggins  
Name (please print)  
Contracting Officer  
Title (please print)  
  
**X**  
Signed  
03/01/2023  
Date

Principal Bank  
Scott Christensen  
Name (please print)  
President - Principal Bank  
Title (please print)  
  
**X**  
Signed

## Definitions

**“Revenue from Fund Asset-Based Fees”** are fees paid to Principal Bank® or Principal Trust Company® (collectively, “Principal® Custody Solutions”) by the institution providing the investment option (“Fund Company”) for Investment Alternative Options (“Investment Alternatives”) listed on the most current Investment Alternative Options Direction, Disclosure, and Acknowledgement (“IAO”). The revenue being disclosed represents only those fees received by Principal® Custody Solutions from the Fund Company for certain shareholder services performed by Principal® Custody Solutions either directly or through a supplier. Changes to such fees will be disclosed on the account statements and periodically updated fee disclosure documents. Any such fees are part of the Investment Alternative’s expense ratio and do not result in an increased payment by the Account. Ongoing Revenue from Fund Asset-Based Fees are stated as annual rates and are calculated by the Fund Company’s manager pursuant to its established practice and procedure. Certain Investment Alternatives may also pay one-time Revenue from Fund Asset-Based Fees to Principal® Custody Solutions which are calculated based on the value of funds invested by an individual who was not previously an investor in the Investment Alternative and are calculated in accordance with the Fund Company’s procedures. Revenue from Fund Asset-Based Fees may be paid by the fund company from one or more sources and under one or more programs (including, but not limited to, sub-transfer agency fees, 12b-1 fees, shareholder and administrative services fees, and distribution related fees) provided for in the prospectuses or other governing documents of the Investment Alternative.

### **“Allocation of Asset-Based Fees”**

Principal® Custody Solutions may hire external third parties whose responsibilities may include collecting Revenue from Fund Asset Based Fees on its behalf. As disclosed in the IAO, Principal® Custody Solutions may either retain these fees as revenue or may allocate these fees to the affected accounts. However, when Principal® Custody Solutions uses an external third party to collect these fees, Principal® Custody Solutions covers the cost of the third party’s services through a portion of the fees so collected, and the amount allocated to affected accounts will be net of the amount payable to the external third party.

## General Disclosures

**Investments such as mutual funds, common or group trust funds (i) are not endorsed or guaranteed by Principal® Custody Solutions or any affiliates thereof; (ii) are not deposits or other obligations of Principal® Custody Solutions or any affiliates thereof; (iii) are not insured by the FDIC, the Federal Reserve Board or any other government agency; and (iv) involve investment risks, including possible loss of principal.**

**Neither Principal® Custody Solutions nor any affiliates thereof can assure that the investment objectives of any Investment Alternative will be achieved. Past performance is no guarantee of future results. Investment return and principal value may fluctuate so that upon redemption, an investment in an Investment Alternative may be worth more or less than its original cost.**

As a result of different and varied transaction rounding policies employed by providers of Investment Alternatives, there may be minor valuation differences in Principal® Custody Solutions’ records and the records of an Investment Alternative provider for transactions between and among various Investment Alternatives.

Where Principal® Custody Solutions receives Revenue from Fund Asset-Based Fees, the dollar amount of the compensation is calculated under the Fund Company’s procedures for such payments, which procedures may vary from provider to provider. As a result, certain minor differentials may exist between the fees payable by the Investment Alternatives and the fees otherwise payable by the Account. Principal® Custody Solutions reserves the right to disposition any differentials.

In accordance with agreements with Fund Companies, Principal® Custody Solutions receives next day settlement privileges with respect to purchases and redemptions of shares. Notwithstanding the foregoing, the funds may delay settlement of any trade in accordance with the terms of the prospectus or other governing documents, and any such delay would delay Principal® Custody Solutions’ ability to affect trades involving a Non-Proprietary Investment Option (as defined in the Non-Proprietary Investment Options section of this Statement).

Principal® Custody Solutions and any affiliates thereof do not exercise investment discretion or render investment advice with respect to the Account unless a written agreement is in place to provide discretionary investment management with a separate fee arrangement and disclosures.

## General Disclosures continued

For the fees and expenses charged by mutual funds, common or group trust funds, exchange-traded funds (ETFs), and other electronically traded Investment Alternatives, please review the prospectus or common investment fund agreement for that investment and appropriate share class/rate level. For information regarding fees applicable to any investments included in the Account other than those listed in the IAO or fees from other sources, please see the Account agreements. Certain mutual funds may impose redemption fees or other trading restrictions on shares of the funds that are transferred or exchanged out of the funds before the applicable minimum holding period. Please read each fund's prospectus for more information about the fund and any applicable redemption fees. In addition, certain common or group trust funds may impose withdrawal restrictions with respect to Owner-initiated transactions involving the fund which Principal<sup>®</sup> Custody Solutions is obligated to honor. Please read each Investment Alternative's governing documents for more information about the investment and any applicable withdrawal restrictions.

## Principal Funds (“Proprietary Mutual Funds”)

The compensation the affiliates of Principal<sup>®</sup> Custody Solutions receive is based on the Investment Alternatives the Owner has chosen. Affiliates of Principal<sup>®</sup> Custody Solutions receive compensation from the products and Investment Alternatives they manufacture, including Proprietary Mutual Funds.

The Proprietary Mutual Funds can pay fees for various services provided to the Proprietary Mutual Fund, including fees payable to Principal<sup>®</sup> Custody Solutions or any of its affiliates for investment advisory services, which are set forth in the prospectuses for such Investment Alternatives. Proprietary Mutual Fund fees and expenses are stated in the *Annual Funds Operating Expenses* sections of the Summary Prospectus and in the *Management Agreement* section of the Statement of Additional Information. However, Principal<sup>®</sup> Custody Solutions will receive no fees for investment management, investment advisory or similar services rendered to the Account with respect to Account assets invested in such Proprietary Mutual Funds, except as permitted by applicable law. The entity providing investment advisory services may voluntarily waive its fee and/or reimburse the Proprietary Mutual Fund for certain of its expenses in order to reduce expense ratios, which may affect the amount shared with or credited to Principal<sup>®</sup> Custody Solutions or its affiliates thereof. The Proprietary Mutual Funds incur transaction costs and expenses in their operations and in trading securities, and include these costs into the expense ratios of the Proprietary Mutual Funds. To the extent that Principal<sup>®</sup> Custody Solutions assists with any activities contemplated by these transaction costs and expenses, including securities transactions effected through a registered broker/dealer affiliate, the Proprietary Mutual Funds may pay Principal<sup>®</sup> Custody Solutions for these activities.

The Owner understands that in order to invest in a Proprietary Mutual Fund: (a) it cannot directly or indirectly control and it cannot directly or indirectly be controlled by Principal<sup>®</sup> Custody Solutions or an affiliate thereof; (b) it cannot be an officer, director, partner, or employee (or relative thereof) of Principal<sup>®</sup> Custody Solutions or an affiliate thereof; and (c) it cannot directly or indirectly receive any compensation or other consideration for a personal account in connection with the investment of assets in any Proprietary Mutual Fund.

The Owner acknowledges that it has received a copy of the current prospectus for each of the Proprietary Mutual Funds which contains a disclosure of all services provided by an affiliate of Principal<sup>®</sup> Custody Solutions to the Proprietary Mutual Funds and of all applicable fees paid to Principal<sup>®</sup> Custody Solutions or affiliates thereof as compensation for providing such services to the Proprietary Mutual Funds. The Owner received a copy of the current fee schedule applicable to the Account. A current prospectus for any Principal Funds Distributor, Inc. funds is available at <https://www.principalam.com> or by calling Principal Funds Investor Services at 1-800-222-5852.

## Non-Proprietary Investment Options

The principal distributors of certain mutual funds, common or group trust funds, exchange-traded funds (ETFs), and other electronically traded Investment Alternatives unaffiliated with Principal<sup>®</sup> Custody Solutions or any affiliates thereof (“Non-Proprietary Investment Options”) have made certain of their funds available to the Owner as Investment Alternatives under the Account. These Non-Proprietary Investment Options incur transaction costs and expenses in their operations and in trading securities and include these costs into the expense ratios of their respective Non-Proprietary Investment Options. To the extent that Principal<sup>®</sup> Custody Solutions assists with any activities contemplated by these transaction costs and expenses, the Non-Proprietary Investment Options may pay Principal<sup>®</sup> Custody Solutions for these activities. Collective trust funds trustee by SEI Trust Company that carry the Principal name are nonetheless non-proprietary investments.

## Alternative Notification of Securities Transactions under 12 CFR §151.100

Whenever securities transactions (commonly known as trades) are initiated, and Principal® Custody Solutions places those securities transactions in the Owner's account, 12 CFR §151.70 requires Principal® Custody Solutions to inform the Owner of its right to receive a separate notification containing details of those security transactions.

Principal® Custody Solutions can comply by forwarding to the Owner, at no charge, copies of each trade confirmation or, in the absence thereof, written notification of the details that would have been contained therein. Alternatively, the Owner may determine that in lieu of receiving separate trade confirmations, the periodic account statements provided to the Owner by Principal® Custody Solutions adequately informs the Owner of the account trade activity. This alternative reporting is allowed pursuant to 12 CFR §151.100.

By signing the Acceptance Page, the Owner agrees that the periodic statements provided by Principal® Custody Solutions are adequate notification and that the Owner does not wish to receive separate trade confirmations. If the Owner wishes to receive separate trade confirmations, it should provide such request in writing to Principal® Custody Solutions.

## Class Actions

Principal® Custody Solutions or its agent(s) shall automatically opt-in to class action lawsuits related to securities held in an open account for which it acts as custodian of which it receives timely electronic notification through its normal electronic system dedicated for such action and can respond therein.

Such action shall not be deemed to constitute the exercise of investment discretion or other authority over such securities and is undertaken at the direction of the Owner (either express or implied by continued utilization of Principal® Custody Solutions' services) for the timely servicing of the account. Principal® Custody Solutions shall not be liable for its failure to opt-in to any action because of untimely/unreasonable notice or non-standard response procedures. **Caution:** This service might not be available for certain non-US class action lawsuits. Principal® Custody Solutions reserves the right to revise its policy/procedures on class actions from time to time without notice.

## Global Investments

Purchases, sales, and holding of securities traded on a non-US or foreign exchange ("Global Investing"), whether at the account owner's direction or through an investment manager, are handled through a sub-custodial arrangement with The Bank of New York Mellon. Tax servicing related to Global Investing is performed by The Bank of New York Mellon and Principal® Custody Solutions' agent, GlobeTax, under separate written agreements. Initiation of Global Investing constitutes consent to release relevant account information to The Bank of New York Mellon and GlobeTax. Global Investing requires additional information/forms/agreements and Principal® Custody Solutions will have no liability for losses caused by delays in account set-up or transaction processing in the absence of all required information/forms/agreements.

## Shareholder Meeting/Rights/Actions/Notices and Votes

As directed trustee/custodian, Principal® Custody Solutions will direct matters requiring shareholder action to the party named by the Owner. Principal® Custody Solutions or its agent(s) will act in accordance with commercially reasonable standards in distributing notices and soliciting/casting votes and will have no liability for failure to vote/act without direction. Principal® Custody Solutions will have no liability for the applicable party's failure to timely vote/act. Principal® Custody Solutions will not forward notices for irregular/predatory/non-traditional shareholder matters routinely ignored by commercial custodians or their agents in the normal course of business. Such inaction will not be deemed to constitute the exercise of investment discretion or other authority over such securities and is undertaken at the direction of the Owner for the timely servicing of the account. Principal® Custody Solutions reserves the right to revise its policy/procedures on shareholder actions from time to time without notice.

## Shareholder Communications Act Disclosure

The Securities and Exchange Commission adopted the Beneficial Owner Information Disclosure Rule #14b-2 (the "Rule") in 1986 as part of its effort to improve communications between publicly held companies and beneficial owners of the securities registered in the name of certain nominees.

Under the Rule, Principal® Custody Solutions is required to contact each customer for whom Principal® Custody Solutions holds securities and determine whether the Owner authorizes Principal® Custody Solutions to provide the Owner's name, address and share position to the issuer of the securities the Owner owns. For the Owner's protection, the Rule prohibits the requesting company from using the Owner's name and address for any purpose other than corporate communications.

Please complete the authorization below by checking one of the alternatives.

Principal® Custody Solutions is authorized to release the Employer's name, address and share position (Consents to disclosure).

Principal® Custody Solutions is NOT authorized to release the Employer's name, address and share position (Objects to disclosure).

**Note:** Under the Rule, Principal® Custody Solutions is required to treat a non-response as a "Consents to disclosure" response.

**Note:** Notwithstanding the Owner's above election under the Shareholder Communications Act, if the Account holds securities of a foreign company domiciled in a European Union country, then pursuant to the European Union's Shareholder Rights Directive II regulation, the Owner's name, address, and the share position the Account holds must be disclosed if requested by the issuer of the securities.

## Regulation R Limitations (Non-ERISA Custody accounts only)

Regulation R restricts Principal® Custody Solutions from executing certain customer-initiated trades in non-employee benefit plan custody accounts ("Restricted Trades").

Regulation R includes a list of exemptions that allow a bank to conduct specified security transactions without being registered as a broker/dealer. Transactions that fall outside of the exemptions must be performed by a registered broker/dealer.

Principal® Custody Solutions is permitted to execute Restricted Trades involving Exempt Investments. "Exempt Investments" are defined as any trades involving registered mutual funds and government issued securities. Principal® Custody Solutions is permitted to execute Restricted Trades not involving Exempt Investments on an accommodation basis. With respect to the custody accounts it services, Principal® Custody Solutions, defines accommodation trading as follows:

- 1). Trades that involve **investing** cash deposits/income
  - Purchase - invest a cash deposit (new business initial funding activity)
  - Purchase - invest additional cash deposits in an existing account
- 2). Trades that involve **raising** cash for obligations
  - Sale - to raise cash for expenses (e.g., to pay a debt obligation, to cover an overdraft)
  - Sale - to raise cash for account transition to another custodian
- 3). Trades that involve **charitable gifts**
  - Sale - to liquidate asset gifts received in-kind from donors
  - Buy - to invest cash gifts received directly from donors (similar to #1 above)
- 4). Trades that involve special account circumstances
  - Trades to rebalance a portfolio on a periodic basis based on an established allocation
  - Purchase – to invest funds from a pledged asset maturity in a statutory account
  - Sale – to liquidate assets after an external investment manager has been terminated

Customers will be notified by their Relationship Manager when the trading practices of a non-employee benefit plan custody account falls outside of the exemptions under Regulation R.

Capitalized terms not defined herein will have the meanings ascribed to them in the governing documents.

# Fee Acknowledgement



Effective Date: February 1, 2023

Owner name ("Owner"): District of Columbia Office of the Chief Financial Officer

Account name ("Account"): District of Columbia Office of the Chief Financial Officer

Principal account numbers: 26058901 and all related sub accounts

File Number(s): 26058900F

Billing Frequency: Quarterly

Method of Payment: Invoice Client

Throughout this Fee Acknowledgement references to Principal® Custody Solutions<sup>i</sup> shall include Principal® Bank and/or Principal® Trust Company, as applicable. This Fee Acknowledgement and the Fee Summary incorporated herein together constitute the Fee Agreement.

The Summary Number 448404.68 dated October 6, 2022 describes fees and payment to Principal® Custody Solutions with regard to each Account. Subsequent Fee Summaries provided to you will constitute an amendment to this Fee Agreement and will supersede previous Fee Summaries.

With direction from you, we will change the method of payment and/or billing frequency. A method of payment or billing frequency will be effective with the next billing cycle occurring after our receipt of your direction.

## Owner Acknowledgement

Fees and expenses described in this Fee Agreement, together with any fees described in other agreements and/or disclosures, constitute amounts payable to Principal® Custody Solutions for services provided to the Owner on the Account. Principal® Custody Solutions shall be paid the fees as described in the Fee Summary at the time such services are rendered. If such fees are not paid by the Account, such payment shall be made by the Owner. Principal® Custody Solutions may deduct fees due for services rendered directly from the Account assets. Fees for services rendered shall be payable upon presentation of invoices by Principal® Custody Solutions and may be subject to late payment penalties. Past due fees may be deducted from the Account assets. Principal, in its sole discretion, may suspend services during any period in which any unpaid amounts are 60 days overdue or may deduct such amounts from the account(s).

Owner understands that if Principal® Custody Solutions fees are based on the market value of the Account, those fees will be affected by asset pricing. When Principal® Custody Solutions is unable to price an asset using its usual pricing sources, Principal® Custody Solutions will rely on the Owner to supply a price. If the Owner is unable to supply a price for the asset, Principal® Custody Solutions will continue to reflect the last known price (and fees will be based on that price) for the asset until the Owner provides an alternative price and fees will be based on that market value.

Should there be any material change to the Account's structure or asset base, or should the Owner fail to transfer any assets scheduled for receipt to Principal® Custody Solutions within 60 days of the Effective Date of this Fee Agreement, Principal® Custody Solutions reserves the right to redefine fees and/or service conditions.

Principal® Custody Solutions shall be entitled to charge additional fees for any additional services requested by the Owner or any revisions to reports, forms, and documents resulting from (i) inaccurate or incomplete information supplied by the Owner, (ii) untimely payments of contributions or reimbursement of fees and expenses, (iii) retroactive amendment of the Trust, (if applicable) (iv) failure of the Owner to timely notify Principal® Custody Solutions of any error in reports, forms and documents prepared by Principal® Custody Solutions. If the Owner requests a rerun of an allocation or report due to incorrect or untimely information being furnished, the Owner shall bear the extra costs attributable to such reallocations or new reports.

Principal® Custody Solutions is entitled to prompt reimbursement of all extraordinary out-of-pocket expenses incurred in the performance of its services on behalf of the Account including, but not limited to, fees for legal process, outside legal fees, and courier services.

On a Quarterly basis, Principal® Custody Solutions will send an invoice to the Owner for fees and expenses due with respect to the Account. The invoice will denote Account fees to be "billed" that are payable by the Owner and/or Account fees to be "deducted" that have been deducted from Account assets held in the Account. Such amounts, if billed, shall be due not later than 30 days following the billing date. Additional services not detailed in this Fee Agreement may be

negotiated by and between Principal® Custody Solutions and the Owner at normal prevailing rates. Principal® Custody Solutions retains the right to revise its Fee Summary from time to time.

If the Owner wishes to have the Account pay any fees or expenses, or wishes to be reimbursed by the Account for any fees or expenses previously paid by the Owner, the Owner shall be responsible for determining which fees and expenses may properly be paid or reimbursed by the Account and provide appropriate written direction certifying this to Principal® Custody Solutions.

<sup>1</sup>Custody and trust services are provided by Principal Bank®, Member FDIC, and/or Principal Trust Company®. These services are provided under the trade name Principal® Custody Solutions. Principal Trust Company is a trade name of Delaware Charter Guarantee & Trust Company. Principal Bank and Principal Trust Company are members of the Principal Financial Group®, Des Moines, IA 50392.



## Trust and Custody Fee Summary



As of: October 6, 2022  
 Name: District of Columbia  
 Proposal Number: 448404.68

Effective Date: January 1, 2023

Capacity: Custodian for Non-Retirement Assets

	Market Value	Basis Points	Total
Asset-Based Fee (excluding Allspring Funds and PDSP)	\$4,929,705,820	0.090	\$44,367
<b>Total Administration Fees - Asset Based</b>	<b>\$4,929,705,820</b>		<b>\$44,367</b>

	Holding	Per Holding	Total
Outside Held Assets - Standard	74	\$250.00	\$18,500
Outside Held Assets - Complex	0	\$250.00	\$0
Closely Held Assets	0	\$150.00	\$0
Physical Assets	0	\$150.00	\$0
<b>Total Administration Fees - Holding Based</b>			<b>\$18,500</b>

	Relationship	Per Relationship	Total
Custody Solutions Reports	1	Included	\$0
Custody Solutions Statements	1	Included	\$0
<b>Total Principal Custody Solutions Web Tool Fees</b>			<b>\$0</b>

	Accounts	Per Account	Total
Accounting & Reporting	18	\$3,000.00	\$54,000
<b>Total Accounting &amp; Reporting Fees</b>			<b>\$54,000</b>

	Transactions	Per Transaction	Total
Domestic Depository Settlements	69	\$6.00	\$414
Fund Settlements (excluding Allspring Funds)	0	\$6.00	\$0
Derivative Transactions	0	\$6.00	\$0
Principal & Interest Payments - Non-Pooled Assets	204	\$4.00	\$816
Callable Bond Transactions	1	\$6.00	\$6
Closely Held Assets (Buy/Sell/Receive/Deliver)	0	\$150.00	\$0
Physical Settlements	0	\$150.00	\$0
Wires (Outbound)	40	\$8.00	\$320
Other Cash Disbursements (Check/ACH)	137	\$8.00	\$1,096
<b>Total Transaction Fees</b>			<b>\$2,652</b>

<b>Total Annual Fees</b>	<b>\$119,519</b>
--------------------------	------------------

Important Information:

The "Unit Prices" quoted above are valid for 120 days following the "As of" date. If there are any material changes to the proposed structure, asset base or volumes, or should the Prospect/Client fail to transfer any assets scheduled for receipt by Principal Custody Solutions within 60 days of the effective date of the Fee Summary, Principal Custody Solutions reserves the right to redefine fees and/or service conditions.

Effective date listed is the estimated date that accounts will be available for funding, unless there is a mutually agreed to change.

Outside held asset service takes reported values and incorporates those values into the asset statement. Principal Custody Solutions is not responsible for values reported or any costs incurred for holding such asset.

## Trust and Custody Fee Summary



As of: October 6, 2022  
Name: District of Columbia

Effective Date: January 1, 2023

Proposal Number: 448404.68

Capacity: Custodian for Non-Retirement Assets

---

The flat, basis points, per holding, per account and per transaction fees are guaranteed for a period of 5 years from the effective date of the signed Fee Acknowledgement.

There is no charge for the collection of interest income and dividends - although there is a charge for principal paydowns.

Domestic depository settlements (DTC and FED) include all buys, sells, maturities and free receive/deliver for assets, including EFTs, ADRs, repurchase agreements and reverse repurchase agreements. These settlement charges are also assessed in converting and de-converting situations.

There is no out-of-pocket investment management charge for the Allspring money market sweep vehicles. The expense ratio, as indicated by the fund prospectus, is net from the gross investment performance. A prospectus is available upon request.

As directed by the Client to systematically invest cash received by or held in the accounts may include Mutual funds as a short term investment vehicle. Mutual funds can pay fees for various services provided to the fund as outlined in the fund's prospectus. Principal Custody Solutions will retain any revenue associated with this investment and will be disclosed on the Sweep Investment Direction form.

Invoices will be generated in the month following each billing period. Fees can be billed or charged to the account. The billing period is Quarterly for this proposal; however can be changed upon mutual agreement.

### Footnotes / Disclosures:

Custody and trust services are provided by Principal Bank®, Member FDIC, and/or Principal Trust Company®. These services are provided under the trade name Principal® Custody Solutions, a division of Principal Bank®. Principal Trust Company® is a trade name of Delaware Charter Guarantee & Trust Company. Principal Bank® and Principal Trust Company® are members of the Principal Financial Group®, Des Moines, Iowa 50392.

The figures above are intended as a "good faith estimate". The "Total" column above is an estimate arrived at by applying "Unit Prices" to projections of asset size, number of accounts and transactions. This service level activity was determined from information provided and/or derived from the pricing request. Total fees will vary based on actual volumes.

Global assets are securities settled on a global depository. If global assets are utilized a separate fee schedule will be in effect, that would include an asset based administration and settlement transactions by country.

This Fee Summary is confidential and intended only for the sole use of the Owner named above.

Investment and Insurance products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, Principal Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

## Electronic Signature Agreement



Effective Date: February 1, 2023

Owner Name ("Owner"): District of Columbia Office of the Chief Financial Officer

Account Name (the "Account"): District of Columbia Office of the Chief Financial Officer

Principal Account Number(s): 26058901 and all related sub accounts

File Number(s): 26058900F

This Electronic Signature Agreement ("ESA") is entered into between Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust Company®, or Principal Bank®, as the case may be (collectively referred to herein as "Principal® Custody Solutions") and Owner in order to allow Owner to submit electronic signatures on certain Owner documents. Federal and state laws generally recognize the acceptance of electronic signatures as legal and enforceable for most transactions. Principal Custody Solutions recognizes the validity of electronic signatures and the efficiency that can be gained from conducting business transactions electronically. However, in order to accept electronic signatures that are generated by Owner outside the control of Principal Custody Solutions, Principal Custody Solutions requires that Owner sign and agree to the terms of this ESA.

Pursuant to this ESA, Owner agrees that Owner will only submit electronic signatures to Principal Custody Solutions that are generated using (i) an Approved Electronic Signature Tool, as outlined below, and (ii) an electronic signature process or system that complies with applicable federal, state, and local laws regarding the execution and transmission of electronic documents and signatures, including but not limited to the Uniform Electronic Transactions Act ("UETA") and the Electronic Signatures in Global and National Commerce Act ("ESIGN").

### **Approved Electronic Signature Tools:**

Owner understands that Principal Custody Solutions maintains a list of electronic signature tools that are known to Principal Custody Solutions to include features and capabilities that demonstrate compliance with the terms of this ESA and applicable laws ("Approved Electronic Signature Tools"). Owner understands and agrees that Principal Custody Solutions will only accept electronic signatures that are generated with an Approved Electronic Signature Tool and that otherwise comply with the terms of this ESA.

Principal Custody Solutions agrees to provide Owner with a complete list of Approved Electronic Signature Tools upon request. In the event Owner utilizes an electronic signature tool not considered an Approved Electronic Signature Tool, Owner may submit Owner's preferred electronic signature tool to Principal Custody Solutions and Principal Custody Solutions, in its sole discretion, may consider adding the electronic signature tool to the list of Approved Electronic Signature Tools. Owner agrees that Principal Custody Solutions has the final decision on the list of Approved Electronic Signature Tools.

At the time of the execution of this ESA, Approved Electronic Signature Tools include, but may not be limited to, AdobeSign and DocuSign.

### **Electronic Signature Requirements:**

Owner agrees and warrants that any electronic signature submitted to Principal Custody Solutions will use an electronic signature process or system that:

1. Demonstrates the authenticity of the person who receives and executes any document and proof of delivery, receipt, and signature by the person who receives and executes the document;
2. Demonstrates the executed document has not been tampered with during the signature and delivery process; and
3. Generates a document or set of documents that demonstrate compliance with the terms in (1) and (2) above ("Proof of Compliance").

Owner agrees to provide Principal Custody Solutions with Proof of Compliance at the time of delivering the electronically signed document to Principal Custody Solutions. Should consent of the signor of any electronic documents be required by law, Owner agrees to obtain such consent (i) in advance of the execution of the electronic signature and (ii) in the same or similar manner as the electronic transaction to reasonably demonstrate that the signor can access information in the electronic form that will be used to provide the information that is subject to the consent. Owner agrees to take commercially reasonable efforts to ensure data security is in compliance with law.

### **Additional Requirements**

Owner understands and agrees that Principal Custody Solutions may have additional policies and practices regarding the acceptance of signatures that require documents to be manually or "wet" signed regardless of Owner's electronic signature capabilities and, notwithstanding the terms of this ESA, Owner agrees to provide Principal Custody Solutions with a manual or "wet" signature should one be requested.

Owner understands and agrees that electronic signatures accepted pursuant to this ESA must still comply with other agreements governing Owner's submission of signatures to Principal Custody Solutions including but not limited to an authorized signers certification.

### **Indemnification**

To the extent permitted by law, the Owner agrees to hold Principal Custody Solutions harmless for any and all claims, losses, liabilities, penalties, fines, forfeitures, demands, causes of action, suits, costs and expenses incidental thereto (including cost of defense and attorneys' fees) ("Claims") regarding the Owner's use of electronic signatures which may be imposed, assessed or incurred against the Owner, or the account, arising out of or in connection with the performance of the Owner's obligations in accordance with the provisions of this Agreement. This provision does not extend to any liability, loss, claim, damages or expense arising from the negligence or default of the Owner.

ACCEPTED BY:

Principal Bank

---

Scott Christensen

---

Name (please print)

President - Principal Bank

---

Title (please print)

X 

---

Signed

District of Columbia Office of the Chief Financial Officer

Signed: 

---

Name: Drakus Wiggins

---

Title: Contracting Officer

---