

2. Contract Number <b>CFOPD-23-C-016</b>	3. Effective Date See 20C	4. Requisition/Purchase Request/Project No.
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5. Issued By <b>Office of the Chief Financial Officer Office of Contracts 1100 - 4th Street, SW., Suite E620 Washington, DC 20024</b>	Code		6. Administered By (If other than line 5)
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7. Name and Address of Contractor (No. Street, city, country, state and ZIP Code) NEPC, LLP 255 State Street Boston, MA 02109 Attn: Steven Charlton, CFA, Partner, Head of Client Solutions <a href="mailto:scharlton@nepc.com">scharlton@nepc.com</a> ; (Office): (617) 314-3151	8. Delivery <input checked="" type="checkbox"/> FOB Destination <input type="checkbox"/> Other (See Schedule Section F)
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11. Ship to/Mark For Office of the Chief Financial Officer Office of Finance & Treasury (OFT) Suite 850W 1101 4th Street, S.W. Washington, DC 20024 (202) 727-0107	Code		Facility		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	
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13. Contract Type Requirements with NTE Ceiling	14. Accounting and Appropriation Data
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15A. Item	15B. Supplies/Services	15C. Qty	15D. Unit	15E. Unit Price	15F. Amount
1	OPEB Outsourced Chief Investment Officer Services (OCIO)	1	Lot	NTE \$615,000.00	NTE \$615,000.00
Total Amount of Contract				NTE \$615,000.00	

(X)	Section	Description	Pages	(X)	Section	Description	Pages
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
	A	Solicitation/Contract Form	1		I	Contract Clauses	30
	B	Supplies or Services and Price/Cost	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS			
	C	Description/Specifications/Work Statement	4		J	List of Attachments	58
	D	Packaging and Marking	11	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
	E	Inspection and Acceptance	12		K	Representations, Certifications and Other Statements of Offerors	N/A
	F	Deliveries or Performance	16		L	Instructions, conditions & notices to offerors	N/A
	G	Contract Administration Data	17		M	Evaluation factors for award	N/A
	H	Special Contract Requirements	22				

Contracting Officer will Complete Item 17 or 18 as Applicable

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.
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19A. Name and Title of Signer (Type or print) <b>Steven Charlton</b>	20A. Name of Contracting Officer Drakus Wiggins
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19B. Name of Contractor  (Signature of person authorized to sign)	19C. Date Signed <b>1/19/23</b>	20B. District of Columbia  (Signature of Contracting Officer)	20C. Date Signed <b>01/20/2023</b>
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## 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, on behalf of the Office Finance and Treasury (the “District”) is awarding Outsourced Chief Investment Officer (“OCIO”) services for the District of Columbia Other Post-Employment Benefits Fund (“OPEB”, “Plan”, or “Trust Fund”).

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

B.2.1 The District hereby awards a Requirements Contract.

B.2.2 The District will purchase its requirements of the services included herein from the Contractor. The estimated quantity of assets under management (AUM) of \$1,800,000,000 stated in the Price Schedule reflects the best current estimate available. The estimate shall not be construed as a representation that the estimated AUM will be required or that conditions affecting requirements will be stable, as the AUM varies depending on market value. The estimated AUM shall not be construed to limit the AUM, which may be required of the Contractor by the District or to relieve the Contractor of its obligation to fill all such requirements under the Contract.

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

B.3.1 The stated Unit Price for each Contract Line-Item Number (CLIN) shall be in the form of basis points (bps; i.e. 0.0X%), fixed, and inclusive of all 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 price shall exclude investment manager fees and product fees.

B.3.2 The Total Estimated Price shall represent the price ceiling, fixed fee, or not to exceed amount of the Contract and shall be based on the Unit Price times the Estimated Quantity.

B.3.3 The Contractor’s pricing herein shall apply for the duration of the Contract’s Base Period and for the duration each of the Contract’s Option Periods, if exercised, in accordance with Section F of the Contract.

B.3.4 The Contractor’s price shall be determined from the audited custody statements as of the end of each prior calendar quarter and calculated on a prorated quarterly basis. The Contractor’s price shall be invoiced to the District on a quarterly basis in arrears in accordance with Section G.

B.3.5 The Contractor’s price shall be based on the unit price of CLIN 001 on the first \$200 million AUM, the unit price of CLIN 002 on the next \$500 million AUM, and the unit price of CLIN 003 on the balance, remaining AUM.

**B.4 PRICE SCHEDULE**

**B.4.1 Yearly Price Schedule**

<b>CLIN</b>	<b>Description</b>	<b>Estimated Quantity</b>	<b>Unit of Measure</b>	<b>Unit Price</b>	<b>Total Estimated Price</b>
001	OCIO Services Fee	\$200,000,000	AUM	7 bps (0.07%)	\$140,000.00
002	OCIO Services Fee	\$500,000,000	AUM	4 bps (0.04%)	\$200,000.00
003	OCIO Services Fee	\$1,100,000,000	AUM	2.5 bps (0.025%)	\$275,000.00
<b>Total Estimated Price</b>					<b>\$615,000.00</b>

**B.5 OPTIONAL ITEMS**

The District may decide to exercise the option for purchasing Optional Items in the best interest of the District through a bilateral modification to the Contract.

## SECTION C

### DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

#### C.1 SCOPE

The District of Columbia Office of the Chief Financial Officer, Office of Contracts, on behalf of the Office Finance and Treasury (the “District”) is seeking Outsourced Chief Investment Officer (“OCIO”) services for the District of Columbia Other Post-Employment Benefits Fund (“OPEB”, “Plan”, or “Trust Fund”).

#### C.2 BACKGROUND

1. The government of the District of Columbia established the District’s Annuitants’ Health and Life Insurance Employer Contribution Trust Fund October 1, 1999, under the Annuitants’ Health and Life Insurance Employer Contribution Amendment Act of 1999 (DC Official Code 1-621.09). The Plan includes a trust fund that is required for the deposit of District contributions. These contributions along with investment earnings are used to pay future benefits on behalf of qualified participants. The Plan is administered jointly by the District’s Office of Finance and Treasury (“OFT”) within the District’s Office of the Chief Financial Officer (“OCFO”), and the District’s Office of Human Resources (“DCHR”). There is another Post-Employment Benefits Fund Advisory Committee (“Advisory Committee”) to advise the OCFO in its administration of the Plan.
2. The Plan is a single-employer defined benefit plan that provides health and life insurance benefits to retired eligible District employees. All employees hired after September 30, 1987, who retired under the Teachers Retirement System, Police and Fire Retirement Systems or who are eligible for retirement benefits under the Social Security Act, are eligible to participate in the Plan. The trust fund was established to hold and pay the District’s contributions for health and life insurance premiums for participants.
3. To continue insurance benefits into retirement, employees must have been continuously enrolled (or covered as a family member) under the D.C. Employees Health Benefits (DCEHB) program or the D.C. employees Group Life Insurance (DCEGLI) program for five years prior to retirement. If the participant was employed less than five years, the participant must have been enrolled for his/her length of employment. Coverage under Medicare is not considered in determining continuous coverage. Dependents are also covered if the employee elects family coverage.
4. Employee contributions are not required, prior to retirement to fund the Fund. Prior to March 2, 2010, the annuitant paid 25% of his/her health premium coverage, and the District paid the remaining 75%. The annuitant contribution was changed to a graded contribution schedule, effective March 2, 2010. For FY 2015, annuitants with at least 10 years of creditable District service, but less than 30 years of creditable District service, the District pays 25% of the insurance premium, plus an additional 2.5% for each year of creditable service over 10 years, provided that

the District's contribution shall not exceed 75% of the cost of the selected health benefit plan with annuitants paying the remainder. For annuitants with 30 or more years of creditable District service, or annuitants who are injured in the line of duty, the District pays 75% of the cost of the selected health benefit plan; and the annuitant pays 25% of the cost of the selected health insurance premiums.

5. Covered family members of an annuitant with at least 10 years of creditable District service, but less than 30 years of creditable District service, pay 80% of their health insurance premiums; and the District pays the remaining 20%, plus an additional 2.5% for each year of creditable District service over 10 years, provided that the District's contribution shall not exceed 60% of the cost of the selected health benefit plan for covered family members of an annuitant with 30 or more years of creditable District service and the family member pays 40% of the cost of the selected health benefit plan. The District pays 75% of the cost of the selected health benefit plan, and the family member pays 25% of the cost of the selected health benefit plan for covered family members of annuitants who are injured or killed in the line of duty. The impact this change will have on the District's portion of future OPEB costs has not been determined.
6. The Trust Fund's balance as of April 30, 2022, was \$1.8 billion. Trust Fund assets are currently invested in large cap value equity, large cap growth equity, mid cap equity, small cap equity, passive international equity and fixed income vehicles, which include intermediate aggregate core bond, and passive aggregate bond. Investments in Sudan and Iran must be avoided. OFT is responsible for the management of the Trust Fund. The District has a third-party consultant currently serving as the investment advisor to the OFT in connection with the Trust Fund.
7. The District anticipates, but does not warrant, that approximately \$41.5 million in additional funds will be deposited into the Trust Fund during the fiscal year ending September 30, 2023. The District anticipates, but does not warrant, that further additional funds will be deposited into the Trust Fund in subsequent fiscal years to fund the District's contribution for retiree health and life insurance.
8. The District has determined that the Trust Fund portfolio would benefit from advisory services that will implement increased diversification and achieve improved investment performance while maintaining a prudent level of risk.
9. The asset classes and their relevant benchmarks on which the Contractor will advise are described in the Attachment J.3, Investment Policy Statement (IPS). The primary governing document of the Fund is the IPS. The IPS provides direction for the investment and management of the financial assets of the Plan.
10. The District hereby warrants and represents that the Trust Fund is not subject to the Employee Retirement Income Security Act of 1974 (ERISA).
11. The OPEB Trust assets are currently managed under an OCIO model and will continued to be managed under an OCIO model.

12. OFT is responsible for the oversight of the investments in the Fund and has established an investment policy and procedures for the program. The duties and responsibilities of OFT include, but are not limited to, the financial administration and management of the Fund, the selection and monitoring of investment managers, the establishment of investment objectives, the determination of the investment policy, the establishment of management policies and the overall management and control of Fund assets.

### **C.3 GENERAL REQUIREMENTS**

1. The Contractor shall provide OCIO services to OFT as required herein and as required in the Attachment J.3, Investment Policy Statement (IPS), as amended.
2. The Contractor shall serve in a fiduciary capacity in the interest of the members and beneficiaries of the Plan and shall acknowledge in writing its fiduciary status, without qualification to the Deputy CFO/Treasurer, Associate Treasurer, and OFT staff within 10 business days from the Contract Effective Date and on an annual basis, from said date.
3. The Contractor shall, at minimum, have a ten-year operating history as provider of OCIO services and have current, and maintain OCIO services assets under management of at least \$10 billion.
4. The Contractor shall utilize a dedicated and experienced investment staff, including portfolio managers, relationship managers, asset class researchers and manager researchers. Investment decisions related to the Plan shall be submitted to and approved by an internally authorized investment committee of the OCIO.
5. MSN Pricing
  - a. Except as otherwise disclosed to the District in writing, the Contractor shall apply its most favored nation (MFN) pricing with respect to the Contract, whereby, the Contractor shall represent and annually warrant in writing that, as of the term of the Contract, no client of the Contractor pays less fee (after application of any relationship, eleemosynary or other discount or rebate) for the investment manager for services provided by the investment manager pursuant to this Contract. If the Contractor violates this provision, the District reserves the right to amend the Contract to provide the District the full benefit of such lower fee from the date on which such other client's lower fee first went into effect. This provision shall be applicable to comparable investment management services that include private assets and alternative investments for a public sector OCIO client with equal to or over \$1 billion assets.
  - b. The Contractor shall provide an industry analysis on fee comparison for the Contractor's various strategies amongst its OCIO clients. The analysis shall provide the percentage that the District assets represent in the strategy as a whole.
6. The Contractor, its parent or affiliate shall be a registered investment advisor with the SEC under the Investment Advisors Act of 1940.

7. The Contractor shall have dedicated employees involved in providing OCIO services and portfolio management services.

#### **C.4. TRANSITION SERVICES**

1. No more than 90 days from the Contract Effective date (i.e., the “Transition Period”), the Contractor shall conduct and provide the results of an asset-liability study in accordance with the Attachment J.3, Investment Policy Statement (IPS), as amended.
2. The Transition Period shall end when the asset allocation strategy is approved by the Deputy Chief Financial Officer and Deputy CFO/Treasurer.
3. Within 30 days of the Contract Effective date, the Contractor shall provide a transition plan that details the Contractor’s process for an orderly transition into the Contract services. The transition plan shall include details on:
  - a. a schedule of the length of time that the transition will take,
  - b. minimizing the impacts of continuity of project operations,
  - c. maintaining communication with the District staff,
  - d. overcoming barriers to transition,
  - e. developed milestones and measurable commitments that will be included in the schedule,
  - f. the Contractor personnel that will be involved and their respective roles, and
  - g. the Contractor’s approach for an orderly transition out of the Contract services.

#### **C.5. LIABILITY-DRIVEN INVESTING REQUIREMENTS**

1. The Contractor shall incorporate Plan liabilities into its asset allocation process.
2. The Contractor shall have a minimum of ten years of experience in implementing, constructing and managing liability-driven investing (LDI) mandates.
3. The Contractor shall be involved with the plan actuary within the modeling process in creating the LDI strategy for OFT.
4. The Contractor shall recommend to OFT its customary range of target allocations to public and private market asset classes using its asset class taxonomy for clients with funded and underfunded liabilities.

#### **C.6. INVESTMENT PHILOSOPHY AND PROCESS REQUIREMENTS**

1. The Contractor shall have, document, and implement an investment philosophy and investment process that will enable the OPEB plan assets to outperform respective benchmarks while managing within risk tolerance metrics.
2. The Contractor shall have modeling capabilities to formulate an asset allocation report detailing various scenarios and expected outcomes for public and private market asset classes using its asset class taxonomy.

3. The Contractor shall compare and contrast passive versus active management by asset class and recommend to OFT which to implement for each asset class. The Contractor shall have an allocation between active and passive management among asset classes within its asset class taxonomy.
4. The Contractor shall define and document each public and private market asset class within its asset class taxonomy used in its modeling.
5. The Contractor shall provide OFT an explanation and justification for the Contractor's strategic asset allocation and tactical asset allocation recommendations, including its process on re-balancing. The Contractor shall communicate any changes to either strategic asset allocation or tactical adjustments to OFT at least quarterly.
6. The Contractor shall incorporate alternative assets into its asset allocation process for the Plan and appropriately adjust return and risk parameters for alternative asset classes.
7. The Contractor shall determine and maintain an overall level of cash in the Plan based on Plan liabilities and maintain sufficient cash to meet the monthly cash flow needs to fund benefit payments and operational expenses. The Contractor shall determine cash targets for the District, factoring the District's unique operating cash needs as well as cash needed for portfolio re-balancing, including capital calls and capital distributions associated with specific private market investments of the Plan.
8. The Contractor shall select appropriate and relevant benchmarks for various public and private market asset classes and use those benchmarks to assess progress toward the District's goals.

**C.7 MANAGER SEARCH, PORTFOLIO CONSTRUCTION, AND RISK MANAGEMENT**

1. The Contractor shall have capabilities to evaluate, rank, monitor and select best in class investment managers in both public and private market asset classes.
2. The Contractor shall optimize the use of various investment vehicles (e.g., separately managed accounts, commingled funds, etc.) to construct the Fund's portfolios for optimal performance.
3. The Contractor may consider proprietary investment options for the Plan portfolio and shall address and mitigate any conflicts of interest.
4. The Contractor shall be responsible for prudently managing risk in the asset allocation, portfolio construction, and manager selection process. The Contractor shall clearly define, measure, and manage risk, as well as provide regular disclosure to OFT on its risk management process.

**C.8 REPORTING REQUIREMENTS**

1. The Contractor shall reconcile and report its calculated performance with investment managers and custodians monthly, certifying no material variances exist.



2. Annually provide the asset allocation assumptions (expected returns) and geometrically linked returns over 10 years and 20 years.
3. Provide ad-hoc reports when requested.

**C.9 FIDUCIARY AND COMPLIANCE REQUIREMENTS**

1. The Contractor shall have established policies and procedures to ensure compliance with the IPS.
2. The Contractor shall have established policies and procedures to identify and avoid conflicts of interest in providing OCIO services. The Contractor shall disclose any conflicts of interest to OFT within 30 days of determining the conflict.
3. The Contractor shall adopt and implement written policies and procedures designed to prevent violation of federal securities laws, review those policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a chief compliance officer to be responsible for administering the policies and procedures.
4. The Contractor shall have comprehensive written policies governing employee code of conduct, employee ethics, and employee conflicts of interest. The Contractor shall have a process for mitigating these employee conflicts such that they do not negatively impact the District's OPEB Plan.

**C.10 TECHNOLOGY REQUIREMENTS**

1. The Contractor shall utilize a reliable, integrated, and robust technology platform with proprietary or third-party applications for various services under the Contract, such as risk management, asset allocation, manager search, performance reporting, and liability-driven investment (LDI).
2. The Contractor shall have and disclose a disaster recovery plan ensuring continuation of operations to the Deputy CFO/Treasurer, Associate Treasurer and OFT staff within 10 business days of the Contract Effective Date and at any time during the Contract that the Contractor revises its disaster recovery plan.
3. The Contractor shall utilize systems and metrics to manage and monitor risk.
4. The Contractor shall be System and Organizational Controls ("SOC") compliant and provide an annual SOC report to demonstrate continued compliance.
5. The Contractor shall disclose if their systems routinely undergo penetration and vulnerability testing, as well as the frequency of those tests and whether they contract with a third party for independent testing to the Deputy CFO/Treasurer, Associate Treasurer and OFT staff on an annual basis, effective on the date of the execution of the contract.
6. The Contractor will ensure the Plan's data is protected and segregated in their systems.

7. The Contractor shall make technology applications available to OFT where appropriate in order to enable OFT to review portfolio performance, monitor portfolio positions and risk, and access reports.

### **C.11 OCIO REQUIREMENTS**

In addition to the requirements in the Attachment J.3, Investment Policy Statement (IPS), as amended, the Contractor shall:

1. Develop a pacing schedule(s) for private market investments, if applicable.
2. Conduct periodic due diligence visits of the Fund's investment managers and investment partners, at least once per year.
3. Coordinate and conduct meetings with OFT and investment managers annually or as requested by OFT.
4. Attend ad-hoc telephone meetings, as requested by OFT.
5. Coordinate effectively with OFT, custodian bank, and other OPEB vendors (i.e., actuary, auditor, etc.).
6. Respond to inquiries by OFT between meetings.
7. Report significant changes in the Contractor's ownership, organizational structure, personnel, and other areas that may be relevant to OFT on a timely basis.
8. Provide education to OFT, as requested or required.
9. Assist with ongoing training and professional development of OFT staff.
10. Provide subject matter expertise in investment manager searches, investment strategies, and portfolio structure.
11. Provide OFT access to research published by the Contractor or research related to Fund investments, such as, capital market assumptions, capital markets commentary, and portfolio analysis reports.
12. At the request of OFT, provide other reasonable services with sufficient advance notice to the Contractor, such as, meetings with other government officials and assisting with providing testimony.

## **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 supplies and 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).
- E.1.2 Inspection of Supplies
- (a) Definition. "Supplies," as used in this clause, includes, but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.
  - (b) The Contractor shall be responsible for the materials or supplies covered by this contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notification of rejection. Upon the Contractor's failure to cure within ten (10) days after date of notification, the District may return the rejected materials or supplies to the Contractor at the Contractor's risk and expense.
  - (c) The Contractor shall provide and maintain an inspection system acceptable to the District covering supplies under this contract and shall tender to the District for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the District during contract performance and for as long afterwards as the contract requires. The District may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under this contract.
  - (d) The District has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The District will perform inspections and tests in a manner that will not unduly delay the work. The District assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in the contract.
  - (e) If the District performs inspection or test on the premises of the Contractor or subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the District will bear the expense of District inspections or tests made at other than Contractor's or subcontractor's premises; provided, that in case of rejection, the District will not be liable for any reduction in the value of inspection or test samples.
    - (1) When supplies are not ready at the time specified by the Contractor for inspection or test, the Contracting Officer may charge to the Contractor the

additional cost of inspection or test.

- (2) Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes re-inspection or retest.
- (f) The District has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or otherwise not in conformity with contract requirements. The District may reject nonconforming supplies with or without disposition instructions.
- (g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required, shall disclose the corrective action taken.
- (h) If the Contractor fails to remove, replace, or correct rejected supplies that are required to be replaced or corrected within ten (10) days, the District may either (1) by contract or otherwise, remove, replace or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
- (i) If this contract provides for the performance of District quality assurance at source, and if requested by the District, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract, and (ii) when the supplies will be ready for District inspection.
- (j) The District request shall specify the period and method of the advance notification and the District representative to whom it shall be furnished. Requests shall not require more than 2 business days of advance notification if the District representative is in residence in the Contractor's plant, nor more than 7 business days in other instances.
- (k) The District will accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the contract. District failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability upon the District, for non-conforming supplies.
- (l) Inspections and tests by the District do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.
- (m) If acceptance is not conclusive for any of the reasons in subparagraph (l) hereof, the District, in addition to any other rights and remedies provided by law, or under provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or noncompliance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or

replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 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, the District will have the right to return the rejected materials at Contractor's risk and expense or contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the District thereby.

### E.1.3 Inspection of Services

- (a) Definition. "Services" as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services.
- (b) The Contractor shall provide and maintain an inspection system acceptable to the District covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the District during contract performance and for as long afterwards as the contract requires.
- (c) The District has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The District will perform inspections and tests in a manner that will not unduly delay the work.
- (d) If the District performs inspections or tests on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties.
- (e) If any of the services do not conform to the contract requirements, the District may require the Contractor to perform these services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by performance, the District may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect value of services performed. If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity to contract requirements, the District may (1) by contract or otherwise, perform the services and charge the Contractor any cost incurred by the District that is directly related to the performance of such services, or (2) terminate the contract for default.

## E.2 ACCEPTANCE

Acceptance of all products and 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, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this contract. 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 and charge to the Contractor the cost occasioned to the District thereby, or make an equitable adjustment in the contract price.
- (c) If the District does not require correction or reperformance, the Contracting Officer shall make an equitable adjustment in the contract price.

## 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 eight (8) one-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 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, CPPB, CPPO  
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](mailto: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:

Rodney Dickerson  
Program Director, 401(a) Retirement Plan and OPEB Trust  
Office of Finance & Treasury (OFT)  
1101 4th St. SW Suite 850W  
Washington, DC 20024  
Telephone: (202) 727-0107  
E-mail address: [rodney.dickerson@dc.gov](mailto:rodney.dickerson@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 goods and 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 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 no more than monthly.

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. Any person employed by the Contractor shall, at the written request of the District, and within the District's sole discretion, be removed immediately by the Contractor from work relating to the Contract.

#### 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.

#### 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 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.3.16 Notice of Approved Waiver

A waiver has been approved by the Director of the Department of Small and Local Business Development for the base period of the resultant contract. Therefore, Section H.3.3, requirement to submit a subcontracting plan as part of a Beneficiary’s bid or proposal, **IS NOT** applicable. However, the certified business enterprise subcontracting requirements of Section H.3 **IS** applicable to option periods, if exercised, for Beneficiaries of all non-construction contracts for government-assisted projects in excess of \$250,000, unless a waiver for said option period has

been approved in advance by the Director of the Department of Small and Local Business Development.

#### **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 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. The Contractor agrees to develop a maintenance and replacement schedule subject to approval by the District and agrees to comply with that schedule.

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**

The Contractor shall provide complete disclosure of any material civil or criminal litigation or indictment either threatened or pending involving the Contractor. The Contractor shall also disclose any material litigation threatened or pending for subcontractors, consultants, and/or lobbyists. For purposes of this section, material refers to any action or pending action that a reasonable person knowledgeable in the industry would consider relevant or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the industry and its operations. This is a continuing disclosure requirement; any litigation commencing after submission of a response to a solicitation or execution of a contract shall be disclosed in a written statement within fifteen (15) days of its occurrence. The Contractor shall be required to file with the District comprehensive monthly reports regarding all threatened or pending litigation involving the Contractor's District of Columbia operations and all threatened or pending litigation that may be considered material to the overall operations of the Contractor.

## **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 prescribe. 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) attend integrity training.

H.7.4 To advise Contractor individuals of the high expectation of integrity, in addition to Attachment J.2, Doing Business with Integrity, all Contractor personnel, including direct or indirect employees and any employed by a subcontractor, assigned to the Contract shall be subject to annually attend the OCFO/OIO Integrity and Ethics Training at the District's direction. The training may be in-person and last up to four hours or may be web-based and last up to two hours.

#### **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. Prior to diverting any of the specified key personnel for any reason, the Contractor shall notify the CO at least thirty (30) calendar days in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact upon the contract. The Contractor shall obtain written approval of the CO for any proposed substitution of key 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.

#### **H.10 OCFO/OCIO CYBERSECURITY AWARENESS TRAINING**

In the OCFO's ongoing effort to protect OCFO data, networks and computers against cyber attackers all Contractor personnel, including direct or indirect employees and any employed by a subcontractor, assigned to the Contract shall take and must pass the OCFO/OCIO Cybersecurity Awareness Training at the District's direction. The training is web-based, designed to heighten cybersecurity awareness so that the OCFO is less likely to become a victim of cybercrimes. The training is typically completed in one to two hours. The training shall be taken and must be passed annually by all Contractor personnel, during the term of the Contract.

## 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), resulting from, arising out of, or in any way connected to activities or work performed by the Contractor, Contractor’s officers, employees, agents, servants, subcontractors, or any other person acting for or by permission of the Contractor in performance of this Contract. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed in performance of this Contract. The Contractor shall also repair or replace any District property that is damaged by the Contractor, Contractor’s officers, employees, agents, servants, subcontractors, or any other person acting for or by permission of the Contractor while performing work hereunder.

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. Monies due or to become due the Contractor under the contract may be retained by the District as necessary to satisfy any outstanding claim which the District may have against 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 and covenants 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. The Contractor further covenants not to employ any person having such known interests in the performance of the contract.

## **I.7 DISPUTES**

All disputes arising under or relating to this contract shall be resolved as provided herein.

(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 CO 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 ordered; provided, however, that the CO, if he or she determines 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 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.

#### **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.

#### **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.

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

- (a) The Contractor shall not discriminate in any manner against any employee or applicant for employment that would constitute a violation of the District of Columbia Human Rights Act, approved December 13, 1977, as amended (D.C. Law 2-38; D.C. Official Code §2-1402.11) (2001 Ed.) (“Act” as used in this Section). The Contractor shall include a similar clause in all subcontracts, except subcontracts for standard commercial supplies or raw materials. In addition, Contractor agrees and any subcontractor shall agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause as provided in Section 251 of the Act.

- (b) Pursuant to rules of the Office of Human Rights, published on August 15, 1986 in the D.C. Register, Mayor's Order 2002-175 (10/23/02), 49 DCR 9883 and Mayor's Order 2006-151 (11/17/06), 52 DCR 9351, the following clauses apply to this contract:
- (1) The Contractor shall not discriminate against any employee or applicant for employment because of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business. Sexual harassment is a form of sex discrimination which is prohibited by the Act. In addition, harassment based on any of the above protected categories is prohibited by the Act.
  - (2) The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business.

The affirmative action shall include, but not be limited to the following:

- (a) employment, upgrading or transfer;
  - (b) recruitment or recruitment advertising;
  - (c) demotion, layoff, or termination;
  - (d) rates of pay, or other forms of compensation; and
  - (e) selection for training and apprenticeship.
- (3) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Agency, setting forth the provisions in subsections (b)(1) and (b)(2) concerning non-discrimination and affirmative action.
  - (4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment pursuant to the non-discrimination requirements set forth in subsection (b)(2).
  - (5) The Contractor agrees to send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the contracting agency, advising the said labor union or workers' representative of that contractor's commitments

under this nondiscrimination clause and the Act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (6) The Contractor agrees to permit access to his books, records and accounts pertaining to its employment practices, by the Chief Procurement Officer or designee, or the Director of Human Rights or designee, for purposes of investigation to ascertain compliance with this chapter, and to require under the terms of any subcontractor agreement each subcontractor to permit access of such subcontractor's books, records, and accounts for such purposes.
- (7) The Contractor agrees to comply with the provisions of this chapter and with all guidelines for equal employment opportunity applicable in the District of Columbia adopted by the Director of the Office of Human Rights, or any authorized official.
- (8) The Contractor shall include in every subcontract the equal opportunity clauses, subsections (b)(1) through (b)(9) of this section, so that such provisions shall be binding upon each subcontractor or vendor.
- (9) The Contractor shall take such action with respect to any subcontract as the Contracting Officer may direct as a means of enforcing these provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or Contractor as a result of such direction by the Contracting Officer, the Contractor may request the District to enter into such litigation to protect the interest of the District.

#### **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 all or any portion of any consideration or refund due the Contractor under the present contract 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.
- 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.

## **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 RESERVED**

#### **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. 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.

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 including 3<sup>rd</sup> party fidelity 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, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, 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. Employment Practices Liability - The Contractor shall provide evidence satisfactory to the Contracting Officer with respect to the operations performed to cover the defense of claims arising from employment related wrongful acts including but not limited to: Discrimination, Sexual Harassment, Wrongful Termination, or Workplace Torts, whether between employees of contractor or against third parties. Employment Practices Liability coverage must specifically state Third Party Liability coverage is included. Contractor will indemnify and defend the District of Columbia should it be named co-defendant or be subject to or party of any claim. Coverage shall also extend to Temporary Help Firms and Independent Contractors hired by Contractor. The policy shall provide limits of not less than \$1,000,000 for each wrongful act and \$2,000,000 annual aggregate for each wrongful act.
7. 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.
8. 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.
9. 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 ensure that all policies provide that the CO shall be given thirty (30) days prior written notice in the event of coverage and / or limit changes or if the policy is canceled prior to the expiration date shown on the certificate. The Contractor shall provide the CO with ten (10) days prior written notice in the event of non-payment of premium. 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:  
Sharon Guildford, Office of Contracts  
Telephone: (202) 442-8070  
E-mail address: [Sharon.guildford@dc.gov](mailto:Sharon.guildford@dc.gov)**

The CO may request and the Contractor shall promptly deliver updated certificates of insurance, endorsements indicating the required coverages, and/or other evidence of the insurance policies. 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 licensed in the 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), 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
- (3) Contractor Proposal dated November 1, 2022

**SECTION J**

**ATTACHMENTS**

The following Attachments are hereby incorporated:

- J.1 U.S. Department of Labor Wage Determination No. 2015-4281; Revision 25; December 27, 2022
- J.2 Doing Business with Integrity
- J.3 Investment Policy Statement (“IPS”)

"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
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Daniel W. Simms Director		Division of Wage Determinations Wage Determination No.: 2015-4281 Revision No.: 25 Date Of Last Revision: 12/27/2022
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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:	Executive Order 14026 generally applies to the contract. The contractor must pay all covered workers at least \$16.20 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 2023.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	Executive Order 13658 generally applies to the contract. The contractor must pay all covered workers at least \$12.15 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 2023.

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 [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

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 (\$16.20 per hour) or 13658 (\$12.15 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.

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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, dyeing, 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**

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**DOING BUSINESS WITH INTEGRITY**

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***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).

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**Investment Policy Statement  
for the  
Other Post-Employment Benefits Fund**

**Government of the District of Columbia  
Office of the Chief Financial Officer  
Office of Finance and Treasury**

This document replaces the previous Investment Policy Statement, dated August 6, 2018.

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I.	INTRODUCTION .....	3
II.	THE INVESTMENT POLICY STATEMENT.....	3
III.	RESPONSIBILITIES .....	3
IV.	INVESTMENT OBJECTIVES.....	5
V.	ASSET ALLOCATION.....	5
VI.	ASSET CLASSES.....	7
VII.	PEFORMANCE MONITORING AND REPORTING.....	8
VIII	SELECTION AND RETENTION CRITERIA FOR INVESTMENT MANAGERS OR FUNDS.....	10
IX	PROXY VOTING .....	11
X.	BROKERAGE AND OTHER INVESTMENT-RELATED EXPENSES .....	11
XI.	INVESTMENT POLICY CHANGES .....	12

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## **I. INTRODUCTION**

The Government of the District of Columbia (the “District”) established the Annuitants’ Health and Life Insurance Employer Contribution Plan pursuant to the Annuitants’ Health and Life Insurance Employer Contribution Amendment Act of 1999 (D.C. Law 13-054; DC Official Code §1-621.09) (the “Act”). In 2014, the name of the Plan was changed to the Other Post-Employment Benefits Plan (the “OPEB Plan” or the “Plan”) pursuant to the Other Post-Employment Benefits Fund Amendment Act of 2014 (D.C. Law 20-151) (the “OPEB Amendment Act”).

The Plan is a single employer defined benefit plan that provides health and life insurance benefits to retired eligible District employees. The Plan includes a trust fund, the Other Post-Employment Benefits Fund (the “OPEB Fund” or the “Fund”), that is required for the deposit of District contributions. These contributions, along with investment earnings, are used to pay future benefits on behalf of qualified participants.

## **II. THE INVESTMENT POLICY STATEMENT**

This Investment Policy Statement (the “IPS”) outlines the Office of the Chief Financial Officer (“OCFO”) investment philosophy and practices; formalizes the OCFO’s investment objectives and policies; serves as a governing document for the management of the assets of the Fund; and defines the duties and responsibilities of the individuals and entities involved in the investment process.

## **III. RESPONSIBILITIES**

- A. The OCFO and the District’s Office of Human Resources (“DCHR”) are jointly responsible for the administration of the OPEB Plan.
- B. The Chief Financial Officer of the District (“CFO”) has delegated authority for the administration of the OPEB Fund to the Deputy Chief Financial Officer and Treasurer (“Deputy CFO/Treasurer”) pursuant to the Financial Management and Control Order No. 21-02. The Office of Finance and Treasury (“OFT”) is responsible for the oversight and management of the Fund’s investments.
- C. Section 2151 of the OPEB Amendment Act established the OPEB Fund Advisory Committee (“Advisory Committee”). The Advisory Committee is statutorily responsible for advising the CFO (or such other position(s) as the CFO may designate) on the general administration of the OPEB Fund, investment objectives, asset allocation, establishment of assumptions, selection of OPEB consultants and other professionals, whether the OPEB Fund is employing best practices, and reviewing the investment performance of the OPEB Fund.
- D. The Deputy CFO/Treasurer is a fiduciary, responsible for administering the Fund solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits and defraying reasonable expenses of the Fund. The Deputy CFO/Treasurer has designated the Associate Treasurer for Asset Management (“Associate Treasurer”) to be responsible for day-to-day oversight of the Fund. The Deputy CFO/Treasurer may, at their discretion, retain the services of consultants and other service providers to assist in discharging its obligations for the Plan.

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Responsibilities of the Deputy CFO/Treasurer include:

- a. Working with its advisors to establish a framework for the management of the OPEB Fund;
  - b. Approval of the IPS;
  - c. Reviewing annually, and revising as appropriate, the provisions of this IPS;
  - d. Periodically reviewing the performance of the Fund's investments; and
  - e. Retaining and replacing consultants, including the actuarial consultants, the Outsourced Chief Investment Officer ("OCIO"), legal counsel, master custodian and other service providers to the Fund.
- E. The Deputy CFO/Treasurer will retain an investment consultant to serve as OCIO and co-fiduciary. The OCIO has limited, delegated authority to enter, execute, negotiate, implement, modify, and terminate contracts in conjunction with the Deputy CFO/Treasurer and Associate Treasurer.
1. The responsibilities of the OCIO include:
    - a. Conducting an annual asset liability study;
    - b. Recommending and implementing the asset allocation and necessary rebalancing;
    - c. Regular reporting of Plan assets and liabilities. Reporting responsibilities may require the OCIO to prepare the Plan's Annual Report, which will include providing copy layout, editorial support, and publishing services;
    - d. Advising the Deputy CFO/Treasurer, Associate Treasurer, and OFT staff on proposed modifications and revisions to the IPS and/or asset allocation;
    - e. Recommending investment manager structure relative to the asset allocation recommendations;
    - f. Conducting investment manager searches and recommending manager. With the Deputy CFO/Treasurer's approval, appointing and terminating managers;
    - g. Establishing criteria for investment manager performance measurements, monitoring manager performance, and providing OFT quarterly performance reports;
    - h. Performing any necessary portfolio/investment manager transition responsibilities; and
    - i. Meeting periodically with the Deputy CFO/Treasurer, the Associate Treasurer, OFT staff, and the Advisory Committee.
  2. The OCIO agrees that in carrying out its responsibilities it will:
    - a. Act only within the authority established by the Deputy CFO/Treasurer and outlined in this IPS; and
    - b. Promptly inform the Deputy CFO/Treasurer and Associate Treasurer, through agreed upon channels, of any recommended changes to the asset allocation or investment strategies outlined in this IPS.
- F. Investment managers (managers) invest assets in accordance with their written contracts and guidelines. Generally, managers execute investment transactions on behalf of the Plan in a manner that maximizes the risk-adjusted, investment value of their mandate from the Funds' viewpoint.

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- G. The master custodian holds and safeguards the assets of the Fund and serves as an additional layer of risk control in the safekeeping of assets of the Funds by jointly monitoring the portfolio and investment manager guidelines. The master custodian maintains the official books and records, forwards proxies to OFT, the OCIO, or appropriate investment manager, and prepares and delivers securities for settlement. The custodian provides individual plan level accounting and pension processing and as such is responsible for maintaining records, performance reporting, and other services as defined in the custodian contract.
  - H. The actuary performs an annual valuation based on the entry age normal actuarial cost method and in accordance with generally accepted actuarial principles and practices with respect to the Plan and the Fund. Every two years, OFT will request the actuary conduct an experience study, examining the economic and demographic experience of the Plan to assess the reasonableness of the actuarial assumptions.

#### **IV. INVESTMENT OBJECTIVES**

The assets of the Fund are managed with the primary objective of ensuring the level of assets adequately covers the accumulated liabilities of the Fund. Therefore, OCFO must adopt a long-term strategy by which the assets of the Fund will achieve a net investment return with acceptable risk considerations and sufficient liquidity to preserve capital and maintain the fully funded status of the Fund. Capital preservation can be achieved through diversification of the Fund's investments across various asset classes. Within each asset group, further diversification can be achieved through investment in securities across numerous industries and sectors as determined by the OCIO in accordance with this IPS and the specific manager mandates.

#### **V. ASSET ALLOCATION**

##### **A. Asset Allocation**

OFT engages the OCIO to conduct an asset liability study upon appointment, and annually thereafter. Based on the study and other analysis of the Fund's projected actuarial liabilities, funding practices, and expected market conditions over an appropriate time horizon, a strategic asset allocation is established that identifies the percentage of the Fund's assets to be invested across various asset classes.

The OCIO should consider many factors in developing this asset allocation, including:

1. Goals and objectives of the District, the Plan and OCFO;
2. Macro-economic conditions;
3. Historical and prospective information regarding capital market performance;
4. Investment strategies available to a fund of this size;
5. The current regulatory environment; and
6. The Fund's actuarial valuation.

The following table outlines the Fund's current target asset allocation.

<b>Asset Class</b>	<b>Minimum</b>	<b>Long-Term Target</b>	<b>Maximum</b>
<b>Public Equity</b>	<b>30%</b>	<b>40%</b>	<b>65%</b>
<b>Fixed Income</b>	<b>26%</b>	<b>38%</b>	<b>65%</b>
<b>Private Equity</b>	<b>0%</b>	<b>9%</b>	<b>14%</b>
<b>Private Debt</b>	<b>0%</b>	<b>3%</b>	<b>8%</b>
<b>Real Asset</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>

**B. Monitoring of Asset Allocation**

The OCIO will monitor the Fund’s strategy vis-à-vis the capital markets, regulatory environment, and long-term investment objectives on an ongoing basis. Along with the annual asset liability study, the OCIO will evaluate the asset allocation in the context of projected actuarial liabilities and funding practices. When factors suggest the Fund’s strategy should be changed, the OCIO will present and discuss these proposed changes with the Deputy CFO/Treasurer and Associate Treasurer. Until the Deputy CFO/Treasurer has approved any suggested changes, the OCIO will continue to manage the OPEB Fund in accordance with the asset allocation guidelines approved by the Deputy CFO/Treasurer.

Alternative (private equity, private debt, and real asset) investment target allocations have a long-term investment ramp-up period. Thus, pending capital contributions, specific allocations may be temporarily invested in other assets. The target allocation and allowable ranges of the affected asset classes may be temporarily altered as a result.

**C. Rebalancing**

OFT and the OCIO establish allowable ranges within which an asset allocation can move without explicitly requiring rebalancing transactions. The allowable ranges guide asset class and manager rebalancing decisions made by OFT and the OCIO. When changes in market value occur and result in target allocations outside established ranges, rebalancing may be necessary to bring target allocations to within an appropriate range. The OCIO notifies OFT and execute rebalancing rebalance after receiving approval from the Deputy CFO/Treasurer.

Execution of the rebalancing may be implemented through any combination of actions: a) purchase and sale of securities or b) allocation of contributions and/or benefit payments. Portfolios will be liquidated (and funded) in a manner that allows for the orderly transition of asset allocation in the most efficient means possible. The OCIO will be charged with the responsibility of determining if portfolio rebalancing actions are necessary to move the asset allocation to the appropriate targets indicated by the rebalancing bands.

The OCIO will consider a variety of factors when rebalancing the portfolio that include the following:

1. Changing market dynamics resulting in asset class correlations performing outside their historical norms;
2. The potential cost of transacting to achieve a partial or total rebalancing;

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3. The prevailing market volatility;
  4. Liquidity available in the market for rebalancing;
  5. The disruption to the underlying managers that a rebalancing would cause; and
  6. Near-term cash flows pending to/from the portfolio.

OFT recognizes that rapid unanticipated market shifts or changes in economic conditions may lead to wide deviations from the target allocation and approved ranges. Generally, these divergences should be the result of fluctuating market environments of a short-term or tactical nature in response to fluctuating market environments. Should deviations persist longer than three calendar quarters, a review of the asset allocation and potential actions will be conducted to determine next steps.

## **VI. ASSET CLASSES**

The primary objective of the OPEB Fund investment portfolio is to accumulate assets and provide a reliable source of funds to supplement the District's payment of the costs of other post-employment benefits for eligible retirees. The OPEB Fund's investment objectives are based on a comprehensive review of capital markets, as well as its underlying current and projected funding policy. Allocating funds to various asset classes is critical to structuring an optimal diversified portfolio expected to meet the investment objectives.

### **A. Fixed Income**

U.S. fixed income will primarily serve as the capital preservation component of the OPEB Fund through preserving the principal value of assets and generating returns at significantly lower absolute volatility relative to other OPEB Fund assets. Assets can include but would not be limited to: Treasuries, investment grade corporate bonds, and federal government agency bonds.

Fixed income derivative contracts may be used by active fixed income portfolio managers to achieve general portfolio objectives, according to risk management and internal control procedures agreed between manager, the OCIO, and OFT.

The OCIO will monitor factors such as diversification, quality, liquidity, and counterparty exposure (if applicable) to reduce unnecessary risk.

### **B. Public Equity**

The primary objective of investing in long only equities is to capture the long-term growth opportunities offered by this asset class. However, this opportunity does not come without significant short- and intermediate-term downside risk. To dampen this risk, the OPEB Fund's long only equity strategy in aggregate will be well diversified by market capitalization, investment style and geography. Investments may be either actively or passively managed.

Various hedging techniques may be employed to limit downside risk to either portions or the aggregate long equity exposure. Passive strategies should track their respective benchmarks within an acceptable range based on the ease/difficulty of tracking the specific benchmark and on the level of fees. Active equity strategies are expected to add value, net of fees, over a full market cycle which is typically measured over intermediate (3 to 5 years) and longer (more



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than 5 years) periods. The OCIO will set guidelines with managers including, but not limited to, out-of-benchmark exposure.

External managers may be permitted to utilize derivatives to implement their investment strategies. Derivative exposure may be employed as a hedging technique to limit downside risk or to access return opportunity. Each individual manager's policy shall specify guidelines regarding derivatives usage. Derivative usage by managers should not introduce leverage to the Fund. Under no circumstances may derivatives or leverage be used to circumvent the intent or limits otherwise prescribed by this policy.

C. Private Debt

Private debt includes debt held by or extended to privately held companies and can include investment strategies such as (but not limited to) direct lending, real estate debt and opportunistic credit. The goal of the private debt allocation is to generate a source of diversified income and earn a return premium over more liquid traditional investments. Private debt investments can range from open-end, quasi-illiquid (quarterly or annual liquidity) to closed end, less liquid strategies (typically 5-7 years). Performance should be evaluated over a full market cycle, typically 5 or more years.

D. Real Assets

Real assets include investments in real estate, infrastructure, and natural resources. The objective of the real asset allocation is to diversify the equity beta in the return-seeking portfolio and to provide a return above that of the risk-reducing assets.

It is expected that at least 50% of the real asset portfolio will be invested in core real estate investments - REITs, core real estate funds, or other non-core and opportunistic real estate holdings. The strategy will be actively managed and evaluated over a full market cycle which is typically measured over intermediate (3 to 5 years) and longer (more than 5 years) periods.

Infrastructure is broadly defined as the essential assets a society requires to facilitate the orderly operation of its economy. Typically, they are long-lived assets with low growth, similar volatility to real estate, and have an income stream tied to GDP/inflation that is greater than bonds or core real estate. Infrastructure investments are very long-term in nature and therefore should be evaluated over longer-term time periods (i.e., 7 -10-years or longer).

E. Private Equity

Private equity is equity capital that is not quoted on a public exchange. Strategies include, but are not limited to, leveraged buyouts, venture capital, mezzanine, distressed investments, and special situations. The goal of the private equity allocation is to earn enhanced investment returns, specifically above public markets, through both investment and illiquidity risk. Private equity investments are long-term in nature and therefore should be evaluated over longer-term time periods (i.e., 5 or 10-years).

## VIII. PERFORMANCE MONITORING AND REPORTING

A. Performance Monitoring

The OPEB Fund's performance shall be measured against the actuarial assumed rate of return, a custom performance benchmark/policy portfolio, a universe of other peer funds, or other

appropriate measurements. Given the Plan’s long-term nature, the OPEB Fund will be evaluated over a 20–30-year time horizon, as well as over full market cycles which can range from three to seven years.

The table below indicates the benchmarks for the asset classes within the long-term asset allocation:

Asset Class*	Benchmark
Public Equity	MSCI All Country World Investable Markets Index (ACWI IMI)
U.S. Fixed Income	Bloomberg Barclays Aggregate Bond Index
Private Debt	Weighted average of underlying strategies
Real Asset	<u>Core</u> : NCREIF Fund Index – Open End Diversified Core Equity Index (NFI-ODCE)
	<u>Non-Core</u> : NFI-ODCE + 100 bps
	<u>Infrastructure</u> : CPI + 500 bps
Private Equity	<u>Primary</u> : MSCI All Country World Investable Market Index + 200 bps
	<u>Secondary</u> : Burgiss Peer Benchmark

\* Uninvested private equity, private debt, and real asset allocations are invested in fixed income.

To assist in achieving the investment objective, it is the goal of the OPEB Fund to earn a net-of-fee return in excess of the Total Fund Policy Benchmark over the long-term. The Total Fund Benchmark shall represent a weighted average of the individual asset class benchmarks based on the strategic target weights noted in the Asset Allocation Table in Section V. OFT recognizes that private market allocations (private debt, real estate, private equity, and infrastructure) take time to become fully funded. During the transition to the Target Allocation, the Total Fund Benchmark will reflect the weighted average of the asset class benchmarks based on the actual invested capital.

Managers will be measured against stated objectives, an appropriate market index, and a universe of portfolios managed by a similar investment style. Active managers should exceed their respective benchmark, net-of-fees, over a full market cycle. Typically, public markets are best evaluated over a three to seven-year period and more illiquid, private market investments are evaluated over a longer period, such as ten to fifteen years. Additionally, managers will be reviewed on a continuous basis by the OCIO based on custodial holding reports, monthly and quarterly performance, manager announcements, staff or business changes, compliance reports and other inputs. Should the OCIO determine an investment management change is necessary, the OCIO will promptly notify the Deputy CFO/Treasurer and Associate Treasurer and recommend appropriate changes to the investment portfolio.

Quarterly performance will be evaluated to test progress toward attainment of longer-term goals. It is understood that there are likely to be short-term periods during which performance deviates

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from market indices, and during such times, greater emphasis shall be placed on performance comparisons with the peer universe. Investment performance will be calculated and measured on a net-of-fee basis.

Additionally, annual pacing analyses will be conducted for the private market asset classes to ensure sound management towards and maintenance of long-term targets.

**B. Fund Reporting**

Total Fund performance reports from the OCIO shall be provided on a quarterly basis to the Deputy CFO/Treasurer and Associate Treasurer and are to include at a minimum:

1. Asset allocation relative to Policy, serving as certification of compliance with the investment policy
2. Net-of-fee time-weighted performance of the Fund in aggregate, asset class composites, and managers relative to designated benchmarks
3. Attribution of performance
4. Performance compared to appropriate peer universes

**C. Plan Reporting**

OFT may require the OCIO to assist with the publication of the Plan's Annual Report. The OCIO will provide copy layout, editorial support, and publishing both digital and hard copy reports.

In addition, the OCIO will certify on an annual basis compliance with this IPS.

**VII. SELECTION AND RETENTION CRITERIA FOR INVESTMENT MANAGERS OR FUNDS**

All assets in the Fund are managed by external managers. Managers are prohibited from entering into any transactions that are not expressly authorized by the IPS or by specific guidelines in the individual manager's contract.

**A. Selection, Retention, and Termination**

The OCIO will make recommendations to the Deputy CFO/Treasurer and Associate Treasurer regarding retention, replacement, or elimination of managers, funds, or investment strategies for the OPEB Fund. The OCIO will notify the Deputy CFO/Treasurer and Associate Treasurer and act on agreed upon changes to any planned investment lineup changes to the OPEB Fund. There may be rare circumstances where changes must be made to the OPEB Fund in an expedited time frame. In those instances, the Deputy CFO/Treasurer and Associate Treasurer will make every effort to accommodate swift execution.

**B. Criteria for Making Changes**

The OCIO recognizes that decisions regarding managers are always prospective. As such, a variety of factors will be considered when making decisions regarding the investment manager structure, including, but not limited to, the firm's business structure and/or outlook, the investment's portfolio management team and/or supporting staff, investment process, consistency of investment style, net of fees performance results, and investment management fees.

**C. Diversity, Equity, and Inclusion**

OCFO believes that diversity, equity, and inclusion are key drivers of value within an investment portfolio, powering differentiated returns, portfolio diversification, risk mitigation and

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sustainable investment outcomes. OCFO also believes that professionals and decision-makers who come from diverse backgrounds contribute different points of view that enhance organizational quality and economic performance.

As such, diversity, equity, and inclusion are significant considerations in selecting and retaining managers across all asset classes. It is the goal of OCFO to allocate at least 10% of the total OPEB investment portfolio to qualified minority managers, within the bounds of financial and fiduciary prudence. OFT and the OCIO will seek qualified minority managers that are 51% owned by one or more underrepresented demographic groups. The term “underrepresented demographic groups” is defined to include (but not limited to): African Americans, Asian Americans, Hispanic or Latino, Native Americans, Native Hawaiian, Pacific Islander, and disabled persons. The OCIO will report progress towards these goals on a quarterly basis. OFT recognizes the importance of diverse representation across investment management decision makers and thus the OCIO will seek to collect and report on these statistics as well.

By encouraging and monitoring diversity and inclusion efforts, OFT can ensure that the investment program will be exposed to and informed by a wide range of perspectives, ideas, and opinions. OFT expects external asset managers and other third-party providers to respect and reflect OFT’s value of diversity, equity, and inclusion.

## **IX. PROXY VOTING**

OFT requires managers to exercise their authority regarding proxy voting, in accordance with their fiduciary duty. OFT grants managers the authority to execute and vote all proxies in the best interests of Plan participants. Managers shall issue semi-annual reports to the OCIO and OFT on the proxy voting actions taken, including:

- Affirmation that all stock holdings with votes due have, in fact, been voted;
- Description of any proposed changes in proxy voting policies or procedures;
- Confirmation that all votes cast were consistent with established policy;
- Explanation of any votes not cast or of any votes cast that were not consistent with established policy; and
- Summary listing of all votes cast.

## **X. BROKERAGE AND OTHER INVESTMENT-RELATED EXPENSES**

Brokerage commissions, incurred in the normal course of trading securities, are expenses of the OPEB Fund. Brokerage commissions must be managed in the best interest of the Plan’s beneficiaries.

The OPEB Fund’s managers will have discretion to select brokers and negotiate commissions. In executing this responsibility, the managers should seek “best execution” services.

The administrative expenses of the OPEB Fund, including expenses reasonably related to the operation of the OPEB Fund, will be paid solely from OPEB Fund assets, subject to appropriation in accordance with D.C. Code §1-621.09(d-3). Reasonable expenses include but are not limited to actuarial fees, audit fees, consulting fees, the District’s portion of insurance premiums and other administrative costs.

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**XI. INVESTMENT POLICY CHANGES**

The Deputy CFO/Treasurer will review this IPS annually to ensure that it continues to reflect the Plan's objectives. This IPS may be modified or terminated, in whole or in part, by the Deputy CFO/Treasurer at any time as the Deputy CFO/Treasurer deems appropriate.