



H Street Community Development Corporation

501 H Street, N.E.
Washington, DC 20002
(202) 544-8353 FAX (202) 544-3051

February 8, 2006

Moses Animashaun
Department of Small and
Local Business Development
441-4th Street, NW
Suite 970N
Washington, DC 20001

Dear Mr. Animashaun:

I have enclosed a signed "Memorandum of Understanding" for consideration and approval by the Department of Small and Local Business Development for the 4th & Rhode Island Avenue Residential/Retail Space Development Planned Unit Development(D.C. Zoning Commission Case No. 05-25).

This "Memorandum of Understanding" commits H Street Community Development Corporation to award at least 35% of contract value to certified local, small or disadvantaged enterprises in the development of this project. At this time in the development process, the hard cost as stated in our budget is not broken down by trades but is projected as an overall cost.

If you have any questions, please contact Kyrus L. Freeman, Holland & Knight, at (202) 862-5978 or Eric P. Jones, HSCDC, at (202) 544-8353.

Sincerely,

William J. Barrow
Executive Director

Cc: Kyrus L. Freeman, Holland & Knight

MEMORANDUM OF UNDERSTANDING

H STREET COMMUNITY DEVELOPMENT CORPORATION, (hereinafter, the "Corporation"), in accordance with D.C. Law 1-95, D.C. Code Section 1-1-1141 et seq. (1987 Ed. as amended), and in consideration of the District of Columbia Government in granting the Corporation's request to approve the planned unit development ("PUD") known as D.C. Zoning Commission Case No. 05-25, which is located on the east side of 4th Street, N.E., between Rhode Island Avenue, N.E. and Bryant Street, N.E., and consists of Lot 808 of Square 3629, commits to make a bona fide effort to utilize local, small or disadvantaged business enterprises ("LSDBEs") certified by the D.C. Local Business Opportunity Commission in order to achieve, at a minimum, the goal of thirty-five percent (35%) participation (the "35% Goal") in the contracted development costs in connection with the design, development, construction (including, but not limited to, pre-construction activities), maintenance and security for the project to be created as result of the PUD (the "Project"), including janitorial, refuse collection, provision of supplies and other similar post-construction activities relating to the Project, in accordance with the following provisions.

- A. The Corporation shall utilize the resources of the Department of Small and Local Business Development ("DSLBD"), including the Local Business Opportunity Commission's Directory of Certified Local Small and Disadvantaged Business Enterprises, and periodic updates, as the primary referral sources for LSDBEs. The primary contact for such referrals shall be the Director of the Office of Local Business Development (the "Director").
- B. The appropriate representatives of the Corporation who negotiate, sign and are responsible for the implementation of the Memorandum of Understanding with the DSLBD agree to meet with the Corporation's procurement and project officers to explore and develop ways for achieving the 35% Goal.
- C. The Corporation agrees to make a continuing bona fide effort to utilize LSDBEs for certain goods and services as may be required by the Corporation to conduct its daily operations and understands that such efforts will accrue toward the 35% Goal.
- D. Not later than (60) days following award of a contract of the first phase and each subsequent phase of the Project, the Corporation agrees to submit a minority business plan to DSLBD for approval, which plan shall be incorporated in and made a part of this Agreement.

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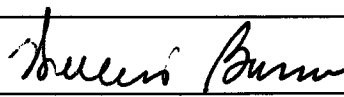
- K. The Corporation will publish, in a timely manner, a public notice in a newspaper of general circulation in the District of Columbia and in one or more other newspapers serving the District of Columbia local business community, to inform the business community as a whole of the overall project, including a general description of projected phases and anticipated time tables.
- L. For purposes of this Agreement, it is agreed that "bona fide effort" means that the Corporation will obtain the following commitments from its General Contractor ("GC"):
1. The GC will publish a public notice in a newspaper of general circulation in the District of Columbia and in one or more other newspapers serving the District of Columbia local business community, designed to inform the business community, as a whole, of specific contracting and subcontracting procurement opportunities.
 2. The GC will publish notices in a newspaper of general circulation in the District of Columbia and in one or more other newspapers serving the District of Columbia local business community, soliciting bids for products or services being sought, and will allow a reasonable time for all bidders to respond to invitations/requests for bids.
 3. The GC will contact DSLBD to obtain a current listing of all LSDBEs qualified to bid on major procurement as they arise.
 4. The GC will negotiate with all bidders pre-qualified by the Corporation and the GC, including LSDBEs, to obtain each pre-qualified bidder's best and final price as understood in the marketplace.
 5. The GC will not require that the LSDBEs provide bonding on contracts with a dollar value less than \$100,000, provided that, in lieu of bonding, the GC may accept a job specific certificate of insurance.
 6. The GC will design and include in all contracts and subcontracts a process for dispute settlement. This process shall incorporate an opportunity for the presentation of documentation involving the work performed and invoices regarding requests for payments. Included in the contract shall be a mutually agreed upon mediator and provisions for arbitration in accordance with the rules of the American Arbitration Association.

7. The GC and subcontractors shall strictly adhere to their contractual obligations to pay all subcontractors in accordance with the contractually agreed upon schedule for payments. In the event that there is a delay in payment to the GC, the GC is to immediately notify the subcontractor and advise as to the date on which payment can be expected.
 8. The GC commits to pay all subcontractors, including LSDBEs, within fifteen (15) days following the GC's receipt of a payment, which includes funds for such subcontractors, from the Corporation. The Corporation agrees to require the project manager to establish a procedure for giving notice to the subcontractors of the Corporation payments to the GC.
- M. In order to encourage the Corporation to develop creative, cost competitive ways in which to meet its 35% Goal, DSLBD will give credit negotiated by the parties for the opening up of opportunities in areas not traditionally provided to LSDBEs and/or expansion of opportunities in existing areas.
- N. If, at the end of the first calendar quarter following the issuance of a building permit, the Corporation is unable to comply with the proposed utilization plan for the Project, representatives of the Corporation and the Director of DSLBD shall confer with a view toward adjusting goals and strategies to extend the time of performance based on facts and circumstances.

DATED THIS _____ DAY OF _____, 2006.

**DEPARTMENT OF SMALL AND
LOCAL BUSINESS DEVELOPMENT**

**H STREET COMMUNITY
DEVELOPMENT CORPORATION**

By: 
William J. Barrow, III, Executive Director