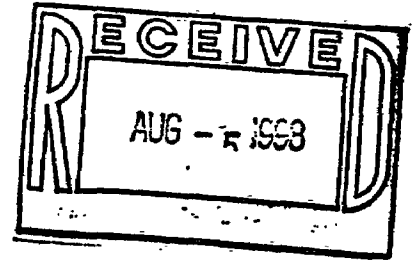


**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**DEPARTMENT OF HUMAN RIGHTS AND LOCAL BUSINESS DEVELOPMENT**



**MEMORANDUM OF UNDERSTANDING**

**Florida Rock Properties, Inc. ("FRP, Inc."), 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 approval of a second stage consolidated Planned Unit Development ("PUD") known as D.C. Zoning Commission (Case No. 95-16P) and related map amendments, for a rezoning of a site from M Zone District to C-3-C Zone District on the Anacostia waterfront near the foot of the Frederick Douglass Bridge, consisting of land in Squares 707 (Lots 800, 801 and 802), 708 (Lot 809), 708E (Lots 807 and 808) and 708S (Lot 806), (the "PUD"), to construct a 1,521,678 s.f. office/retail on the rezoning site, does hereby commit to make a bona fide effort to utilize Local, Small and Disadvantaged Business Enterprises certified by the D.C. Local Business Development Commission ("LSDBEs") in order to achieve, at a minimum, the goal of thirty-five percent (35%) LSDBE 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. FRP shall utilize the resources of the Department of Human Rights and Local Business Development ("DHRLBD"), including the Local Business Development 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 Department of Human Rights and Local Business Development (the "Director").**
- B. The appropriate representatives of FRP who negotiate, sign and are responsible for the implementation of the Memorandum of Understanding with the DHRLBD agree to meet with FRP procurement and project officers to explore and develop ways for achieving the 35% Goal.**

- C. FRP agrees to make a continuing bona fide effort to utilize LSDBEs for certain goods and services as may be required by FRP to conduct its daily operations and understands that such efforts will accrue toward the 35% Goal.
- D. Not later than (45) days following award of a contract for construction of the first phase and each subsequent phase of the project, FRP agrees to submit a local business plan (Attachment A) to DHRLBD for approval, which plan shall be incorporated in and made a part of this Agreement.
- E. Not later than thirty (30) days following the filing of an application for a building permit pursuant to the approved PUD, FRP will submit to DHRLBD a more extensive plan listing all of the projected procurement items, quantities and estimated costs, bid opening and closing dates, and start-up and completion dates. This plan should indicate whether any items will be bid without restriction in the open market, or limited to LSDBEs certified by the Local Business Development Commission.
- F. The parties hereto understand and agree that the means of achieving the 35% Goal may vary according to the types of goods and services contracted for and the current availability of Certified LSDBEs. However, FRP agrees to make a bona fide effort to achieve, at a minimum, the 35% Goal over the life of the project.
- G. FRP further agrees to submit quarterly LSDBE contracting and subcontracting reports to DHRLBD no later than fifteen (15) days after the end of each calendar quarter; the quarterly report periods shall begin on January 1, April 1, July 1, and October 1. The quarterly report shall be submitted on a form provided by DHRLBD (Attachment B). These reports should include detailed documentation of outreach efforts to LSDBEs in order to determine bona fide efforts.
- H. FRP agrees to meet quarterly with DHRLBD staff on a mutually agreeable schedule to discuss LSDBE participation on the project.

- I. In the event that there are no LSDBEs in the District of Columbia which manufacture, construct, distribute, install, or otherwise supply the goods and services required to develop, construct, renovate and/or maintain the Project, FRP agrees to make bona fide efforts to achieve the 35% Goal through a broad scale approach to contracts with other local business enterprises certified by the District.
- J. FRP further agrees to include in the terms of its contractual agreements with the general/prime contractor and/or construction manager (in any of such events, the "Contractor"), language which puts the Contractor on notice that the Contractor is expected to make a bona fide effort to achieve the 35% Goal in (1) its own contracting with respect to the Project and (2) engaging subcontractors to perform work on the Project.
- K. FRP 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 FRP 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.
- The GC will publish public 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 DHRLBD 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 FRP and the GC, including LSDBEs, to obtain each bidder's best and final price as understood in the marketplace.
  5. The GC will not require that 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 or 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 general contractor, he 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 FRP. FRP agree to require the project manager to establish a procedure for giving notice to the subcontractors of FRP payments to the GC.
- M. In order to encourage FRP to develop creative, cost competitive ways in which to meet its 35% Goal, DHRLBD 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, FRP is unable to comply with the proposed LSDBE utilization plan for the Project, representatives of FRP and the Director of DHRLBD shall confer with a view toward adjusting goals and strategies to extend the time of performance based on facts and circumstances.

DATE THIS 3rd DAY OF August, 1998

DEPARTMENT OF HUMAN RIGHTS AND  
LOCAL BUSINESS DEVELOPMENT

BY: Gerald H. Draper

GERALD H. DRAPER  
DIRECTOR

FLORIDA ROCK PROPERTIES, INC.

BY: John E. Anderson

JOHN E. ANDERSON  
PRESIDENT, FRP, INC.

MAA/frp/pud/mou/0727'98\*\*\*\*\*  
Revised/0730'98\*\*\*\*\*

ATTACHMENT A

MINORITY BUSINESS OPPORTUNITY COMMISSION

MINORITY BUSINESS ENTERPRISE CONTRACTING AND SUB-CONTRACTING PLAN

APPLICANT/RECIPIENT/DEVELOPER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_  
(AREA CODE)

TOTAL ESTIMATED COST OF CONTRACT(S): \$ \_\_\_\_\_

TOTAL ESTIMATED AMOUNT TO BE SUB-CONTRACTED: \$ \_\_\_\_\_

TOTAL ESTIMATED MBE PARTICIPATION: \$ \_\_\_\_\_

PERCENTAGE OF TOTAL MBE CONTRACT(S): (%) \_\_\_\_\_

NAME OF MBE LIAISON: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_  
(AREA CODE)

NAME OF GENERAL/PRIME CONTRACTOR  
AND/OR CONSTRUCTION MANAGER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_  
(AREA CODE)

**ATTACHMENT B**  
**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**MINORITY BUSINESS OPPORTUNITY COMMISSION**  
**-PRIVATE SECTOR-**  
**QUARTERLY MINORITY EXPENDITURE**

QUARTER \_\_\_\_ 19 \_\_\_\_ DATE PREPARED: \_\_\_\_\_  
 PROJECT NAME: \_\_\_\_\_  
 ADDRESS: \_\_\_\_\_  
 PROJECT CONTACT: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_  
 ANTICIPATED PROJECT COMPLETION DATE: \_\_\_\_\_

**PART A. EXPENDITURE SUMMARY**

QTR.	TOTAL AMT. EXPENDED TO DATE	TOTAL AMT. EXP. W/CMBEs TO DATE	\$ TO CMBEs TO DATE	TOTAL AMT. EXPENDED THIS QTR.	TOTAL AMT. EXP. W/CMBEs THIS QTR.	\$ TO CMBEs
1						
2						
3						
4						
TOTAL						

**PART B. MINORITY EXPENDITURE VERIFICATION**

NAME OF MINORITY BUSINESS	MBOC CERT. NUMBER	DATE OF PAYMENT	DESCRIPTION OF GOODS/SERVICES	AMOUNT OF EXPENDITURE

**\*\*CMBE = MINORITY BUSINESS ENTERPRISES CERTIFIED BY MBOC**

ATTACHMENT C

MINORITY BUSINESS OPPORTUNITY COMMISSION

MINORITY BUSINESS ENTERPRISE CONTRACTING AND SUBCONTRACTING PLAN

NON-CONSTRUCTION RELATED ITEMS

**CATEGORY:**

1. Office Furniture
2. Office Supplies
3. Computer Equipment
4. Vending Equipment & Supplies
5. Pre-Construction, Construction & Post Construction Security Services
6. Catering & Food Service for Promotional Functions
7. Kitchen & Food Service Equipment
8. Janitorial Services & Supplies
9. Cable Television Systems
10. Antenna Systems
11. Security Systems
12. Printing Services:
  - A. Blueprints
  - B. Brochures, Etc.
13. Office Equipment
14. Clerical Temporaries
15. Courier Service
16. Moving Company
17. Advertising and Graphic Design
18. Telephone System
19. Sound System



ATTACHMENT D  
DEPARTMENT OF HUMAN RIGHTS AND MINORITY BUSINESS DEVELOPMENT  
MINORITY BUSINESS ENTERPRISE CONTRACTING AND SUBCONTRACTING PLAN  
POST CONSTRUCTION CONTRACTING

BUILDING SERVICES LIST

Service	Minority Business Available	Vendor Selected
Cleaning	Yes	
Window Washing	Yes	
Trash Removal	Yes	
HVAC Service	Yes	
Water Treatment	Yes	
Bank	Yes	
Law Firm - Minority Business Enterprise	Yes	
Accountant	Yes	
Security Guard	Yes	
Building Supplies	Yes	
Electrical Supplies	Yes	
Electrician	Yes	
Plumber	Yes	
Window Replacement	Yes	
Fire Supply/Equipment	Yes	
Courier/Messenger	Yes	
Uniform Rental Firm	Yes	
Locksmith	Yes	
Grounds Maintenance	Yes	
Pest Control Firm	Yes	
Snow Removal Firm	Yes	

ATTACHMENT D  
DEPARTMENT OF HUMAN RIGHTS AND MINORITY BUSINESS DEVELOPMENT  
MINORITY BUSINESS ENTERPRISE CONTRACTING AND SUBCONTRACTING PLAN  
POST CONSTRUCTION CONTRACTING

BUILDING SERVICES LIST

Service	Minority Business Available	Vendor Selected
Janitorial Supplies	Yes	
Office Supplies	Yes	
Furniture Purchase	Yes	
Computer Equipment	Yes	
Moving Company	Yes	
Temp. Help Agency	Yes	
Caterer	Yes	
Vending Equipment	Yes	
Welcome Baskets	Yes	
Carpet Leasing	Yes	
Carpet Cleaning	Yes	
Accounting Services	Yes	
Roofing Repairs	Yes	
Fuel Oil	Yes	
Towing	Yes	

**AREAS OF PROCUREMENT IN WHICH CMBE UTILIZATION GOAL CAN BE ACHIEVED**

Architectural and engineering services  
Interior design  
General construction  
Legal services  
Site improvements/preparation  
Environmental impact studies  
Zoning variances  
Office furniture lease/purchase  
Office supplies  
Vending equipment and supplies  
Pre-Construction, construction and post construction security services/systems  
Catering and food service equipment  
Janitorial services and supplies  
Cable television systems  
Antenna systems  
Printing services, blueprints, brochures, etc  
Office equipment lease/purchase/maintenance  
Clerical temporaries  
Courier services  
Moving  
Advertising and graphic design  
Telephone system  
Sound system  
Window washing  
Trash removal  
HVAC service/maintenance  
Water Treatment  
Recycling  
Bank/Financial institutional depository  
Insurance agent  
Accounting services  
Energy management  
Sprinkler firm  
Computer Equipment/maintenance  
Carpet leasing  
Carpet cleaning  
Building staff  
Roofing repairs  
Fuel Oil  
Towing  
Building/ facility management services  
Public relations services