GOVERNMENT OF THE DISTRICT OF COLUMBIA

Office of the Deputy Mayor for
Planning and Economic Development

SOLICITATION FOR OFFERS

for the Development of

6425 14th Street NW

Washington, District of Columbia 20012
Square 2786, Lot 0184

Issued by:
The Government of the District of Columbia
Office of the Deputy Mayor for Planning and Economic Development
John A. Wilson Building
1350 Pennsylvania Ave NW, Suite 317
Washington, D.C. 20004
http://dcbiz.dc.gov/

Responses due by: July 22, 2008

Office of the Deputy Mayor for
Planning and Economic Development

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Office of the Deputy Mayor for
Planning and Economic Development

1 Introduction

Great urban neighborhoods consist of diverse populations, extensive housing options, neighborhood amenities, pedestrian-oriented streetscapes, retail within short walking distances, distinctive public spaces and ubiquitous mass transit. To realize this vision of urban greatness, the Government of the District of Columbia ("District") markets special projects that aim to achieve these goals and improve the quality of life for District of Columbia residents.

With this vision and these goals in mind, the District, through the Office of the Deputy Mayor for Planning and Economic Development (ODMPED), is pleased to issue this Solicitation for Offers ("Solicitation") and invites development teams ("Offerors") to respond. The District seeks a highly-qualified development team to plan, finance, build, and operate a project on the following site: a 12,100 square foot parcel located at 6425 14th Street, NW, Washington, DC 20012 ("6425 14th St"). The use may include mixed-income housing, senior housing or age restricted housing. Offerors are not limited by the uses described herein; however, Offerors are encouraged to design creative development programs that address the stated preferences of the District and the community stakeholders. The below table and map are based on the existing tax lot for the site.

Development Opportunity		
Property Address	SSL	Size (SF)
6425 14th Street NW	2786 0184	12,100
Total		12,100

1.1 <u>Purpose of Solicitation for Offers</u>

The ODMPED is responsible for implementing economic development initiatives and policies on behalf of the Mayor of the District of Columbia (the "Mayor"). ODMPED offers an exciting development opportunity in this Solicitation and intends to identify one (1) Offeror with whom to enter into negotiations for the disposition/lease and development of the site.

A highly-qualified development team with experience in planning, financing, building, and operating small to medium scale mixed-use, residential, or retail use development projects and experience in working with multiple municipal entities and community stakeholders are strongly encouraged to respond to this Solicitation. Offerors will be expected to participate in transparent and collaborative selection and development processes involving the District, the ODMPED, and community stakeholders. Offers submitted in response to this Solicitation must comply with the requirements and preferences set forth in Sections 3 and 4. Offerors may contact the following ODMPED representative <u>via email only</u> for additional information on the 6425 14th Street Project.

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Responses to this Solicitation are due by July 22, 2008 at 5:00 PM ET

1.2 Development Opportunity

The subject property is located in the Brightwood area of northwest Washington, DC. General neighborhood boundaries are Rock Creek Park to the west, Walter Reed Army Medical Center to the north, Georgia Avenue to the east and Military road to the south. The Montgomery County, MD boundary is about 1.5 miles to the north, and the Prince George's County, MD boundary is 1.5 miles east.

Brightwood is almost entirely residential, with some commercial uses along Georgia Avenue. At the subject's location, 14th Street is lined with low- and mid-rise multifamily buildings, mostly rental apartments, typically circa 1940 to about 1960. Surrounding the multifamily are single-family detached (typically in the $300,000 to $800,000 price range) and row houses (typically in the $285,000 to $525,000 price range). Condominiums and cooperatives typically range in price from $137,000 to $419,000.

The subject site has a land area of 12,100 square feet situated on the northeast corner of 14th Street (100-foot frontage) and Tewkesbury Place (121-foot frontage). Improvements at the site include a four-level, plus 100% daylight basement with parking garage, vacant 26-unit apartment building in "shell" condition built circa 1952. Because of the split-grade created by a high retaining wall, the first floor is partially below-grade and the basement has at-grade access along its northern exposure. The building is almost entirely boarded up, presumably utilities are off, graffiti abounds, and it requires a total renovation. The total GBA, including basement, is 29,856 square feet, plus a small rooftop mechanical penthouse. Unit mix is tabulated on the following table:

Office of the Deputy Mayor for
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Level/Unit	1BR/1BA	1BR/Den/1BA	2BR/1BA	Totals
Basement	1	1		2
1st Level	5		1	6
2nd Level	3		3	6
3rd Level	3		3	6
4th Level	3		3	6
Totals	15	1	10	26

2 Property Overview

2.1 Property Characteristics

The subject site is situated on the northeast corner of 14th Street and Tewkesberry Place. The current characteristics for the site and its development envelope are further described below.

Common Street Address:	6425 14th Street, NW Washington DC 20012
Legal Description:	Square 2786, Lot 0184
Condition:	Vacant "shell"; total GBA including basement is 29,856 SF
Topography:	North-to-south slight upslope
Approximate Size:	Land area of 12,100 SF; GBA approx 29,856 including basement.
Zoning:	R-5-A
Permissible Uses Under Current Zoning:	Matter of right development for single-family residential uses for detached or semi-detached dwellings. With approval of the Board of Zoning Adjustment, new residential development of low-density residential uses including apartments.
Range of Allowable Height Under Current Zoning:	3 stories/40 feet maximum
Range of Allowable FAR Under Current Zoning:	0.9 FAR maximum
Maximum Lot Occupancy:	40% for Apartments

Pursuant to the District's authority under D.C. Code § 42-3171.02, the Subject site was purchased using Federal Housing and Urban Development Community Block Grant (CDBG) funding from the District's Department of Housing and Community Development (DHCD) and was acquired for purposes of providing housing for low and moderate income households under the CDBG eligible national objective requirements CDBG-activities under 24 CFR 570.201 (a).

The selected Offeror must comply with requirements under §570.208(a)(3) for initial occupancy by low and moderate income households of 51% or more of the units in the assisted structure at affordable rents for rental housing, or at affordable prices for homeownership housing for properties acquired under the low and moderate income housing national objective.

2.2 Ownership and Property Conditions

The site is owned by the District and may be either conveyed or leased at fair market value to the selected Offeror for the purposes of developing the site into a mixed-income residential, senior, or age-restricted housing project. Conveyance may be executed through a Land Disposition and Development Agreement

("LDDA"); similarly, a lease may be executed through a Ground Lease and Development Agreement ("GLDA"). The execution of either agreement will follow the selected Offeror's achievement of several key pre-development milestones, such as, site plan approval, zoning approval, arrangement of financing and investment, and receipt of necessary construction permits.

The site will be conveyed or leased in "as-is" condition, without warranties. The District makes no representations regarding the character or extent of soil or subsurface conditions or the conditions, existence and location of utilities that may serve the site. The Offeror is encouraged to conduct its own research and due diligence and to draw its own conclusions concerning the conditions that may affect the methods or cost of development. The Offeror shall be responsible for all pre-development expenses incurred to assess the condition of the site. The Offeror is expected to submit a budget that incorporates contingencies to address unanticipated costs throughout the construction development process.

2.3 Access and Visibility

The location of the sites allows for excellent access from various parts of the District of Columbia and the broader metropolitan area. Patrons may access the site in many ways (via automobile, bus and taxi) and through several routes. 14th Street is a highly-trafficked arterial that connects several wards and neighborhoods in the District and Maryland. Walter Reed is located five blocks north of the subject. The 113-acre campus is bounded to the west by 16th Street, south by Aspen Street, east by Georgia Avenue, and north by Fern Street and Alaska Avenue. The Montgomery County, MD boundary is 1.5 miles to the north, and the Prince George's County, MD boundary is approximately 1.5 miles to the east. The White House and downtown Washington, DC, is approximately 4.5 miles south.

Approximately four (4) miles from the site, I-295/I-395 provides easy access for those traveling from Northern Virginia. With regard to mass transit options, several buses serve the immediate area and connect the site to other places of interest, such as K Street, Georgetown, Union Station, and the National Mall.

2.4 Zoning and Land Use Guidance

Preference will be given to Offerors who maximize the development envelope of the site. The site is zoned R-5-A, which permits matter-of-right development of single-family residential uses for detached and semi-detached dwellings, and with the approval of the Board of Zoning Adjustment, new residential development of low residential uses including row houses, flats and apartments to a maximum lot occupancy of 40%, 60% for churches and public schools; a maximum floor area ratio (FAR) of 0.9 and a maximum height of three (3) stories/forty (40) feet.

Offerors should review all applicable District of Columbia Zoning regulations while preparing their offers. Please refer to Title 11 of the District of Columbia Municipal Regulations ("DCMR") for a complete list of zoning provisions and requirements. Offerors may propose to develop the site to conform to the existing zoning designation or to apply for a zoning variance or special exception.

An Offeror should detail its zoning strategy, including a detailed explanation and justification for any proposed variance from the residential requirements, and present an estimated schedule that fully describes each step in the approval process necessary for entitlements assumed in the offer. Proposed zoning strategies should be consistent with the Comprehensive Plan and/or any relevant Small Area Plans or Overlay Districts, if applicable.

The subject property is located within the Brightwood Neighborhood Investment Fund Target Area. NIF was designed to support investment and revitalization in emerging and distressed neighborhoods. Offerors should review eligibility requirements of the program and submit, if applicable, the project's public benefit, ability to leverage resources and any catalytic effects anticipated within Brigthwood. The use of NIF funds must be compatible with the goals of the Brightwood NIF Investment Plan.

Additional information regarding the Comprehensive Plan and the Brightwood NIF target area may be obtained from the District's Office of Planning (http://planning.dc.gov/planning). Information regarding the zoning may be obtained from the Office of Zoning website (http://dcoz.dc.gov).

3 Requirements

3.1 CBE and LSDBE Requirements

The District is committed to ensuring significant participation and inclusion of Certified Business Enterprises ("CBEs"), in particular local, small and disadvantaged business enterprises ("LSDBEs") in the development, equity investment and contracting opportunities derived from the redevelopment of sites such as 6425 14th Street. Offerors shall be required to include at least 20 percent LSDBE equity participation and 20 percent LSDBE development participation as part of their development team and to award at least 35 percent of the total project budget ("CBE Minimum Expenditure") to CBE professional service providers, contractors, vendors and suppliers. Prior to the execution of an LDDA or GLDA with the District, the selected Offeror will be required to sign a Certified Business Enterprise Utilization and Participation Agreement ("CBE Agreement") with the DC Department of Small and Local Business Development ("DSLBD") that outlines the specific equity and development participation and contracting requirements and the specific efforts the selected Development Team must make to fulfill these requirements. Prior to LDDA or GLDA signing, Offeror shall have submitted to DSLBD and ODMPED, for review and approval, a detailed ownership chart depicting each participant's equity and development interest , roles and responsibilities for each member and participant, including fees associated with each role. District recognizes that such roles, responsibilities and interests may be subject to change, but any such changes shall be submitted to DSLBD and ODMPED for review and approval. No changes can be made without District approval. All Offeror partners, including LSDBE partners, shall have the same opportunity to participate in all net development, project management, construction management, or other related fees that are earned by the Offeror.

3.1.1 Equity & Development Participation General Principles

Prior to executing the CBE Agreement, the Developer must demonstrate to DSLBD that it satisfies the following general principles related to equity and development participation:

1) **Minimum LSDBE Participation Requirements**. Developer(s) acknowledge and agree that businesses certified as local, small and disadvantaged business enterprises ("LSDBEs"), shall receive no less than twenty percent (20%) in equity participation and no less than twenty percent (20%) in development participation in the Project, in accordance with Section 2349a of the Small, Local and Disadvantaged Business Enterprise Development and Assistance Act, D.C. Official

Code § 2-218.49a. LSDBE development partners shall have the same opportunity to participate in all development, project management, construction management, or other related fees as the lead developer. LSDBE equity partners shall not be required to contribute more than 20 percent of the lead developer's equity contributed to the project;

2) **Pari Passu Returns for LSDBE Equity Partner(s**). Developer agrees that all LSDBE equity partners shall receive a return on investment in the Project that is pari passu with all other sources of the lead developer (or sponsor's) equity;

3) **Preservation of LSDBE Financial Interest.** The LSDBE partner(s)' equity interests shall not be diluted over the course of the Project, including for failure to contribute additional capital;

4) **LSDBE Risk Commensurate With Equity Position**. No LSDBE firm shall be expected to bear financial or execution requirements that are out of proportion with the LSDBE firm's equity position in Developer and/or the Project;

5) **Management Control and Approval Rights**. LSDBE partner(s) should have management control and approval rights in line with their equity position(s), and certain major decisions should require consent of one or more LSDBE partners or require a supermajority vote which must include one or more LSDBE partners;

6) **Inclusion and Recognition**. The Developer should consistently represent to third parties and include LSDBE partners as team members (e.g., through joint naming, advertising, branding, negotiation of debt and institutional equity financing, selection of master planners and other critical vendors, etc.).

3.2 Hiring of District Residents

The District is dedicated to ensuring that benefits derived from redevelopment include jobs for local residents. The selected Developer must enter into a First Source Agreement with the District Department of Employment Services ("DOES") that contains a commitment that at least 51 % of new jobs created as a result of the development will be filled by District residents.

3.3 Affordable Housing

The selected Offeror must comply with requirements under §570.208(a)(3) for initial occupancy by low and moderate income households of 51% or more of the

units in the assisted structure at affordable rents for rental housing, or at affordable prices for homeownership housing for properties acquired under the low and moderate income housing national objective.

4 Preferences

4.1 Development Plan Preferences

4.1.1 Offerors must submit two development scenarios:
Option A: All senior housing;
Option B: Mixed-income housing.

Preference will be given to Offerors who:

4.1.2 Design development programs that:

(1) describe the pros and cons of each option as part of your submission;

(2) provide housing opportunities to senior residents;

(3) stimulate pedestrian activity and include vibrant streetscapes; and

(4) preserve housing options, including affordable and market-rate housing.

4.1.3 Exceed the LSDBE equity and development participation requirements and that commit to provide contracting opportunities for Certifed Business Enterprises ("CBEs") in excess of 35% of the project budget. DMPED and DSLBD encourage Offerors to be creative in their approach to providing for significant CBE and LSDBE participation. Because one of the primary goals of the LSBDE equity and development participation requirements is to build the local development capacity, proposed projects in which LSDBE participants will perform in key roles and have principal responsibilities, including, for example, serving as Development Executive, Component, Developer, Managing Member, General Partner or Construction Manager for the project or one or more of its components (if applicable) will be considered favorably along with any other arrangements that exceed the 20 percent statutory requirements for LSDBE equity and/or development participation as equity and development partner(s).

4.1.4 Maximize the overall economic benefit to the District, including:

(1) Maximizing the development envelope such as through assemblage of adjacent land parcels or modification of current zoning;

(2) Maximizing value to the District through land value proceeds (paid by Offeror to the District) and incremental property and sales taxes; and

(3) Maximizing community benefits: affordable housing, cultural and neighborhood-serving amenities, and job creation and/or apprenticeship programs for Ward 4 residents.

4.1.5 Provide detailed plans on how Ward 4 residents will be trained and offered apprenticeships in connection to the Project

4.1.6 Provide Ward 4 businesses with opportunities to participate in the Project

4.1.7 Submit with their offers development plans and conceptual design drawings that are sufficient in detail and may be easily evaluated by the Selection Panel.

4.1.8 Consider all applicable Federal and District laws when preparing their development plans.

4.1.9 Conduct thorough due diligence, including design and engineering for the Project. Offerors will be held accountable consistent with the design, cost, and pricing provided in submission of proposals.

4.1.10 Offerors must include at least 51% affordable housing targeting the 30% and 60% AMI levels. Affordability in perpetuity is preferred.

4.1.11 Create a mix of residential unit types and sizes in proposed development plans, including one bedroom, two bedroom and three bedroom units.

4.2 Local, Community, and Business Preferences

Preference will be given to Offerors who:

4.2.1 Submit detailed apprenticeship programs that facilitate placing existing Ward 4 residents into employment opportunities within the Project. The commitment and strategy to develop and implement a local apprenticeship program shall be in accordance with D.C. Official Code §§ 32-1401 *et seq*. For more information on the District's Department of Employment Services (DOES) apprenticeship program, please visit the website below or contact DOES Office of Apprenticeship Information and Training.
http://www.does.dc.gov/does/cwp/view,a,1232,q,618747.asp

4.2.2 Include Ward 4 neighborhood-based businesses. Evidence of the inclusion of such businesses shall be in the form of written confirmation from such neighborhood-based businesses which shall include the scope and details of the said businesses' involvement in the Project.

4.2.3 Include a CBE architect(s) on the development team and include copies of binding LOIs between the lead developer and the CBE architect(s).

4.3 Pricing Proposal Preferences

Preference will be given to Offerors who:

4.3.1 Include pricing proposals that provide the greatest economic benefits to the District.

4.3.2 Provide documentation verifying financing and investment commitments.

4.3.3 Provide documentation verifying the timing of the availability of financing and investment.

4.3.4 Provide documentation describing the terms structuring the financing and investment agreements, including interest rates, terms, covenants, coverage ratios, and all other relevant information.

4.3.5 Demonstrate significant investments of "at risk" capital during the pre-development and development process.

4.3.6 Seek the least amount of subsidy (either through a reduction in fair market value or through other District or federal public financing tools) to fill anticipated financing and/or investment gaps in the Project capital structure.

4.3.7 Provide funding plans, including sources and uses tables and multi-year pro-forma development budgets.

5 Submission Requirements and Selection Process

5.1 Developer Submissions

5.1.1 All Offerors shall submit with their response to the Solicitation to the District a deposit in the amount of Twenty-Five Thousand dollars ($25,000) for the site, in the form of a standby, irrevocable, letter of credit. The deposit shall secure an Offeror's bid in accordance with this Solicitation and will be held by the District until a selection of a successful offer(s) is determined. If an Offeror's proposal is not selected, then the letter of credit shall be returned to such Offeror. If an Offeror's proposal is selected, then the letter of credit will be considered a non-refundable deposit until the LDDA or GLDA is executed, which upon determination of the purchase price. ODMPED will require an additional deposit to be held as security to ensure performance of the terms of the LDDA.

5.1.2 A pre-proposal conference and site visit will be held in accordance with the schedule in Section 5.7. For those who intend to respond to this Solicitation, attendance at the pre-proposal conference and site visit is strongly encouraged. The purpose of the conference and site visit is to provide a forum for all interested parties to network and discuss the Project. If ODMPED determines, in its sole discretion, that any discussions or questions at the pre-proposal conference require additions and/or deletions to this Solicitation, or any other related document, the ODMPED, in its sole discretion, will make such additions and/or deletions in writing and post them on the ODMPED's website, www.dcbiz.dc.gov.

(1) At a minimum, all offers shall address all preferences stated in Section 3 and all requirements stated in this Section 4. Offers submitted without addressing all such items may, in ODMPED's sole discretion, be deemed incomplete and withdrawn from award consideration.

(2) All offers

- shall be typed in 12-point font on 8½'' x 11'' standard letter-size paper
- shall have material on one (1) side only
- shall be bound on the long side
- shall have tabs to separate sections
- shall not exceed 25 pages, not including credit references, LOIs, MOUs, renderings, excel-based worksheets/models, tables, charts, etc.

(3) Offer materials will not be returned.

(4) Each Offeror must submit ten (10) printed, bounded copies to the ODMPED representative listed below by **5:00 PM ET on July 22, 2008**:

Bernard Guzman
Project Manager
Office of the Deputy Mayor for
Planning and Economic Development
The John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 317
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5.1.3 While the District, through the ODMPED, may enter into negotiations with an Offeror(s) based on their offers submitted in response to this Solicitation, this Solicitation does not commit the ODMPED or the District to select any Offerors or to enter into negotiations with any Offerors that may respond. The ODMPED, in its sole discretion, reserves the right to reject any offer it deems incomplete or unresponsive to the submission requirements, to amend this Solicitation, or to reject all offers and re-issue a Solicitation at a later date.

5.1.4 After review of one or more offers, the ODMPED, in its sole discretion, may request additional information from some or all Offerors.

5.1.5 Team members may participate in submissions from more than one Offeror. If an Offeror wishes to change the composition of the proposed development team at any time in the selection process after it has submitted its offer to the ODMPED, the Offeror must notify the ODMPED in writing. The ODMPED reserves the right to evaluate the proposed change to the development team and eliminate the Offeror from further consideration, in ODMPED's sole discretion. The ODMPED will require similar notification and approval rights of any change to the development team following the award, if any.

5.1.6 An Offeror may submit multiple development plans and pricing proposals, which collectively shall be considered a single offer for evaluation purposes.

5.2 Submission Requirements

Offerors shall respond to each item included in this Section 5.2 in the order it is presented below and separate each item with tabs marked to indicate the section number. Offerors should include site plans, tables, charts, and any other applicable documents, to the extent possible.

5.2.1 Executive Summary

The Offeror shall provide a summary with a focus on the Offeror's vision for either or both sites. While the Summary will not be a formal evaluation factor, it will be used as part of an integrated assessment of the Offeror's qualifications. In its executive summary, an Offeror shall address how the development will benefit the residents of Ward 4; shall articulate the Offeror's vision for either or both sites; shall discuss how well the project on either or both sites fits into the neighborhood fabric; and shall illustrate the types of synergies it will create for the neighborhood.

5.2.2 Team Members

An Offeror shall identify the following key team members of the development team: master developer (firm or joint venture partners), LSDBE equity and development partners, master plan architect, financing team (proposed construction and permanent lenders, major investors, and other key consultants, if any related to the financing plan), and legal counsel. No other team members should be identified. An Offeror shall include:

(1) Name, address, telephone number, and fax number for each team member;

(2) Each principal, partner, or entity that composes each team member and such team member's roles or titles within the entity comprising the Offeror;

(3) Name, address, telephone number, fax number, and e-mail address of the representative authorized to act on behalf of the Offeror, who will be available to respond to questions or requests for additional information;

(4) Any affiliation or relationship between any of the members of the Offeror and any development company, parent company, or subsidiary;

(5) Any personal or professional relationship among or between any members of the Offeror and any person working for, appointed to a position in, or elected to an office of the District or any entity for which there may be a conflict of interest or the appearance of a conflict. The District, in its sole discretion, reserves the right to determine a conflict of interest or the appearance thereof;

(6) A list of the professionals the Offeror will be employing or retaining for this project. For each professional firm, Offeror should include a description of the staff capabilities, the resumes of all professional staff who will be working on this project, a description of their role on this project, and their past relevant experience;

(7) Satisfactory evidence with respect to the Offeror and its team members that all tax liabilities and other government impositions are current and that there is no ongoing litigation in which the District is a party that relates to any team member as the Offeror or to any other entity or individual having a controlling interest in the entity (or entities) that comprise the Offeror (or, if such litigation exists, the name and civil action number of such litigation and a description of the subject matter of such litigation); and

(8) A summary of experience working with community groups, institutions, or the District during the planning and development processes; a summary of experience developing affordable housing, including descriptions of the projects, community organizations involved, and the consensus-building process utilized to incorporate the community's input into the development plan.

5.2.3 Qualifications and Experience

(1) Offerors shall identify three (3) to five (5) relevant projects that demonstrate the Offeror's (including team members') primary involvement in and leadership of successful medium-to-large scale developments in urban settings (preferably in the District of Columbia) involving public-private partnerships, and joint ventures/partnerships with LSDBE equity and development partners;

(2) For each relevant project, Offeror shall identify the following:

- Development team name
- Project title
- Location/address of the project
- Contracting agency/company, if applicable
- Description of the project, including development envelope and uses
- Offeror's role and responsibilities for the project and structure of the development team, including joint venture description and/or documents, if applicable
- Period of performance
- Estimated total development cost at time of award or start of the Project, actual total development cost, including all changes and exercised options
- Originally projected completion date, current or actual completion date
- The name and contact information for the owner, the principal, the partner, the general contractor and design architect's name and a description of each of the foregoing parties' role in the project
- Name and telephone number of persons familiar with the project who may provide performance letters of recommendation and respond to inquiries from the District
- Illustrative materials that will help the District to evaluate the caliber, innovation and relevant experience of the development team;

(3) In a table format, offers shall include projects underway, including financing and investment partners, status (% completed to date), completion guarantees provided, size, scope, total development costs, capital structure sources and uses schedule, and other meaningful project-related information;

(4) Each offer shall include an organization chart and a summary of qualifications of the team's senior-level staff who will be directing this project, including a description of their roles and relevant experience;

(5) Each offer shall include the status of the Offeror organization (whether a corporation, a non-profit or charitable institution, a

partnership, a limited liability corporation, a business association, or a joint venture) indicating under which laws it is organized and operating, and a brief history of the organization and its principals. For any entity required to file reports in the jurisdiction of its formation, include a certificate of good standing for such jurisdiction and a certificate of good standing showing that it is registered in the District of Columbia;

(6) Each offer shall include a copy of any written agreement or document creating, or other organizational document(s) for, any entity responding to this Solicitation. The principals, partners, or joint-venture partners who are part of the Offeror team must be eligible to transact business with the District and in the District of Columbia;

(7) Each offer shall include a statement regarding any debarments, suspensions, bankruptcy or loan defaults on real estate development projects and/or government contracts of Offeror or any member of the development team;

(8) Each offer shall include references for the Offeror and its team members, including names, addresses, and telephone numbers. References should be prepared to respond to inquiries regarding the design, financing, and development of prior projects;

(9) Offerors may include other relevant information that they believe will assist the ODMPED in evaluating the capabilities of the Offeror, the design architect, and any other team member who will be participating in the development. The ODMPED may request additional information from the authorized representative, if deemed necessary, in ODMPED's sole discretion, to facilitate the evaluation of an Offeror's submissions.

5.2.4 Project Implementation Strategy

(1) Offerors shall identify and describe any possible difficulties implementing the Project and shall identify and describe possible solutions and approaches that would allow for successful implementation;

(2) Offerors shall describe the compatibility of their development plans with the District of Columbia zoning regulations and any Small Area and Comprehensive Plans;

(3) Offerors shall describe any proposed zoning changes and the time required to achieve zoning change approvals;

(4) Each Offeror shall illustrate a detailed implementation schedule (including phasing) from award to ground breaking to occupancy to stabilization. Furthermore, schedules shall include more detailed timetables and milestones for the first twenty-four (24) months of the Project following award, focusing on timing for development programming, community engagement, adjacent parcel assemblage and other relevant pre-development activities;

(5) Offerors shall describe their understanding of the East End sub-market area;

(6) Offerors shall acknowledge that they will be required and demonstrate their willingness to provide financial guarantees that insure the implementation of their development plans;

(7) Offerors shall demonstrate their willingness to invest at-risk capital in the Project, including pre-development expenditures;

(8) Offerors shall describe their approaches and strategies to engage the community to ensure meaningful involvement in the development process, to reach ultimate consensus around development plans, and to mitigate the Project having any negative impacts of the surrounding community; and

(9) Offerors shall describe their approaches and strategies to operate the Project following occupancy.

5.2.5 <u>Financial Capacity and Framework</u>

(1) Each Offeror shall include a description of the financial capacity of Offeror and its team members, including, but not limited to, audited financial statements (balance sheets, profit and loss statements, statements of cash flows);

(2) Each Offeror shall include descriptions of the nature and share of each team member's financial investment in the acquisition and development of either or both properties;

(3) Each Offeror shall include proposed financial structures between the Offeror and the District. The Offeror should assume the following:

- The parcel owned by the District will be conveyed to the Offeror at a price negotiated with the District. In general, the parcel purchase price should be assumed to be equal to the fair market value of the parcel, subject to adjustment as determined in ODMPED's sole discretion.
- In determining economic feasibility, Offerors shall take into account all available subsidies from sources other than the District government and are responsible for obtaining those subsidies to the greatest extent possible.
- The conveyance will be in the form of a deed or a ground lease.
- If the conveyance is pursuant to a ground lease, the cost of the ground lease will be negotiated using the same approach as the sales price negotiation described above.
- The purchase price will be due and paid in full at settlement, although ODMPED, in its sole discretion, will consider alternate payment structures proposed by an Offeror.

(4) Each Offeror shall include a description of:

- Desired financial returns, including the internal rate of return for each proposed land use.
- Proposed investment of Offeror equity into the Project.
- If an alternate purchase price payment structure is proposed, then the methodology for such proposed structure including, if it involves future payments, the security to be provided to the District for such future payments.
- If ground lease is proposed, the methodology for determining the rental payment due under the ground lease;

(5) Each Offeror shall include a proposed financing strategy for the Project from award to construction/renovation to occupancy to

stabilization. Such strategy shall include sources and uses of funds and types of financing and investment and shall include sufficient detail to facilitate the Selection Panel's evaluation of the proposed financing strategy. Financing strategies shall include:

- An estimate of proposed pre-development costs and statement of capacity to carry those costs, how those costs will be paid for, and how such costs will be factored into the financing of either or both Projects.
- Statement of the proposed financial structure, including penalties for lack of performance.
- Satisfactory evidence of the Offeror's ability to secure financing for either or both Projects.
- A cash flow schedule that supports the entire development timeline;

(6) Offerors shall include an excel-based, fully-manipulable pro-forma model with detailed underlying assumptions (submitted on CD-ROM) that estimates investment returns including, net present value, internal rate of return, return on equity and return on cost;

(7) Offerors shall include a detailed development budget (submitted on CD in Excel) for the proposed development plans that includes a summary of the dollar per square foot breakdown of each line item;

(8) Offerors shall include financing and investment references. References must be prepared to discuss the nature and performance of the prior financing and investment relationships; and

(9) Offers shall not include funds from the District operating or capital budget (unless appropriated for such purpose on a multi-year basis) or unidentified Federal funding in the Offeror's funding plan.

5.2.6 <u>LSDBE and CBE Participation and First Source Hiring</u>

(1) Offerors shall include descriptions of LSDBE equity and development participation in the Project and shall demonstrate Offeror's firm commitment to meet or exceed a 20% LSDBE equity and a 20% development participation requirement. The LSDBE equity and development participant(s) must be certified as a Local, Small *and* Disadvantaged Business Enterprise. The

Offeror must submit with its offer an LOI, Memorandum of Understanding (MOU) or other binding agreement with the 20% LSDBE equity and development partner(s) that at a minimum:

- Identifies the LSDBE equity and development partner(s)
- States the percentage of equity and development participation of each LSDBE partner
- Describes the role and scope of work of each LSDBE partner
- Includes anti-dilution language regarding equity and development participation for the benefit of the LSDBE partner(s) and to be applied at all stages of the Project

Any offer that fails to contain an LOI, MOU, or other binding agreement with 20% LSDBE equity and at least 20% participation by an LSDBE development partner, as described in Section 3 will be deemed a non-responsive offer;

(2) Offerors shall include descriptions of CBE contracting participation in either or both Projects and shall demonstrate Offeror's commitment to meet or exceed a 35% CBE contracting and procurement requirement; and

(3) Offerors shall include a detailed plan for hiring that lists specific efforts to recruit Ward 4 and District of Columbia residents at large for newly created jobs.

Prior to and as a condition of executing an LDDA or GLDA, the selected Offeror will be required to sign a Certified Business Enterprise Utilization and Participation Agreement with the DSLBD that outlines the specific contracting requirements and the specific efforts the selected Offeror must take to fulfill these requirements.

The selected Offeror also will be required to sign a First Source Hiring Agreement with the DOES.

5.2.7 Affordable Housing

For the purposes of this RFP, Offerors shall use the following income guidelines:

Office of the Deputy Mayor for
Planning and Economic Development

2008 Area Median Household Income						
% of Median	Number of Persons					
	1	2	3	4	5	6
100	$ 69,300	$ 79,200	$ 89,100	$ 99,000	$ 106,920	$ 114,840
80	$ 55,440	$ 63,360	$ 71,280	$ 79,200	$ 87,120	$ 95,040
60	$ 41,580	$ 47,520	$ 53,460	$ 59,400	$ 64,152	$ 68,904
30	$ 20,790	$ 23,760	$ 26,730	$ 29,700	$ 32,076	$ 34,452

(2) Affordability Requirement (for 51% CDBG Requirement)

Affordability Requirement	
% of Total Units	*Affordability Level (as % of AMI)*
15%	30% of AMI and below
15%	31% to 60% of AMI
21%	61% to 80% of AMI
If the percentage of total units is not a whole number, the number will be rounded down to the next lower whole number; however in no event shall the total number of affordable units be less than 51% of the total units.	

(3) Offerors should not assume that buyers will receive Home Purchase Assistance Program for for-sale developments.

(4) The Affordable Dwelling Units shall be distributed across the unit-type mix with special attention to the creation of family sized units.

(5) Affordable Dwelling Units are dispersed throughout the Project and are not concentrated on any one floor of a Project.

(6) All Affordable Dwelling Units are constructed at a pace that is proportional with the construction of the market rate units.

(7) All Affordable Dwelling Units are functionally equivalent in exterior design, materials, and finishes to the market-rate units.

(8) Additional option packages (i.e. parking and upgrades) may be made available to the Affordable Dwelling Unit buyer or renter, but shall be standard to any package being offered to the market rate buyers or renters.

(9) The Offeror will be required to enter into an Affordability Covenant at the time of the execution of the Land Disposition Agreement / Ground Lease.

5.2.8 Residential Green Design and Building

(1) In accordance with The Green Building Act of 2006, the proposal shall meet the following standards relative to green design and building which apply to all projects of 10,000 square feet or more, for which public financing constitutes 15% or more of development costs:

(2) The proposal documents the findings of the integrated design charrette which has been conducted to consider the most cost effective ways to integrate required green design elements (**Exhibit GB-2**).

(3) The proposal includes a completed Intended Method of Satisfying Green Communities Criteria 2006 (**Exhibit GB-1**) with an appropriate minimum score of:

(4) New construction = All mandatory criteria and a minimum of 25 points on optional criteria.

(5) Rehabilitation = All mandatory criteria and a minimum of 20 points on optional criteria.

(6) The proposal demonstrates inclusion of LEED® Accredited Professional (LEED® AP) or experienced green building design specialist as a member of the development team.

(7) Residential green building Bonus Points will be determined from the Offeror's response in **Exhibit GB-1** and will be awarded for the inclusion of green design elements above the required standard, as follows:

(8) Residential new construction projects - Green Communities Criteria 2006, attainment of 26 or more optional points.

(9) Residential substantial rehabilitation projects - Green Communities Criteria 2006, attainment of 21 or more optional points.

(10) Offerors shall describe its development plan's impact on the District's affordable housing goals and other economic development objectives;

(11) Offerors are required to describe the administration of any affordable residential units the Offeror (or a member(s) of the development team) currently operates or, if it has no such current operations, the Offeror may describe its proposed operation and administration of affordable residential units in either or both Projects. An Offeror with current affordable housing operations may also include its proposed operation and administration of affordable residential units in either or both Projects. All proposed affordable units shall be provided in accordance with an Affordability Covenant provided by the ODMPED.

(12) Offerors shall describe integrated approaches to its placement of affordable units within their proposed plans. More specifically, affordable units must be dispersed, not clustered, throughout the residential component(s) of either or both Projects and mixed with market rate units.

Market rate and/or affordable residential units targeting senior citizens are considered an eligible residential use and must conform to the affordability standards for other types of residential units.

5.3 Selection Process and Selection Panel

5.3.1 The Selection Panel will evaluate responses to this Solicitation for completeness, feasibility, creativity, and measure of economic value created.

5.3.2 The ODMPED will determine, in its sole discretion, whether each offer received in response to this Solicitation is complete according to the guidelines set forth herein. For any offer that is considered to be incomplete, the Offeror will be notified in writing within thirty (30) business days after the submission deadline. The decision of the ODMPED in this regard is final and will be explained to the Offeror upon request.

5.3.3 A Selection Panel will be established to review and evaluate the Offers submitted in response to this Solicitation and to select, in its sole discretion, one (1) Offer, or if it determines in its sole discretion none of the Offers. The Selection Panel may consult with the ODMPED consultants for technical assistance.

5.3.4 Offerors shall present their offers to the Selection Panel and the community. The community may provide feedback to the Selection Panel for its consideration. The Selection Panel will evaluate each offer based on the criteria set forth in this Solicitation. The Selection Panel may request that one (1) or more Offerors modify their offers, provide additional information or provide a "best and final offer" for the Selection Panel's review. Following such request, if any, the Selection Panel will select, in its sole and absolute discretion, one (1) offer (or if it determines in its sole discretion none of the Offers), as modified or otherwise, to recommend to the Mayor, who, in his absolute discretion, may accept the Selection Panel's recommendations.

5.3.5 Upon recommendation by the Selection Panel, and if accepted by the Mayor, the ODMPED shall notify, in writing, the first selected Offeror of its selection.

5.4 Project Review

Required design review meetings will be scheduled after selection between the ODMPED, the Office of Planning and the selected Offeror and its consultants. In addition, the selected Offeror must arrange and participate in at least one (1) community forum held in the vicinity of the project site prior to Offeror's preparation of final building permit drawings. During the duration of the development process, the selected Offeror also will be expected to participate in periodic meetings with the community to provide updates on the progress of the development and to respond to questions from the community.

5.5 Conflict of Interest

In its response to this Solicitation, an Offeror must represent and warrant the following to the District:

5.5.1 The offer has been developed and provided independently and without consultation, communication or other interaction with any other competitor for the purpose of restricting competition related to this Solicitation or otherwise.

5.5.2 No person or entity employed by the District or otherwise involved in preparing this Solicitation on behalf of the District (i) has provided any information to Offeror which was not also available to all Offerors responding to this Solicitation, (ii) is affiliated with or employed by Offeror or has any financial interest in Offeror, (iii) has provided any assistance to Offeror in responding to this Solicitation, or (iv) will benefit financially if Offeror is selected in response to this Solicitation.

5.5.3 The Offeror has not offered or given to any District officer or employee any gratuity or anything of value intended to obtain favorable treatment under this Solicitation or any other solicitation or other contract.

5.5.4 Offeror has not taken any action to induce any District officer or employee to violate the rules of ethics governing the District and its employees.

5.5.5 Offeror has not and shall not offer, give or agree to give anything of value to any District employees, agents, job shoppers, consultants, managers or other person or firm representing the District, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing. Any such conduct shall be deemed a violation of this Solicitation and shall automatically disqualify such Offeror's offer from consideration under this Solicitation. As used herein, "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by this Solicitation, if any, or any other contract with the District), etc., which might tend to obligate a District employee to Offeror, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment, or business opportunity; provided that such term shall not include work or services rendered pursuant to any other valid District contract.

5.5.6 The Offeror shall report to the District directly and without undue delay any information concerning conduct which may involve: (a) corruption, criminal activity, conflict of interest, gross mismanagement or abuse of authority; or (b) any solicitation of money, goods, requests for future employment or benefit of thing of value, by or on behalf of any government employee, officer or public official, any Offeror employee, officer, agent, subcontractor, or labor official, or other person for any purpose which may be related to the procurement of this Solicitation by Offeror(s), or which may affect performance in response to this Solicitation in any way.

5.5.7 Neither Offeror or any subcontractor or affiliate thereof, nor any employee of any of them, shall retain any material or items of any kind salvaged from either property or site as memorabilia, souvenirs or otherwise.

5.7 Selection Process Timetable

The selection process will follow the schedule outlined below. All offers must be submitted to the ODMPED by **July 22, 2008 at 5:00 PM**.

SELECTION PROCESS TIMETABLE (SUBJECT TO CHANGE)	
Issuance of Solicitation	May 23, 2008
Pre-Offer Conference and Site Visit	June 6, 2008
Proposal Due Date (at 5:00 PM ET)	July 22, 2008
ODMPED Determination of Best and Final Offers	August 5, 2008
Responses to Best and Final Offers	August 20, 2008
Award	September 3, 2008
LDDA Execution	November 27, 2008
Council Approval	December 16, 2008
Building Permit	June 2009
Project Delivery	June 2010

5.8 Pre-Offer Conference, Questions and Further Information

Any questions regarding this Solicitation should be submitted via e-mail only to bernard.guzman@dc.gov . Responses to questions, and other clarifications, will be emailed to all Offerors.

5.9 Award

5.9.1 Following receipt of written notification from the ODMPED of the selection ("Selection Notification"), the selected Offeror shall execute a right of entry agreement with the District to allow the selected Offeror to begin its due diligence and site studies.

5.9.2 The District, through ODMPED, and the selected Offeror shall negotiate an LDDA or GLDA, which shall incorporate the requirements contained in this Solicitation and other such terms as agreed to by ODMPED and the selected Offeror. Upon completion of the parties' negotiation, ODMPED will recommend such Offeror(s), based on the terms agreed to in the proposed LDDA or GLDA, to the Mayor. If the Mayor agrees with ODMPED's recommendation, then the Mayor, in his sole and absolute discretion, may initiate the process for disposing of the property to the Offeror(s) in accordance with D.C. Official Code § 42-3171.03.

5.9.3 If the District and the selected Offeror are unable to agree on the final terms of an LDDA or GLDA within one hundred eighty (180) days after the date of the Selection Notification, ODMPED, in its sole and absolute discretion, may terminate negotiations and select a different Offeror from among the Offerors who submitted offers, re-issue this Solicitation or take other measures as it deems reasonable, appropriate or necessary.

5.9.4 Once all requirements for the Mayor's disposition of the property have been satisfied, the District and the selected Offeror shall execute the proposed LDDA or GLDA, whereupon Offeror(s) shall submit to the District a deposit in an amount to be determined, in the form of a standby irrevocable letter of credit. The deposit shall secure Offeror's performance in accordance with the LDDA or GLDA and will be held by the District through the Offeror's successful completion of construction of either or both Projects. The District may request Offeror(s) to increase the amount of the letter of credit or otherwise increase the deposit at the time of settlement on the conveyance of the Property to further insure Offeror's successful completion of construction of the Project. An executed payment and performance guaranty, which will guaranty completion of the Project from the members or owners of the Offeror(s), or other individuals or entities satisfactory to the ODMPED, in its sole discretion, also will be required at settlement.

5.9.5 In the event the Property is conveyed, settlement on the District's sale to Offeror shall be held no later than 12 months after the date of execution of the LDDA, provided, however, that settlement shall not be held until Offeror(s) has received design review approval from the District and has obtained all permits required under Section 105A of Title 12A of the DCMR to commence construction (and such other conditions as may be agreed between the parties).

6 Reservation of Rights and Miscellaneous Provisions

6.1 District Reservations

The District reserves the right to:

- Cancel or withdraw the Solicitation prior to or after the submission deadline
- Modify or issue clarifications to the Solicitation prior to the submission deadline

- Reject any submission it deems incomplete or unresponsive to the submission requirements
- Consider a submission that is in noncompliance with the submission requirements
- Reject all submissions that are submitted under the Solicitation
- Modify the deadline for submissions or other actions

The District may exercise one or more of these rights, in its sole and absolute discretion

6.2 Notice of Modifications

The District will post on its website (http://dcbiz.dc.gov) notices or information regarding cancellations, withdrawals, modifications to deadlines, and other modifications to this Solicitation. Offerors are responsible for checking the website for any such notices and information, and the District shall have no duty to provide direct notice to Offerors.

6.3 Changes in Offeror Information

If information provided in a submission changes (e.g., change or addition to any of the Offeror's team members or new financial information), then the Offeror(s) shall provide updated information in the same format for the appropriate section of the Solicitation and the District will consider the modified submission(s). Offerors may not change the composition of their teams at any time without prior District approval, in its sole discretion. However, the District shall allow short-listed Offerors to (i) add additional LSDBE parties to their teams or (ii) increase the level of LSDBE equity and/or development participation on their teams.

6.4 Ownership and Use of Offer(s)

All offers shall be the property of the District. The District may use any and all ideas in any offer, whether the offer is selected or rejected.

6.5 Restricted Communications

Upon release of this Solicitation and until selection of Offerors, Offerors shall not communicate with ODMPED staff about the Solicitation or issues related to the Solicitation except as authorized in this Solicitation.

6.6 Non-Binding

The selection by the District of Offerors indicates only an intent by the District to negotiate with the Offeror and the selection does not (i) constitute a commitment by the District to execute any agreement with the Offeror and (ii) confer onto Offeror any property right, interest or expectancy.

6.7 Confidentiality

Offers and all other information submitted in response to this Solicitation are subject to the District's Freedom of Information Act ("FOIA") under D.C. Official Code § 2-531 et seq., which generally mandates the disclosure of documents in the possession of the District upon the request of any person, unless the content of the document falls within a specific exemption category. An example of an exemption category is "trade secrets and commercial or financial information obtained from outside the government, to the extent that disclosure would result in substantial harm to the competitive position of the person from whom the information was obtained."

If an Offeror provides information that it believes is exempt from mandatory disclosure under FOIA ("exempt information"), the Offeror shall include the following legend on the title page of the submission:

THIS PROPOSAL CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE DISTRICT'S FREEDOM OF INFORMATION ACT ("FOIA").

In addition, on each page that contains information that the Offeror believes is exempt from mandatory disclosure under FOIA, the Offeror shall include the following separate legend:

THIS PAGE CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE DISTRICT'S FREEDOM OF INFORMATION ACT ("FOIA").

On each such page, the Offeror shall also specify the exempt information and shall state the exemption category within which it believes the information falls.

ALTHOUGH THE ODMPED GENERALLY WILL ENDEAVOR NOT TO DISCLOSE INFORMATION DESIGNATED BY THE OFFEROR AS EXEMPT INFORMATION, THE ODMPED WILL INDEPENDENTLY DETERMINE WHETHER THE INFORMATION DESIGNATED BY THE OFFEROR INDEED IS EXEMPT FROM MANDATORY DISCLOSURE. MOREOVER, EXEMPT INFORMATION MAY BE DISCLOSED BY ODMPED, AT ITS DISCRETION, UNLESS OTHERWISE PROHIBITED BY LAW, AND THE DISTRICT SHALL HAVE NO LIABILITY RELATED TO SUCH DISCLOSURE.

6.8 Non-Liability

By participating in the Solicitation process, the Offerors agrees to hold the District, its officers, employees, agents, representatives, and consultants harmless from all claims, liabilities, and costs related to all aspects of this Solicitation. Under no circumstances shall the District be liable for any real estate brokerage commissions, finder's fees or other forms of compensation related in any way to activities undertaken by any person as a result of this Solicitation.

6.9 Other Limiting Conditions

6.9.1 If at any time after the District selects an Offeror, executes an LDDA or GLDA with the Offeror and the Offeror decides not to proceed, then the Offeror must notify the District in writing and provide reasons for its decision. The selected Offeror wishing to withdraw may be subject to the loss of part or all of the deposit posted at the time of award and may be responsible for certain costs previously waived by the District. If the District is unable to deliver either Property or its contribution to any joint venture, all deposits and any interest earned will be returned to Offeror and the District shall be released from any and all further liability.

6.9.2 This Project is expected to "stand alone"; thus, the Offeror is prohibited from cross collateralizing and cross defaulting the project with any other assets. Moreover, the Offeror is prohibited from assigning, pledging, hypothecating or otherwise transferring its interest in the net cash flows or ownership of the Project in part, or in its entirety, without prior District approval. Any additional debt shall require prior written District approval. This limitation shall apply until final completion of both or either Project.

6.9.3 The Offeror shall disclose all development management fees, general contracting fees, construction management fees, property management fees, and other fees that are paid to the Offeror or affiliated parties during the life of this or either Project.

6.9.4 The District has the right to begin negotiations with the next preferred Offeror in the event that an LDDA or GLDA cannot be executed within the allotted period of negotiations with a prior selected Offeror. The District may terminate, in its sole and absolute discretion, negotiations with any Offeror if such Offeror introduces comments or changes to an LDDA or GLDA that are inconsistent with its previously submitted offer materials.

6.9.5 In the course of best and final negotiations between the parties, the District reserves the right, in its sole discretion, to make and memorialize modifications to any offer in the form of a Memorandum of Understanding between the District and the Offeror.

6.9.6 The District is subject to various laws, rules, policies and agreements that impose legal and ethical constraints upon current and former District employees and consultants with regard to post-employment restrictions vis a vis such employee's or consultant's involvement in District-led projects. In particular, restrictions include:

(1) All Offerors, its members, agents, or employees, are prohibited from: (i) making offers of employment, (ii) conducting any negotiations for employment, (iii) employing or, (iv) entering into contracts of any sort, with current employees, consultants, or contractors to the District, who are personally and substantially involved in any aspect of this Project whatsoever.

(2) Offerors must disclose in their initial Offers, the names of any member, employee, contracted agent, or consultant who within three (3) years prior to the publication of this Solicitation, were District employees, consultants, or contractors to the District. On a going forward basis, Offerors will be required to provide the District with regular and periodic notices of any and all new hires of employees, contracted agents, or consultants within five (5) days of any such hire.

(3) This Section 6.9.6 shall apply to all Offerors during the conduct of this competition, and will subsequently apply to a selected Offeror until such time as final completion of development of the Project.

(4) Required disclosures and notices notwithstanding, failure to comply with any obligation described in this Section 6.9.6 may result, in the District's sole and absolute discretion, in the Offeror's disqualification from consideration under this Solicitation, the rescission of the Offeror's award, and/or termination of any agreement between the Offeror and the District.