



REPORT TO HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

15

Consent
December 7, 2010

Chair and Members of the Housing Authority Board

Title: Authorization to enter into a 364 day lease with VIBE for use of the Common Area at 1725 K Street; approval of tenant improvements and related activities

Location/Council District: 1725 K Street, District 3

Recommendation: Adopt a **Housing Authority Resolution** authorizing the Executive Director or her designee to: a) execute a lease for 364 days with VIBE for the 1725 K Street common area, b) approve the proposed tenant improvements to the common area at 1725 K Street that will be performed by or for VIBE, c) delegate authority to the Sacramento Housing and Redevelopment Agency to approve subsequent VIBE lease renewals of less than one year, and d) make related findings.

Contact: Nick Chhotu, Assistant Director of Housing, 440-1334

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency (SHRA)

Description/Analysis

Issue: The Housing Authority of the City of Sacramento is proposing to lease the common area at 1725 K Street to the VIBE Foundation (VIBE). VIBE is proposing a teen operated career center and urban youth lounge where teenage public housing residents and other Sacramento area teens can acquire academic and vocational skills, engage in service learning, socialize, and network with Sacramento based private, public, and non-profit organizations. The requested lease space includes 2,914 square feet of common area space which includes a kitchen and bathrooms. Staff is requesting to enter into a lease agreement with VIBE (included as Attachment 2) beginning on January 1, 2011, through December 30, 2011.

VIBE is an all-volunteer organization, and the entirety of its fundraising efforts has been conducted by the VIBE Youth Leadership Board, composed of 15 teens. Christina Giffin has been serving as the adult project lead and as an adviser to the youth. She has been overseeing the project and providing guidance when needed. For the past two years, Giffin and the youth board have

VIBE Lease Agreement

been collaborating on research, creating a business plan and meeting with people who will play a role in the creation of the lounge. The Board of Directors is essential to the success of VIBE. Adult Board members include Nick Chhotu, Assistant Director of Public Housing, and Councilmember Steven Cohn.

Participants at the proposed VIBE center will take part in monthly classes that involve learning about a variety of career pathways. Key components of this training include meeting with career advisors and the development of marketable skills relevant to career opportunities. Furthermore, VIBE center participants may be referred to apprenticeship programs and are encouraged to conduct informational interviews in their identified fields of interest.

In a comfortable teen environment, the proposed resource lounge will offer a library of teen resource books, job posting board, and a specialist who will assist teens in linking with local resources. The resource specialist is trained to assess the needs of VIBE members and refer them to free community resources and programs that address teen issues such as homelessness, pregnancy, gang intervention, foster care, mentoring programs, counseling, etc. The center is proposed to include ten laptop computers, projector/screen, white board, and quiet-study areas. All computers have free internet access and wireless printers, and include current software applications.

To keep costs low, a network of adults has agreed to volunteer time and services such as marketing and public relations, general contracting, web design and artists. As a way to cut costs once the lounge is open, approximately 75 teen employees will be paid with school credit through the Sacramento County Regional Occupation Program (ROP) instead of actual paychecks.

The tentative business hours for VIBE are 2 p.m-10 p.m. Monday through Thursday, 2 p.m-12.a.m. Friday, and 8am-12.a.m. Saturday/Sunday. These hours allow teens to be home before the city's mandated 10 p.m. curfew on weekdays and also allows for time to get to the center at the end of the school day. VIBE hours of operation include the set-up and clean up of VIBE activities and events. VIBE always has adult supervision and will provide security for special and evening events. Teen employees, community volunteers, and adult supervisory staff will be available to tutor VIBE members during after-school program hours.

The VIBE Foundation anticipates a total of \$398,330 will be needed for the tenant improvements (TI) and purchase of computer and audio/video equipment. This accounts for \$90,000 in architectural fees, \$55,000 of construction management services, \$229,330 of construction labor and materials and \$24,000 in permitting fees. The majority of these TI costs are accounted for through in-kind donations. The TIs shall be the sole responsibility of VIBE.

The architectural services are in-kind from Mas Mojica Design Studio and Stantec; Davis Reed Construction is providing in-kind construction management services; \$209,000 of the labor and materials are being donated by local building

VIBE Lease Agreement

contractors; and VIBE currently has \$24,000 of cash on hand to pay for the building permits.

The gap of \$20,330 that is still required will cover the cost of a new street entry and new ceiling light fixtures. VIBE currently has multiple grant applications out that are requesting support for this shortfall. Outstanding grant applications include: \$75,000 to Wal-Mart, \$10,000 to AT&T and \$7,500 to the Teichert Foundation. VIBE is also expanding Board membership to include corporate members who are responsible for resource development. Newest members include Kerri Thomas of Sutter Health and Tim Ray of AT&T. VIBE staff is working diligently with the construction community to solicit donations to account for any gaps in the planned TIs.

Policy Considerations: Public Housing Authorities are required to comply with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA). No new policies are recommended in this report.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action to execute a lease and to perform minor tenant improvements on an existing facility is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Section 15301.

National Environmental Policy Act (NEPA): There is no federal funding or any other federal action involved with this action; therefore, the National Environmental Policy Act (NEPA) does not apply. Project is not Capital Fund Program (CFP) eligible and no CFP funds will be used.

Sustainability Considerations: N/A

Other: None

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission:* At its meeting on November 17, 2010, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Fowler, Gore, Johnson, Morgan, Otto, Rosa, Shah, Stivers

NOES: none

ABSENT: Morton

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Rationale for Recommendation: Staff recommends leasing the common area at 1725 K Street to VIBE as they provide a valuable service to youth in the community as well as public housing residents. VIBE has already discussed incorporating activities involving the public housing residents including holiday dinners and adopt-a-senior program.

Financial Considerations: The proposed lease agreement requires VIBE to make a rent payment of one (1) dollar annually and \$320.54 monthly for utilities payable to the Housing Authority. Tenant Improvements at the facility will be funded by VIBE from community donations and fundraising events. Tenant Improvements will be managed by VIBE but subject to review and approval of Housing Authority staff.

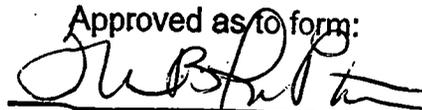
M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:


LASHELLE DOZIER
Executive Director

Recommendation Approved:


GUS VINA
Interim City Manager

Approved as to form:

Agency Counsel

APPROVED AS TO FORM:

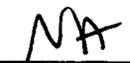

CITY ATTORNEY

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RESOLUTION NO. 2010 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AUTHORIZATION TO ENTER INTO 364 DAY LEASE WITH VIBE FOR USE OF THE COMMON AREA AT 1725 K STREET AND APPROVAL OF TENANT IMPROVEMENTS AND RELATED FINDINGS

BACKGROUND

- A. The VIBE Foundation ("VIBE") is a Sacramento based all-volunteer organization, proposing a teen operated career center and urban youth lounge where teenage public housing residents and other Sacramento area teens can acquire academic and vocational skills, engage in service learning, socialize, and network with Sacramento-based private, public, and non-profit organizations.
- B. VIBE is requesting a lease agreement effective January 1, 2011, through December 30, 2011 to lease the 3,000 square foot common area at 1725 K Street for an annual rent of one dollar (\$1.00), as it provides a valuable service to youth in the community as well as public housing residents.
- C. VIBE proposes the construction of tenant improvements at the 1725 K Street site to make the space more functional for the VIBE program. Tenant improvements include: Construction of lounge area, computer lab area, smoothie bar, separate entrance to facility for VIBE patrons and other interior and exterior improvements needed for the teen center. VIBE will be responsible for the cost of the tenant improvements.
- D. The execution of a lease and performance of minor tenant improvements on an existing facility is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Section 15301. In addition, there is no federal funding or any other federal action involved with this action; therefore, the National Environmental Policy Act (NEPA) does not apply.
- E. The lease of common space and tenant improvements and proposed use of the space were developed in consultation with the project residents and the Resident Advisory Board/council approved concept and plan on August 26, 2008, and a duly noticed public hearing was held before the Sacramento Housing and Redevelopment Commission on November 17, 2010.
- F. The lease is in the best interest of public housing residents and the community at large. The proposal to lease the common area at 1725 K Street is appropriate because it will improve the community quality of life and economic vitality as well as promote self-sufficiency and asset development for youths which is consistent with the Housing Authority's annual plan goals.

VIBE Lease Agreement

- G. The non-dwelling unit/common space proposed to be leased is in excess of the actual needs of the existing project and the lease is incidental and does not interfere with the continued operation of the project
- H. No U.S. Department of Housing and Urban Development (HUD) funds will be used for the cost of tenant improvements or to reimburse the Housing Authority for the cost of managing or administering the lease without HUD approval.
- I. Services provided pursuant to the lease will provide benefit to Housing Authority residents and leverage private funds to provide an on site commercial enterprise serving the needs of Housing Authority residents and the community at large

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. After due consideration, the findings and facts presented, including the environmental findings as stated above are hereby approved.
- Section 2. The Executive Director, or her designee, is authorized to execute a lease for a term of 364 days with VIBE in the form attached as Exhibit A for the VIBE Teen Center/Urban Lounge to be located at the 1725 K Street common areas, effective January 1, 2011, through December 30, 2011.
- Section 3. The Sacramento Housing and Redevelopment Agency is authorized and delegated authority to approve subsequent VIBE lease renewals of less than one year.
- Section 4. The Executive Director, or her designee, is authorized to approve the proposed tenant improvements to the common area at 1725 K Street that will be performed by or for VIBE, such improvements must be in accordance with all applicable law.

Exhibit A – Lease agreement



LEASE AGREEMENT

THIS LEASE, dated **January 1, 2011** is between the **HOUSING AUTHORITY OF THE CITY OF SACRAMENTO** (LESSOR), and **THE VIBE FOUNDATION, a California nonprofit public benefit corporation** (LESSEE).

IT IS AGREED:

1. LEASE TERM:

A. LESSOR grants to LESSEE a tenancy for Three Hundred and Sixty Four (364) days , commencing approximately on January 1, 2011 in the following property: approximately 2,914 square feet located at Comstock-Common Area, 1725 K Street, Sacramento California, ("Premises") in the Midtown Manor Community. A diagram of the Premises is attached as Exhibit "A", and incorporated herein by reference.

B. Either party shall have the right to cancel this Lease at no cost or penalty by giving the other party thirty (30) days written notice.

2. SCHEDULE:

A. The Lease term shall commence when the Premises are prepared for occupancy, or the date LESSEE takes possession of the Premises, whichever occurs first.

B. When the date of commencement of the term has been ascertained, the parties shall then execute the attached *Exhibit "B"* Confirmation of Lease Term.

3. RENTAL RATE:

The yearly rental rate is **ONE DOLLAR (\$1.00)** annually paid in advance (rent does not include utilities).

4. USE:

A. The Premises shall be used by LESSEE only for purposes related to operation of a urban youth lounge and career center, including administrative offices, for the following: i) career development/center, ii) resource lounge, iii) computer lab, iv) after school program, and v) teen program and adult empowerment, but for no other uses without LESSOR's written consent.

VIBE Lease Agreement

December 7, 2010

B. LESSEE shall have the right to share use of the Common Area and the restrooms in the Premises.

C. The Premises shall be available to the LESSEE between the hours of 2:00 p.m. and 10:00 p.m., Monday thru Thursday, 2:00 p.m. and 12:00 a.m., Friday and 8:00 a.m. and 12:00 a.m. Saturday and Sunday.

D. LESSEE shall provide a security guard for all special and evening events.

5. ALTERATIONS BY LESSEE:

LESSEE is responsible for the construction and installation of all tenant improvements required to conform the Premises to LESSEE'S needs, including all associated costs. Provided, however, LESSEE must obtain LESSOR'S approval of the proposed tenant improvements before commencement of any of the work. The estimated costs for construction of the tenant improvements are set forth in the attached Exhibit "C", "Schematic Construction Estimate". LESSEE shall immediately pay all costs of labor, services and materials supplied in prosecution of any work to be done on the Premises, if such work is approved. LESSEE shall keep the Premises free and clear of all mechanics liens and any other liens. All work must be approved by LESSOR, in addition to any required City approvals, before LESSEE commences its operations on the Premises.

LESSEE may make no other alterations to the Premises without the prior written consent of LESSOR.

6. UTILITY SERVICE PAYMENT:

A. LESSEE shall pay \$320.54 (\$.11x 2914 sq. ft.) monthly, a prorated share for gas and electricity charges incurred for heating, lighting, and cooling the premises during the term of this Lease, and LESSEE shall provide, at its own cost, all necessary janitorial service.

B. LESSEE shall furnish all electric light bulbs and/or tubes as required during the term of this Lease.

C. LESSOR shall pay all sewer and water charges.

D. LESSOR shall at its own cost and expense, furnish garbage and waste removal services for the premises. LESSEE shall not overburden these services.

7. INDEMNIFICATION:

LESSEE agrees to indemnify, defend and hold LESSOR and LESSOR'S governing boards, employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily

VIBE Lease Agreement

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injury, personal injury, or property damage resulting from any cause occurring in or about or resulting from an occurrence in or about Premises during the Lease Term; unless caused by the gross negligence or willful misconduct of LESSOR.

The provisions of this Section 7 shall survive the expiration or sooner termination of this Lease.

8. INSURANCE:

LESSEE shall comply with LESSOR'S insurance requirements, attached hereto as *Exhibit "D"*.

9. MAINTENANCE OF FACILITY:

LESSEE at its cost shall maintain in good repair and tenantable condition, the interior of the leased premises, including but not limited to: interior walls, ceilings, glazing, floor covering, plumbing fixtures, hot water heater, lighting fixtures (ballasts, bulbs) and any furnishing, partitions or systems specifically installed or required for the LESSEE use. LESSOR at its cost shall maintain the exterior walls, roof, grounds, exterior lighting, and HVAC equipment, fire alarm and extinguisher systems.

10. FACILITY PARKING:

LESSEE and its clients, guests and invitees, shall not have the right to any parking spaces and, therefore are not to park on-site.

11. REPAIR CONTRACT:

LESSOR shall designate sources to be called when repairs to the electrical and plumbing systems are required. Said sources shall be called in the event LESSEE is unable to contact LESSOR within a reasonable time.

12. RISK OF HAZARDS:

LESSEE shall not do anything on the premises, nor bring or keep anything thereon which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction.

13. LESSEE OWNED ITEMS:

All permanent fixtures, partitions or other improvements made or installed under the requirements of this Lease, by either LESSOR or LESSEE, shall remain the property of the

VIBE Lease Agreement

December 7, 2010

LESSOR. LESSEE shall repair any damage to the leased premises resulting from removal of any fixture, partition or other improvement installed by LESSEE.

14. SUCCESSORS-IN-INTEREST:

LESSEE may not be transferr or assign this Lease. Any purported assignment of this LEASE by LESSEE or any interest in this LEASE shall be void and of no effect.

15. WRITTEN COMMUNICATIONS:

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail.

Such matters shall be addressed to the other party at the following address:

To LESSOR at:

Housing Authority of the City of Sacramento
801 12 th Street
Sacramento, CA 95814

Phone No. (916) 449-6219
Fax No. (916) 442-3718

To LESSEE at:

VIBE
1725 K Street
Sacramento, CA 95815

Phone No. (916) 451-2521

or such other address as a party may designate to the other by notice.

B. Any matter mailed pursuant to this paragraph shall be deemed communicated within forty-eight (48) hours from the time of mailing.

16. RIGHT AND REMEDY:

No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in writing and shall not be a waiver of any other default concerning the same or any other provisions of the Lease.

VIBE Lease Agreement

December 7, 2010

17. RULES AND REGULATIONS:

LESSEE'S occupancy and use of the Premises shall at all times be conducted in manner that is in compliance with LESSOR'S Rules and Regulations for the Midtown Manor Community as promulgated from time to time at the sole discretion of LESSOR. Violation of these Rules and Regulations will be a default by LESSEE, in which case LESSOR may terminate this Lease on 48 hours written notice.

LESSOR:

LESSEE:

HOUSING AUTHORITY OF
THE CITY OF SACRAMENTO, a public
body, corporate and politic

THE VIBE FOUNDATION, a California nonprofit
public benefit corporation

By: _____
LaShelle Dozier
Executive Director

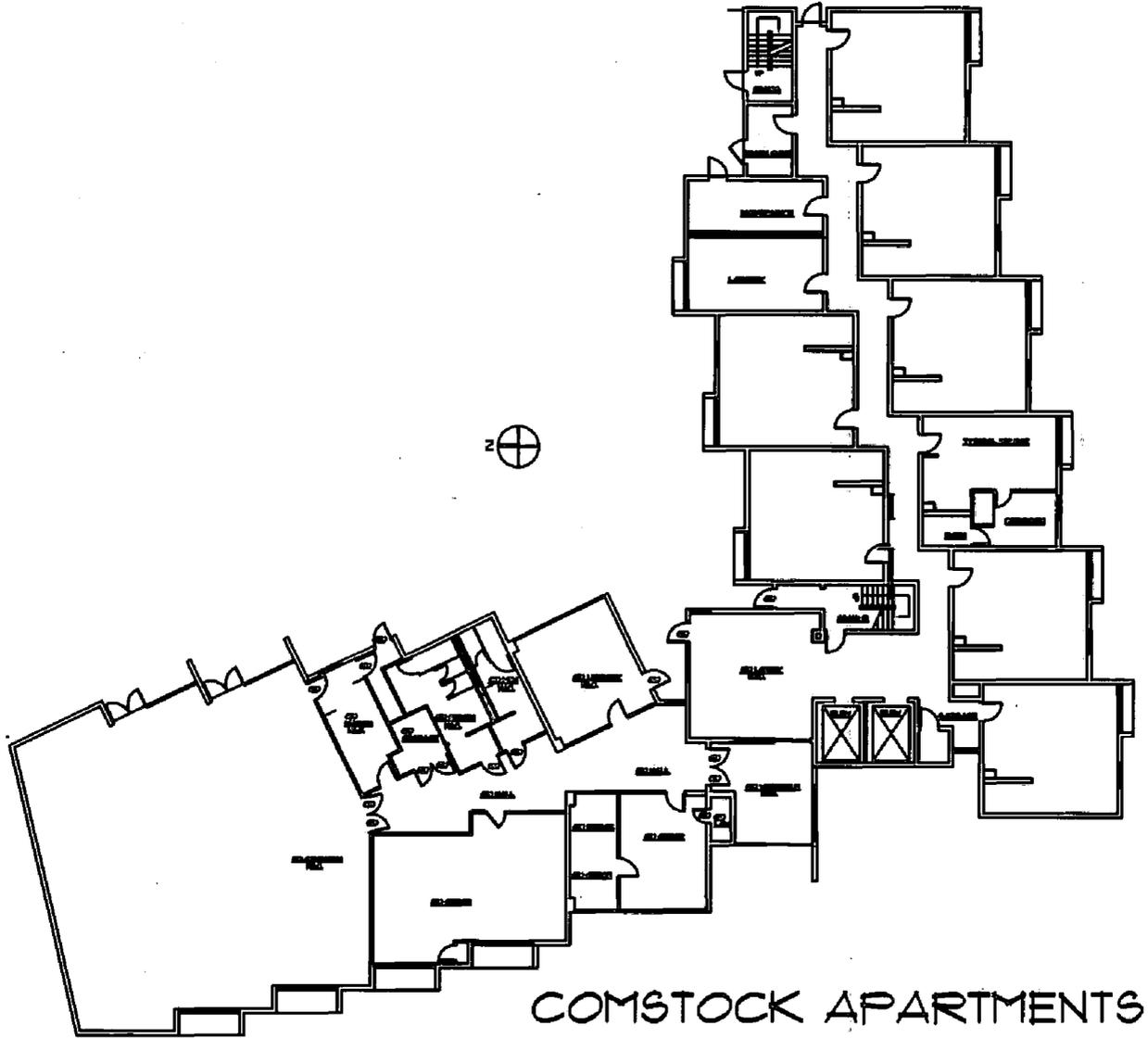
By: _____
Christina Giffin
VIBE Adult Advocate

DATE: _____

DATE: _____

APPROVED AS TO FORM:

AGENCY COUNSEL



COMSTOCK APARTMENTS
1725 K STREET

CONFIRMATION OF LEASE TERM

LESSOR: HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

LESSEE: VIBE

LEASE DATE: January 1, 2011

PREMISES: Approximately 2,914 sq. ft. located at 1725 K Street, Sacramento, CA.

LEASE COMMENCEMENT DATE: January 1, 2011

LEASE TERMINATION DATE: December 30, 2011

LESSOR:

HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, a public body, corporate and politic

By: _____

Its: _____

DATE: _____

LESSEE:

VIBE Foundation, Inc., a California nonprofit public benefit corporation

By: _____

Its: _____

DATE: _____


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VIBE - Urban Youth Lounge

1725 K Street, Sacramento, CA

Schematic Construction Estimate

June 15, 2009

LOUNGE AREA ONLY

Description	Quantity	Cost
DEMOLITION		
Hazardous Material Abatement	1 ls	\$ 25,000
Sawcut/Remove Front Planters	250 sf	\$ 2,500
Remove Existing Exterior Storefront/Brick - For New Door	172 sf	by SHRA
Remove Floor Base		see Abatement Allowance
Remove Roll-up Counter Door	1 ea	\$ 110
Remove Kitchen Pass-Thru Counter	8 lf	\$ 110
Remove Flooring		see Abatement Allowance
Remove Ceiling T-Bar and Tiles		see Abatement Allowance
Remove Piping and Ductwork		see Abatement Allowance
Remove Light Fixtures/Cameras	2,630 sf	\$ 723
Remove and Store Projection Screen	1 ea	\$ 110
Miscellaneous Demolition	2,630 sf	\$ 1,447
DEMOLITION		\$ 30,000
SITEWORK		
Bike Rack		see Equipment Budget
New Back Patio Fence	34 lf	\$ 408
Landscaping and Irrigation at Front	100 sf	\$ 500
New Entry Concrete	80 sf	\$ 1,200
New Planter Seat Walls	30 lf	\$ 6,000
SITEWORK		\$ 8,108
STRUCTURE		
Tube Steel Support at New Front Entrance	0.25 tn	\$ 1,125
STRUCTURE		\$ 1,125
EXTERIOR SKIN		
Signage, Articulation	1 ls	\$ 8,000
Storefront Entrance and Retrofit Window	1 ea	by SHRA
EXTERIOR SKIN		\$ 8,000
ROOFING		
No Work		\$ -
ROOFING		\$ -

VIBE - Urban Youth Lounge

1725 K Street, Sacramento, CA

Schematic Construction Estimate

June 15, 2009

LOUNGE AREA ONLY

Description	Quantity	Cost
INTERIOR CONSTRUCTION and FINISHES		
Clean-up/Prep Concrete Floor	see Abatement Allowance	
Clean-up/Prep Truss/Underside of Roof	2,630 sf	\$ 2,893
Seal Concrete Floor	2,630 sf	\$ 7,890
Handrail at Stage Ramp	20 lf	\$ 240
Pass-Thru Counter	8 lf	\$ 800
Food Cart Storage Cabinet	24 lf	\$ 7,200
Check-in Desk and Laptop Charging Station	1 ls	\$ 10,000
Smoothie Bar Casework	1 ls	\$ 15,000
Metal Panel Soffits (over benches)	315 sf	\$ 945
Floating Round Ceilings	600 sf	\$ 5,400
Roll-up Counter Door	1 ea	\$ 3,200
"Barn" Door at Study Room	1 ea	\$ 2,000
Frame Stage with Steps and Ramp	295 sf	\$ 2,065
Frame and Sheetrock Study Room Walls - 14' high	380 sf	\$ 1,900
Frame and Sheetrock Chase Wall at Check-in - 14' high	140 sf	\$ 1,400
Frame and Sheetrock Study Room Ceiling	160 sf	\$ 960
Frame Benches	100 sf	\$ 1,000
Flooring at Stage	300 sf	\$ 1,500
Paint Walls and Study Room Ceiling	3,835 sf	\$ 5,753
Reinstall Projection Screen	1 ea	\$ 110
Area Signage	6 ea	\$ 330
"Curtain" at Study Tables - 10' high	200 sf	\$ 2,000
INTERIOR CONSTRUCTION		\$ 72,586
SPECIAL EQUIPMENT		
Furniture, Rugs, Etc.	see Equipment Budget	
Smoothie Bar Equipment	see Equipment Budget	
Check-in Equipment	see Equipment Budget	
A/V Equipment	see Equipment Budget	
SPECIAL EQUIPMENT		\$ -
MECHANICAL		
Plumbing	n/a	\$ -
Fire Protection	n/a	\$ -
Mechanical - Distribution Only	2,630 sf	\$ 21,040
MECHANICAL		\$ 21,040

VIBE - Urban Youth Lounge

1725 K Street, Sacramento, CA
Schematic Construction Estimate
June 15, 2009

LOUNGE AREA ONLY

Description	Quantity	Cost
ELECTRICAL and LOW VOLTAGE		
Electrical - Power and Lighting (no new service)	2,630 sf	\$ 26,300
Pendant Light Fixtures	8 ea	\$ 1,640
Fire Alarm	2,630 sf	\$ 7,890
Security System		see Equipment Budget
ELECTRICAL and LOW VOLTAGE		\$ 35,830
GENERAL CONDITIONS - Superintendent		
Superintendent	2 mn	\$ 28,160
Telephone	2 mn	\$ 400
Truck and Fuel	2 mn	\$ 2,000
Supplies	2 mn	\$ 3,000
GENERAL CONDITIONS		\$ 33,560
<hr/>		
SUBTOTAL CONSTRUCTION COSTS		\$ 210,248
	\$/sf	\$ 80
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Fee - 0.0%		\$ -
Liability Insurance - 0.9%		\$ 1,893
All-Risk Insurance - 0.9%		\$ 1,893
Payment and Performance Bond	n/a	\$ -
Plan Check and Permits	1 ls	\$ 25,230
LEED Certification (??)	1 ls	\$ -
Design Contingency - 0%	1 ls	\$ -
Construction Contingency - 0%	1 ls	\$ -
Escalation - 0%	9 mn	\$ -
TOTAL CONSTRUCTION COST		\$ 239,344
	\$/sf	\$ 91



INSURANCE REQUIREMENTS:

Basic Requirements

Any questions or concerns regarding insurance coverage should be discussed with Procurement Services, General Counsel, or Risk Management. Work should not proceed until insurance issues / concerns are resolved.

During the term of the contract, the vendor must maintain the following insurance coverage from insurance providers licensed to do business in California and having a Best's rating of at least A-VII, or a rating of such other rating service as the Agency, in its sole discretion, shall require.

1. Commercial General Liability – A policy of comprehensive general liability insurance which shall include, without limitation, coverage for contractual liability, public liability and property damage, written for not less than the single limit liability coverage stated.
 - a. Contractor shall provide Commercial General Liability Insurance using ISO “Commercial General Liability” policy form CG 00 01, with limits of no less than \$1,000,000 per occurrence for all covered losses and \$2,000,000 general aggregate and having a deductible of Twenty-five Thousand Dollars (\$25,000) or less.
 - b. Infrastructure projects and projects over one million dollars need to be reviewed by General Counsel to determine insurance limits.
2. Automobile Liability – If motor vehicles are used in performing services in connection with this Contract, a policy of automobile liability insurance written for not less than the liability coverage stated.
 - a. If motor vehicles are used in connection with this Contract, Three Hundred Thousand Dollars (\$300,000) or more of automobile liability coverage having a deductible of Five Thousand Dollars (\$5,000) or less.
 - b. For construction and maintenance service contracts, contractor shall provide auto liability coverage for owned, nonowned, and hired autos using ISO Business Auto Coverage form CA 00 01 or the exact equivalent with a limit of no less than \$1,000,000 per accident and having a deductible of Five Thousand Dollars (\$5,000) or less.
 - c. For contracts where a motorized vehicle is required for the performance of contracted services (appraisers, real estate brokers, etc.), contractor shall provide auto liability coverage for owned, nonowned, and hired autos using ISO Business Auto Coverage form CA 00 01 or the exact equivalent with a limit of no less than \$1,000,000 per accident and having a deductible of Five Thousand Dollars (\$5,000) or less.
3. Workers compensation – A workers compensation policy which covers all employees of vendor and each and every subcontractor and which is written in accordance with California law.

Insurance Requirements

- a. Contractor shall provide Workers Compensation and Employers Liability Insurance on a state approved policy form providing benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.
 - b. California law requires a company to have Worker's Compensation insurance if they have one (1) or more employees. It is required whether the employee is full-time, part-time, or temporary. All employees of a company as legally defined including corporate officers and directors must be included in the Worker's Compensation policy unless they are owners of the firm. An owner of a firm is defined as having a 25% interest in the firm.
 - c. A family member is an employee unless he/she is an owner in the firm. An owner of a firm is defined as having a 25% interest in the firm.
 - d. Roofers are required to have Worker's Compensation for the owner. It does not matter whether or not the company has employees; the company must have Worker's Compensation, because the owner must be covered.
4. Product Liability or Excess Liability – Construction contracts for work over \$5,000 require Product Liability or Excess Liability insurance for the coverage stated.
- a. For construction contracts over \$5,000.
 - b. Contractor shall provide "all risk" coverage for the completed value of the project. Policies shall contain the following provisions: (1) Agency shall be named as loss payee; and (2) the insurer shall waive all rights of recovery against Agency.
 - c. Not required for modernization work which does not involve structural alterations or additions and where the Agency's existing fire and extended coverage policy can be endorsed to include such work.
 - d. The Contractor shall obtain and maintain, during the term of the Contract, property insurance upon the Project at an amount equal to the full insurable value of the Project at all times. The insurance shall include the interest of the Agency and the contractor as named insured, and all subcontractors and sub-contractors as their interest may appear, in the Project and shall insure against the perils of fire and extended coverage and shall include "all risk" insurance for physical loss and damage including without duplication of coverage, theft, vandalism, and malicious mischief.
5. Professional Liability (Errors or Omissions) – only required for Design Professionals. The architect / engineer shall maintain errors and omissions insurance at all times the Contract is in effect and for a period of five years (or for as long as available at commercially reasonable rates) after final completion of the Project.
- a. Coverage of not less than \$1,000,000 per occurrence and a deductible of not more than \$25,000.
6. Failure to maintain the required insurance coverage is a material breach of the Contract. Agency shall, nevertheless, have the right, without obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and coverage. Vendor must immediately reimburse Agency for any

Insurance Requirements

and all costs incurred by Agency in obtaining or maintaining such insurance. If Agency does incur such costs, Agency shall have the right to withhold such amount from any payment due to the vendor under the Contract and to reduce the compensation payable to the vendor under the Contract by such amount.

7. Before beginning any work under the Contract, vendor must provide Agency with certificates of insurance with attached endorsements. Vendor may be requested to provide complete copies of the insurance policies demonstrating the required coverage. Vendor must assure that such certificates are in a form reasonably acceptable to the Agency and reflect fulfillment of all of the requirements of the Contract.

Agency as Additional Insured

All of the insurance policies, except the workers compensation policy, shall name the Sacramento Housing and Redevelopment Agency and its constituent entities” as additional insureds.

30-Day Cancellation

1. For contracts which require more than 30 days for the performance of work, the vendor must assure that the coverage afforded under the policies can only be canceled after thirty (30) days prior written notice to the Agency of the pending cancellation. **All** insurance certificates and the underlying policies shall each contain a provision stating that coverages afforded under the policies shall not be canceled until at least thirty (30) days prior written notice has been given to the Agency at the following address:

Sacramento Housing & Redevelopment Agency
801 12th Street, 2nd Floor – Procurement Services (PS)
Sacramento, CA 95814

2. There are two ways to satisfy this requirement:
 - a. The cancellation clause on the certificate of insurance may be modified to read as follows:

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will ~~endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such a notice shall impose no obligation or liability of any kind upon the company, its agents or representative.~~

- b. The following statement may be included on the insurance certificate:

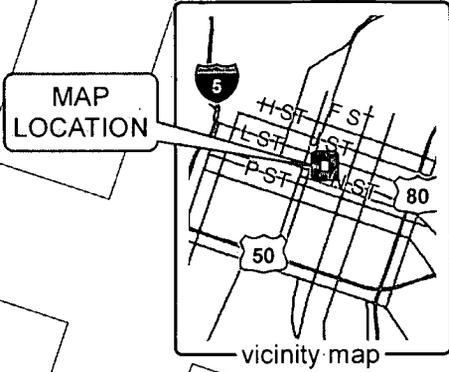
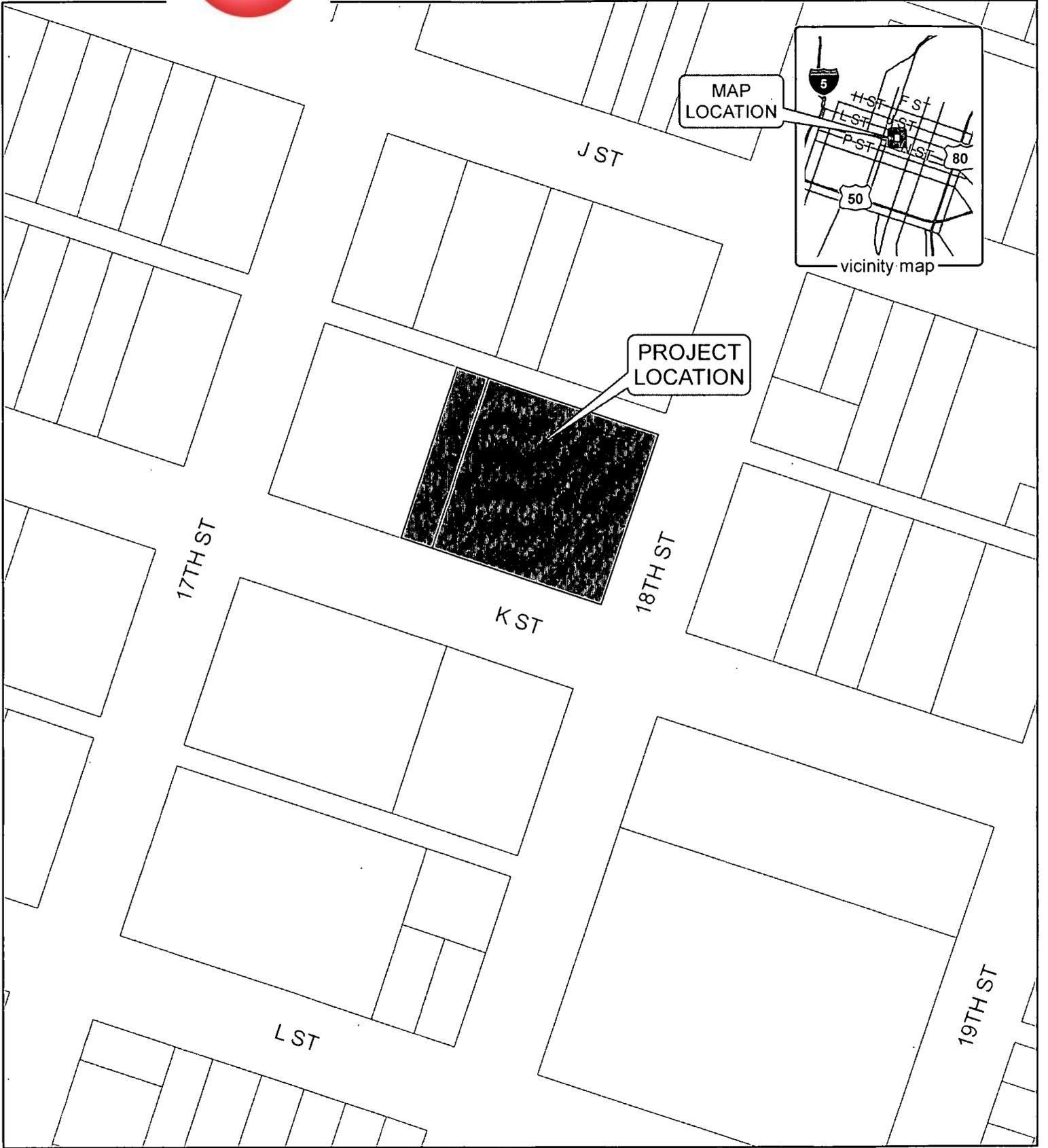
Notice of cancellation will be provided within ten (10) days for non-payment, and within thirty (30) days all others.

TRADE	SCOPE	Company	Contact Person
Hazardous Materials	Abatement	Parc Specialty	Greg Johnson
	Testing	Entek	Rick Beall
Demolition	Exterior Sawcut & Removal	Laborers Union	Jeff Armstrong
	Exterior Window Removal	Laborers Union	Jeff Armstrong
	Interior Soft Demo	Laborers Union	Jeff Armstrong
	Dumpsters	Elk Grove Waste	Paul Caminata
Site Furnishings	Patio Fence	TBD	
	Bike Rack	TBD	
Landscape	Planting	Takahara	Craig Kanaya
	Irrigation	Aerco Pacific	Brian Murray
Concrete Place & Finish	Exterior Flatwork	Urata Concrete	David Acrell
	Exterior Seat Wall	Urata Concrete	David Acrell
Steel & Metals	Tube Steel Support at New Entry	Metal Works	Mike Phulps
	Handrail at Stage	Metal Works	Mike Phulps
	Metal Panels at Soffits over Window Benches	Metal Works	Mike Phulps
Glass & Glazing	New Entry Storefront & Window	TBD	
Carpentry	Frame Stage	McClone	Brian Furlong
	Frame Window Benches	Carpenters	Alex Kothny
	Frame Soffits over Window Benches	Carpenters	Alex Kothny
Casework	Food Cart Storage Cabinet	Allens Cabinets (tentative)	
	Smoothie Bar	McClone	Brian Furlong
	Pass-Thru Counter	McClone	Brian Furlong
	Check-in Station	McClone	Brian Furlong
	Laptop Charging and Storage	McClone	Brian Furlong
	Kitchen Cabinets	TBD (may not replace)	
Insulation	Underroof Insulation	Pacific Coast	Darren Morris
	Duct Insulation	Pacific Coast	Darren Morris
Roofing	Roof Patch?		
Special Doors	Roll-up Counter Door	The Smith Co	Gerry Kearney
	Barn Door at War Room	TBD (may use alternate door)	
Metal Stud & Drywall	War Room Walls and Ceiling	New West Partitions	Mike O'Neill
	Check-in Chase Wall	New West Partitions	Mike O'Neill

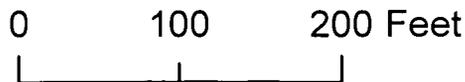
Flooring	at Stage	PCI	Michael Darrow
Painting & Coatings	Sheetrock Walls and Ceilings	Sac City Painting	Travis Bayer
	Open Ceiling	James L. harris Painting	Mike Taylor
	Window Benches	"	"
	Stain and Seal Concrete Floors	"	"
Signage	Interior - Area Signage	TBD (may not add interior signage)	
	Interior - Donor Recognition	TBD (may not add interior signage)	
	Exterior - Address Numbers	TBD (may not add interior signage)	
	Exterior - Building Signage	Weidner Architectural	Jeff Ennis
Window Coverings	Blinds	Rico's Draperies	Rico Morotti
	"Mesh" Curtain at Study Area	Rico's Draperies	Rico Morotti
Kitchen Equipment	Cold Food Case	TBD (may not add bar area)	
HVAC	New Ductwork/Grills/Distribution	Lawson Mechanical	Stephen Humason
Electrical	Power Distribution/Outlets	Schetter Electric	Rick Richards
	Lighting - General	Cupertino Electric	Daniel Johnson
	Lighting - Pendants over Smoothie Bar	Cupertino Electric	Daniel Johnson
	Lighting - Pendants over Chill Areas	Cupertino Electric	Daniel Johnson
	Fire Alarm	JC Projex (tentative)	Jennifer Fortsch
Low Voltage	Security System	JC Projex (tentative)	Jennifer Fortsch
	Telecommunications	JC Projex (tentative)	Jennifer Fortsch



1725 K St



1725 K St



SHRA GIS
November 18, 2010