

**CONTRACT AGREEMENT**

facility maintenance management and cleaning services for the Diplomatic Chancery at the Embassy of Italy (property located at 3000 Whitehaven Street NW, Washington D.C.)

**between**

the Embassy of Italy located at 3000 Whitehaven Street NW, Washington DC 20008 represented by Ambassador Claudio Bisogniero, hereinafter referred to as Owner

**and**

....., located in ....., registered with the Federal Government with Employer Identification Number ..... registered and licensed to do business in the State of .....License Number ....., Register Number .....and represented by .....as ....., hereinafter referred to as Contractor.

**Whereas**

- Since 2000, the Embassy of Italy is the property owner of a building located at 3000 Whitehaven ST NW, Washington DC, USA, used as the site of the Diplomatic Chancery;
- One of the main features of the above mentioned building consists of the advanced level of its structures and systems;
- The building needs a constant activity of preventive maintenance and qualified personnel for the preservation of the structures and for the running of the building systems;
- A public bid notice was published on July 13<sup>st</sup> 2015 announcing the Owner’s intention to award, for three year period from 2016 to 2018, the services of facility maintenance and cleaning;
- Upon the completion of the public bid, the contract has been awarded to .....
- Contractor has provided affidavit regarding the possession of the requirements requested by the bid;
- The financial offer presented by Contractor is outlined as follows:
  - Total amount for the three years 2016, 2017, 2018:  
\$.....(.....).
  - Each calendar year:  
\$.....(.....) of which  
\$..... (.....) for cleaning services.

NOW, THEREFORE, for and in consideration of the foregoing, and the mutual promises and covenants hereinafter made, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follow:

**Article 1 (Forward):**

1.1) All attached technical specifications (exhibit no.1) are integral parts of this Contract.

**Article 2 (Contract):**

2.1) The Owner and the Contractor agree to be legally and formally bound - particularly with respect to the Italian laws and US technical codes and regulations - to perform and provide the services and supplies outlined in this Contract at the prices, terms and conditions stated and agreed to in this Contract.

**Article 3 (Scope of work)**

3.1) The scope of work of this Contract is to provide the building maintenance services, cleaning services and landscaping services of the property located at 3000 Whitehaven Street, N.W. Washington DC, as set forth in this contract and in Exhibit no. 1.

3.2) More specifically, these services include both Exhibit no.1 and the following:

a) Facility management:

- a.1) maintenance and updating the technical manuals regarding mechanical equipment, plumbing, electrical, elevators and structural aspects of the building.
- a.2) provide reports on the conditions of the building and projections of future repairs as needed for the entire property, and monitoring the energy consumption;

b) The scheduled and ordinary maintenance of the following systems:

- b.1) elevators and dumbwaiters: “full service” 24 hour maintenance year round for all six elevators and for the dumbwaiters. All major repairs, modifications or upgrades are excluded from this contract.
- b.2) mechanical equipment/system: full maintenance and inspection of the mechanical system, including manual and inspection labor along with the limited necessary materials to keep the mechanical equipment/systems in proper running condition. All major repairs, modifications or upgrades are excluded from this contract.
- b.3) electrical and fire systems: full maintenance both preventive and emergency calls for the electrical and the fire systems. The purchase of all necessary materials (lamps, switches, etc.) will be at Contractor’s expense. This service includes, without further cost to the Owner, the annual test of the fire alarm system according to the NEC codes and of the District of Columbia. All major repairs, modifications or upgrades are excluded from this contract.
- b.4) water system: full maintenance of the water system, including inspection for the proper functioning of the water systems. All major repairs, modifications or upgrades are excluded from this contract.

- b.5) landscaping: keeping in good condition all landscaping, mowing of grass and maintenance of existing landscaping; trimming of the areas surrounding bushes and trees; periodic fertilization, weeding and repairs; aesthetic trimming of bushes, trees and hedges, cleaning of foliage during fall and as needed. All major repairs, modifications or upgrades are excluded from this contract;
- c) Cleaning of the premises (interior and exterior) as follows:
  - c.1) daily cleaning of the interior of the building on work days, including major cleaning to be done following all events, official and otherwise, that have taken place in the Embassy spaces;
  - c.2) daily cleaning and sanitization of restrooms on work days;
  - c.3) hourly cleaning of bathroom facilities on ground floor during events dedicated to Italy's National Day, Italian Armed Forces Day, and EU Embassies Open House Day;
  - c.4) quarterly cleaning of all windows on the second, third and fourth floor, inside and outside or as needed. Cleaning of the skylight once every three months;
  - c.5) all windows glasses and door glasses in the first floor, inside and outside, shall be cleaned monthly or as needed;
  - c.6) daily vacuuming of all carpets and deep cleaning of the same every 6 (six) months;
  - c.7) cleaning of the garage and driveway monthly or as needed;
  - c.8) removal of all snow from external, inside and outside areas, parking areas and driveway areas used by pedestrians and vehicles as required.

All cleaning and needed supplies are furnished by the Contractor at its sole expense.

- 3.3) As regards the schedule of the building maintenance, landscaping and cleaning services, Owner reserves the right to determine any and all priorities of the service to be rendered, including on a temporary basis.
- 3.4) Cleaning and landscaping services are to be done only in accordance with the Owner's request.

**Article 4 (Purpose of services):**

- 4.1) The building maintenance activities regulated by this Contract have the purpose of providing mechanical and operational support for the following systems and their requirements as indicated in Article 3 of this Contract and in the technical specifications attached (exhibit no.1):
  - a) the activities of facility management and maintenance of the property;
  - b) for the elevator system and dumbwaiter to operate properly, and in the event of malfunction, manage the repair in a timely manner;
  - c) for the HVAC system and boiler system to operate properly and adequately, and in the event of malfunction, manage the repair in a timely manner;
  - d) for the electrical system, in general, including the generators and the MT/BT cabinets to operate properly and safely; routine testing of the emergency

lights, fire alarm systems, to meet the NEC and the District of Columbia laws and regulations, and in the event of malfunction, manage the repair in a timely manner;

- e) for landscaping, care of the lawn and of all the other plants;
- f) for the water-sanitation system, requirements related to the normal conditions of use.

**Article 5 (Definitions):**

5.1) “Ordinary Maintenance” is defined as the kind of operations, described in Article 3 and in the technical specifications (exhibit no.1) for the objective of maintaining the performance levels described in Article 4.

The following is required:

- a) the Contractor is responsible to manage the personnel in order to assure the full operation of the contract;
- b) the Contractor provides a facility manager who is a qualified individual (to be approved by Owner) available on-site on all work days and on days dedicated to Italy’s National Day, Italian Armed Forces Day, and EU Embassies Open House Day, who the Owner can refer all daily necessities, problems, anomalies and damages;
- c) an assistant facility manager present during all work days and hours and on days dedicated to Italy’s National Day, Italian Armed Forces Day, and EU Embassies Open House Day with the responsibility of coordinating and Supervising all maintenance, cleaning and necessary technical interventions;
- d) contractor is responsible for the daily performance of cleaning personnel both inside and outside the building, with particular attention given to the areas at the first floor (atrium, reception rooms, auditorium, and cafeteria);
- e) the Contractor shall be equipped with proper hand-tools, ladders, extension cords, carts, and similar equipment for the execution of ordinary facility maintenance;
- f) the Contractor shall be responsible for the execution of minor repairs and adjustments related to the activities of ordinary wear and tear maintenance, such as the changing of light bulbs and the replacement of filters, not including the substitution of machinery, parts, and pieces of the equipments to be maintained;
- g) the Contractor must notify, by written notice, to the Owner prior to the making of any repair. All major repairs must be pre-approved by the Owner.
- h) the coordination and communication as regards any pre-approved major modifications and renovations to the facility, the Contractor will assist the Owner to obtain design specifications along with related manuals;
- i) the Contractor is responsible for maintaining the ordinary operation: replacement of defective parts, such as light-bulbs, filters and similar (all material will be purchased by the Contractor) performance of all minute jobs of repair and adjustment relevant for the ordinary maintenance of the systems, performance of all ordinary maintenance of the building whose cost will be borne by the Contractor up to a global yearly amount of US\$ 55,000.00. The Contractor may charge only invoices previously approved by the Owner to the foregoing budget.

5.2) “Extraordinary maintenance”.

The following is not covered by this agreement:

- a) restoration work following events or natural disasters that are out of the ordinary, similar to floods, earthquakes, thunderstorms, snow, acts of sabotage, acts of larceny, fire or tampering;
- b) the replacement of the systems or their parts;
- c) any work that involve the moving or replacement of systems, machinery or accessories resulting from modifications, change of location or demolition;
- d) any work to update or modify in compliance with new regulations, improvements and/or modifications to existing equipment;
- e) any repair and/or replacement of components and parts related to the facility that might deteriorate, from time to time, due to the normal wear and tear or natural causes;
- f) all major modifications to the system;
- g) when requested to perform any emergency intervention qualified as extraordinary maintenance, Contractor will ensure all its best efforts to restore and bring on normal conditions any disruption to the building systems that should cause interruption to Owner’s regular activities.

The Contractor has the obligation to report by written notice to the Owner all required repair to be made outside of this contract. He is obliged to provide an estimate of the costs required. The Owner can accept the estimate and can hire the Contractor or can arrange for other contractors to perform the required services.

**Article 6 (Facility management office):**

- 6.1) Owner will provide an office to Contractor only to be used for administrative purposes and to be used as an easy contact location. Owner will provide adequate storage facilities to Contractor for storage of all Contractor’s equipment and supplies used for this contract. The purpose of this is to have on-site assistant maintenance manager and remaining staff to provide better and more efficient service to the Owner. Contractor is responsible for its own phone/fax and costs of operation. Location of these facilities can be changed by Owner upon timely notification to Contractor.
- 6.2) The facility management office will be open and its staff will be available on site from 7:30 am to 4:30 pm from Monday to Friday and on days dedicated to Italy’s National Day, Italian Armed Forces Day, and EU Embassies Open House Day. Contractor will also provide two mobile phone numbers in addition to a phone and fax line and be available for emergency services outside the normal hours of work, all Saturdays and Sundays included. Contractor or its representative must be available 24 hours per day, 7 days a week, to be contacted by Owner as needed.
- 6.3) Any necessary maintenance operation, whether ordinary and/or extraordinary, must be carried out with extreme care for the safety of Owner and related staff, guests and visitors. With respect to the rules established by the Owner to preserve the security and the safety of the property and its employees, Contractor will provide in due time information regarding maintenance operations. However services to be rendered

under this Contract must be organized by Contractor without interfering with the institutional activity of the Owner.

- 6.4) All employee and persons providing any services under this agreement must comply with all security regulations of the Owner. The Contractor will provide to the Owner a list of the necessary documentation for all persons requiring admittance to the premises. The Owner will issue an identification badge to allow person to enter into the property. No entrance will be allowed without prior approval by Owner.

**Article 7 (Insurance):**

7.1) Contractor will provide to the Owner, prior to the commencement of the contract, a certificate of insurance with liability coverage as set forth in the following article 15, paragraph 15.2).

7.2) The insurance will be renewable each year through the contract expiration.

**Article 8 (Contract modifications):**

8.1) This Contract can only be modified in writing and agreed to by both parties.

**Article 9 (Contract amounts and payments):**

9.1) Owner agrees to pay and Contractor agrees to accept for the services rendered in each calendar year the compensation as determined in the present Agreement as follows:

For each of the three years 2016, 2017, 2018:

- \$ ..... (.....) for building maintenance, including but not limited to mechanical, electrical, plumbing systems. Upon receipt of invoice from Contractor, this amount will be paid to the Contractor in twelve installments of \$ ..... (.....) on the last work day of each month or, if holiday, on the following workday.
- \$ ..... (.....) for indoors and outdoors cleaning services. Upon receipt of invoice from Contractor, this amount will be paid to the Contractor in twelve installments of \$..... (.....) on the fifteenth of every month or, if a holiday, on the following workday.

9.2) Payment of the invoices by Owner will be accomplished through a bank check or bank wire transfer.

9.3) The agreed amounts are to be considered fixed and invariable. Each party can make revision of the costs only with the mutual written consent of both parties.

9.4) The total amount of this Contract payable by Owner to Contractor will include all the administrative, licensing, insurance, payroll and any other company related expenses, including:

- a) all the expenses consequent to the obligation of contracting an insurance policy covering harm to a third party (General Liability Coverage) as set forth in the following article 15, paragraph 15.2);
- b) expenses incurred for renewing Contractor's licenses as determined by State and local jurisdiction;

- c) normal cost of transportation, packing, tolls, storage, insurance to and from the facility for “Ordinary Maintenance” activities.
- 9.5) All “Extraordinary Maintenance” will be paid on all the proposals or estimates pre-approved by Owner upon job completion and receipt of invoices from Contractor.

**Article 10 (Inspections):**

- 10.1) Owner reserves the right to conduct independent inspections at Owner’s expense. When these inspections are performed during the regular working hours, Contractor will assist with the inspection without any additional cost to Owner.
- 10.2) Upon such inspections, if there are irregularities or maintenance noted, Contractor will take the proper steps for corrective action in a timely manner.

**Article 11 (Contractor’s additional obligations):**

- 11.1) Contractor will advise the Owner of the person to be appointed as Facility manager and his name will be mentioned in this contract . Contractor will advise the Owner of any change of the appointment of the Facility manager. The Owner reserves the right to approve this appointments.
- 11.2) Contractor will advise the Owner of the person to be appointed as Assistant facility manager. The Owner reserves the right to approve this appointments. All sub-contractors must be approved by the Owner.
- 11.3) Contractor accepts to perform the services in accordance with the technical regulations of the District of Columbia and the BOCCA code regulations. However, in performing the services under this Contract, Contractor must respect the instructions and directions provided by the Owner for security and surveillance issues.
- 11.4) Contractor, in performing the services under this Contract, is responsible for any liability or injury to its own employees or sub-contractors and or third parties.
- 11.5) Contractor is responsible for its own tools and materials in case of theft, damage or other losses, except through the proof of negligence by Owner.
- 11.6) This Contract will not constitute any agreement between Contractor, Contractor’s employees and sub-contractors to be bound as part-time or full-time employees of Owner or Italian Government.
- 11.7) Contractor and its employees must provide the necessary documents and photographs for security purposes and submit them to the Owner.
- 11.8) Contractor’s employees will, at all times, conduct themselves in a courteous and business-like manner to preserve the prestige and the image of the Owner. In the case of violation of this conduct by its employees, Contractor agrees to take appropriate action in order to protect the interests of the Owner. Action must be taken also if

requested directly by the Owner. In the case of the deliberate failure to take appropriate action the foregoing circumstance may lead to the unilateral termination of this contract.

- 11.9) Contractor agrees to respect, and to ensure its employees doing the same, the confidential nature of information data and documents in its possession and not disclose confidential information without Owner's approval. Obligation not to disclose confidential information will remain in effect even beyond the termination of this Contract.

**Article 12 (Owner additional obligations):**

- 12.1) Owner will be responsible for paying the expenses related to the following: water needed for the proper functioning of the various systems; electricity needed for the proper functioning of all machines, illumination of the mechanical rooms, fuel for the generators and a room used as the maintenance office and a room used as a storage room.
- 12.2) Owner is responsible for all utility expenses.

**Article 13 (Areas and equipment):**

- 13.1) Contractor acknowledges familiarity with the areas and equipment of the Owner and Owner will provide the necessary blueprints, manuals and drawings of the property. Contractor agrees to maintain all such documentation properly updated.
- 13.2) Contractor also agrees to leave, at the end of this contract, all used spaces in good and clean conditions. Contractor is obligated to provide, during the period necessary for the performance of duties, all the equipment needed and required by current building technology for the execution of services.

**Article 14 (Duration and dates):**

- 14.1) The services described in this Contract will effectively take place from January 1<sup>st</sup> 2016 to December 31<sup>st</sup> 2018. Any form of tacit renewal is excluded.
- 14.2) All services requested by Owner must be performed on or before 72 hours from Owner's request.

**Article 15 (Damages and liability):**

- 15.1) Contractor assumes full liability for any damage to the property or third parties resulting from the performance of services under this Contract.
- 15.2) For the purpose of paragraph 15.1) Contractor will provide for an insurance policy (GLC, General Liability Coverage) with an accredited national insurance company with a maximum amount of USD 2.000.000 (two million US dollars) for each accident, with the limit of USD 2.000.000 (two million US dollars) for each person sustaining physical damage and of USD 2.000.000 (two million US dollars) for damages to animals or things, without any number limitation. The Owner may, in any case, request compensation from the Contractor for eventual damages not covered by the insurance policy. The policy must remain in force for the entire duration of this

Contract. The policy and eventual extension and/or renewals must indicate the Owner as the sole beneficiary.

**Article 16 (Assignment):**

16.1) This Contract and any credits originating from same cannot be assigned by Contractor to others without Owner's written consent.

**Article 17 (Subcontracting):**

17.1) Contractor is responsible for all maintenance activities and is not allowed to subcontract these to third parties. It will, however, be allowed to subcontract technical interventions to companies specialized in that field, as provided by local customs. The Contractor will nonetheless be responsible for the subcontracted work as if it were its own. All sub-contractors must be licensed and registered to do business in the jurisdiction and must be notified in writing to the Owner.

17.2) Owner reserves the right to accept or deny the request of substitution of a subcontractor under reasonable circumstances.

**Article 18 (Access to the premises and systems facilities):**

18.1) Only those persons expressly authorized by the Owner will have access to the areas in which maintenance and cleaning are to be performed. Contractor will ensure that transit through and/or access to the above areas is allowed to authorized personnel and subcontractors.

**Article 19 (Hygiene and injury prevention):**

19.1) Contractor must adopt all necessary precautions and measures in order to guarantee the hygiene and safety of its workers or its subcontractors, and avoid damage of any kind to the property of the Owner.

19.2) The Contractor will clean all working areas, and all the other areas that are in some manner involved in their performance of daily services.

19.3) Regarding ordinary waste and recycling collected during the cleaning of the Owner's premises, these will be concentrated and deposited in the proper area and containers (trash and recycling bins at the disposal area). The disposal of such waste will be performed by a specialized company contracted and paid by the Owner. The cleaning of the trash bin disposal area will, however, be the responsibility of the Contractor.

19.4) Contractor is responsible for the appropriate disposal of all waste originated from its own activity.

**Article 20 (Force majeure):**

20.1) Neither party will be held responsible when the non-fulfillment of this Contract is caused by forces beyond one's control, such as, natural calamities, terrorist acts, new dispositions in public order, etc.. A strike is not considered a cause beyond one's control. In these circumstances the party whose performance is directly or indirectly affected by these forces must quickly inform the other party and take all possible actions and precautions to resolve the situation as soon as possible.

**Article 21 (Termination of the Contract):**

- 21.1) Owner has the right to terminate this Contract through written notification in the following cases:
- a) major failure to observe legislative norms, local rules or the provisions of this contract;
  - b) inadequacy or evident negligence in the Contractor's work;
  - c) major delays by Contractor in meeting operational deadlines as routinely envisioned in the provision of similar services;
  - d) violations defined in the paragraphs 11.8 and 11.9 of article 11 of the present Contract;
  - e) in case of Contractor's bankruptcy.

**Article 22 (Contractual modifications):**

- 22.1) The present Contract, including its technical specifications (attached as exhibit no.1) cannot be tacitly modified without the written consent of both parties.

**Article 23 (Compliance with Federal and State laws)**

- 23.1) The Contractor shall be responsible to comply with all Federal, State and local laws and regulations including registration and licensing of the Contractors and all sub-contractors

**Article 24 (Domicile and representation):**

- 24.1) Contractor expressly declares its domicile as the legal domicile specified in the present Contract, that it is licensed and registered to do business in the jurisdiction, and that it will not change it, without prior written notification to Owner, during the period this Contract is in force. The Contractor agrees that representations made by the Contractor are true.

**Article 25 (Disputes and arbitration):**

- 25.1) The parties to this Contract pledge to collaborate in good faith towards a mutual resolution of any eventual dispute that might arise in the administration and execution of the present Contract.
- 25.2) Any disputes that cannot be resolved by the two parties to this Contract will be referred to a board of three arbiters: one arbiter will be chosen by Owner and one will be chosen by Contractor; the third will be chosen by the two foregoing arbiters and will act as president of the board. The board's deliberations will be intended as the negotiated will of both parties, who will accept the resolution integrally in fulfilling the arbitration. Said arbitration board will not be constrained by any formality and its decision will have contractual force between the parties, excluding any possibility of impingement or complaint.
- 25.3) Once the controversy is born through a complaint by one of the parties, which has named its arbiter and given notification of same to the other party by certified mail return receipt requested, the other party must name its own arbiter, following the same procedure as above, within 30 days from receiving the complaint. The two

designated arbiters will have 10 working days to name the president of the arbitration board.

**Article 26 (Referring law):**

26.1) Notwithstanding eventual obligations foreseen by local laws, the present Agreement is intended as regulated by Italian law as well as US Federal and State law.

**Article 27 (Warranty):**

27.1) For the warranty of the performance of this contract, the Contractor, upon signing the contract, will deliver a performance bond or a certified check equal to 10% of the first year contract amount to be held by the Owner. The guarantee will be proportionally returned during the 36 months of the contract.

**Article 28 (Contract efficacy):**

28.1) This Contract is immediately binding for the Contractor whereas it will become binding for the Owner only upon approval of the Italian Government Audit Agencies.

**Article 29 (Expenses):**

29.1) All expenses related to the present Contract, no exclusions, will be paid by the parties.

This agreement contains the entire understanding between the parties respecting the matters set forth and supersedes all prior or contemporaneous agreements, understandings, representations and statements, oral or written, between the parties hereto and respecting such matters. Any changes in this agreement must be in writing and signed by both parties. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have caused these presents to be signed and sealed or, in the event of a Corporate party in its name by its duly authorized officers, all done on the date set forth hereinafter.

**For the Owner**

**(Contractor)**

The Ambassador

By

\_\_\_\_\_

\_\_\_\_\_

Dated:

Dated: