NOTICE OF AMENDMENT OF CONTRACT

TO: Kathmar Construction Inc
14305 Old Columbia Pike
Burtonsville, MD 20866

DATE ISSUED: MAY 20, 2015

CONTRACT NO: 535-13

CONTRACT TITLE: Traffic Calming Devices

THIS IS A NOTICE OF AMENDMENT OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

This is your notice that the above referenced contract has been modified as detailed in the attached Amendment 1.

CONTRACT PRICING:
1) REFER TO AGREEMENT NO. 535-13

ATTACHMENTS:
1) AMENDMENT 1 TO AGREEMENT NO 535-13

EMPLOYEES NOT TO BENEFIT:
NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: Katherine Hinken
TELEPHONE NO.: 301-384-6864
EMAIL ADDRESS: kathmarconstruction@verizon.net

COUNTY CONTACT: Carla Alayon
TELEPHONE NO.: 703-228-6408
EMAIL ADDRESS: calayon@arlingtonva.us

CONTRACT AUTHORIZATION
Igor Scherbakov
Purchasing Officer

5/20/15
Date

DISTRIBUTION
VENDOR: 1
BID FOLDER: 2
ARLINGTON COUNTY, VIRGINIA
AGREEMENT NO. 535-13
AMENDMENT NUMBER 1

This Amendment Number 1 ("Amendment") is made on the date of execution of the Amendment by the County and amends Agreement Number 535-13 dated June 17, 2013 ("Main Agreement") made between Bell Brothers ("Contractor") and the County Board of Arlington County, Virginia ("County").

Whereas the County and the Contractor desire to amend the Work called for and the amounts to be paid under the Main Agreement, the Contractor and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows:

As assigned by the City of Alexandria, "Contractor" shall refer to Kathmar Construction Inc of 14305 Old Columbia Pike, Burtonsville, MD 20866, which assumed all obligations previously held by Bell Brothers, Inc under the City of Alexandria Blanket Purchase Order No 13-66560.

All other terms and conditions of the Main Agreement, as amended (if applicable) shall remain in full force and effect.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED BY: [Handwritten Signature]
PRINT NAME: [Handwritten Name]
AND TITLE: [Handwritten Title]
DATE: 5/20/15

KATHMAR CONSTRUCTION

TAXPAYER ID NUMBER: 52-1816764

SIGNED BY: [Handwritten Signature]
PRINT NAME: [Handwritten Name]
AND TITLE: [Handwritten Title]
DATE: 5/15/15
City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 25, 2014

TO: RICH BAIER, DIRECTOR
TRANSPORTATION AND ENVIRONMENTAL SERVICES

THRU: STEPHEN TAYLOR, ACTING PURCHASING AGENT
FINANCE DEPARTMENT/PURCHASING DIVISION

FROM: JASON SOLTIS, CONTRACTS SPECIALIST II
FINANCE DEPARTMENT/PURCHASING DIVISION

SUBJECT: RECOMMENDATION FOR NOVATION – BLANKET PURCHASE ORDER #13-06560, BELL BROTHERS INC. TO KATHMAR CONSTRUCTION

Bell Brothers Incorporated (Bell Bros.) and the City are under contract for Traffic Calming Devices (BPO #13-06560) which expires on January 21, 2016 with two (2) additional one (1) year options. Bell Bros. informed the City that they were closing, ceasing their contracting operations, and selling their traffic calming equipment to Kathmar Construction as of March 31, 2014. Due to Bell Bros. inability to continue under the contract, the City issued a notice to cure letter to Bell Bros. on April 8, 2014 informing them that if Bell Bros. was unable to continue under the contract they would be in default of the contract. On April 10, 2014, Bell Bros. responded to the notice to cure letter, proposing to assign the contract to Kathmar Construction and novating the contract from Bell Bros. to Kathmar Construction. Via a letter dated April 9, 2014, Kathmar Construction agreed to assume the obligations of this contract. The Purchasing Division conducted a responsibility review of Kathmar Construction and determined them to be responsible. As this contract was awarded pursuant to the competitive bid process and Kathmar Construction is a responsible party, the Purchasing Division recommends a contract novation whereby Kathmar Construction will assume the obligations of Bell Bros. Please return this memorandum with your approval or disapproval by May 2, 2014.

PLEASE COMPLETE THE FOLLOWING INFORMATION:

Vendor to assume obligation via novation: Kathmar Construction, Inc

1. Initial One:
   - Contract Novation Acceptable
   - Contract Novation Unacceptable, written justification is attached.

2. SIGNATURE: [Signature] DATE: 5/1/14
   Ordering Department Head

Enclosures: City’s Notice to Cure Letter dated April 8, 2014
Bell Brothers response to the City’s Notice to Cure Letter dated April 10, 2014
Kathmar Construction Letter dated April 9, 2014
Blanket Purchase Order No. 13-06560
City of Alexandria
Purchase Order

Vendor Number: 00000369
Alternate ID: 100473-001
Bell Bros., Inc.
5504 Oakwood Road
Alexandria, VA 22310

THE APPROVER CERTIFIES THAT THIS PURCHASE WAS MADE IN CONFORMANCE WITH ALL CITY PURCHASING ORDINANCES AND REGULATIONS.

NOTE: Total Amount NOT-TO-EXCEED specified amount without prior written authorization from the City's Purchasing Agent.

To ensure timely payments, mail invoices to the departmental "Billing Address" shown above. Please reference P.O. # on all invoices and any correspondence pertaining to this order.

<table>
<thead>
<tr>
<th>Item</th>
<th>Requisition#</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total</th>
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| 1    | 550-79 TRAFFIC CALMING DEVICES: The purpose of this Master Blanket Purchase Order is to establish a contract between the City and the above-referenced Contractor. The Contractor shall furnish traffic calming devices for the Transportation and Environmental Services Department (T&ES) in accordance with the terms, conditions, and specifications as contained in our Invitation to Bid #00000290. The term of this contract is for the period commencing January 22, 2013 and ending January 21, 2016. The City reserves the right to renew the Contract for a period of two (2) additional years, one (1) year at a time, at the sole option and discretion of the Purchasing Agent. Price increases are not automatic. The contractor may request a price increase on each annual anniversary date of the contract. The contractor's written request must be submitted within fifteen (15) business days from the annual anniversary date of the contract. Any price increases requested after the fifteen-day (15) period will not be retroactive to the contract's annual anniversary date, but will be effective on the date of the City Purchasing Agent's written approval. Any such price increase(s) shall be limited to the percentage calculated by the United States Department of Labor, Bureau of Labor Statistics, as the Consumer Price Index for All Urban Consumers (CPI-U), Baltimore-Washington DC-MD-VA-WV selected Area All Items. If there is a decrease in the Consumer Price Index for All Urban Consumers (CPI-U), Baltimore-Washington DC-MD-VA-WV Selected Area, All Items, at the time of the contract's annual anniversary, the City will reduce the price(s) in the contract by the percentage of decrease in the referenced index. To ensure timely payments, mail invoice(s) to the appropriate departmental address as shown above. Please reference BFO #13-06560 on all invoices and correspondence pertaining to the contract.
|    |              | 1        | EA   | $0.00      | $0.00 |

TOTAL: $0.00
April 9, 2014

Ms. Christina Wells
Deputy Purchasing Agent
Finance Department
Purchasing Division
Suite 301 – Benker’s Square
Alexandria, VA 22316

RE: Cure Notice for Contract Blanket PO #13-06560; Traffic Calming Devices

Dear Ms. Wells,

Bell Bros., Inc. has requested Kathmar Construction, Inc. to take over the performance of the above referenced contract due to their retirement and liquidation of Bell Bros., Inc. Kathmar Construction, Inc. will agree to assume the obligation of this contract if approved by the City.

Kathmar Construction recently purchased all of Bell Bros., Inc.’s traffic calming equipment and material. Kathmar Construction is also a current contractor for the City’s Asphalt Street Paving Contract (Blanket Order #13-06367).

If you have any questions or need any additional information, please let me know.

Sincerely,

Kathmar Construction, Inc.

Katherine Hinkel
President

Correspondence Office: 14305 Old Columbia Pike, Burtonsville, MD 20866
301-381-6854 Fax 301-381-7344 email: kathmarconstruction@verizon.net
Virginia Yard: 4500 Wheeler Avenue, Alexandria, VA 22304
Finance Department  
Purchasing Division  
Suite 301 – Barker’s Square  
Alexandria, VA 22313  
Attn: Christina Wells  
Deputy Purchasing Agent

Re: Cure Notice for Contract
Blanket Purchase Order  
#13-06560  
Traffic Calming Devices

April 10, 2014

Dear Ms. Wells,

We are in receipt of your 4/8/14 letter for Cure Notice for above referenced contract.

As we expressed in our 3/11/14 email to Mr. Soltis, after 30 years the owners of Bell Bros., Inc. closed the business and liquidated its equipment effective 3/31/14 to retire.

Bell Bros., Inc. performed the Traffic Calming Contract continually for the City since 2002. We regret retiring before this one contract is complete but we have always had several ongoing multi-year service contracts with Alexandria, Arlington and Fall Church. The completion dates are staggered and there is never a point in time when they are all complete. Traffic Calming Contract billings (P.O. #13-0650) only totaled $28,560 in volume for 2013 and $0 in 2012 under the previous purchase order. The City Traffic Calming funding has been minimal or non-existent the past several years. We mistakenly assumed our retirement would not impact the City regarding this Contract. We apologize for the inconvenience we have caused.

To respond to this “Cure Notice” Bell Bros., Inc. would like to request Kathmar Construction, Inc. be assigned our rights and obligations under this Contract subject to approval by the City. (Please see attached letter)

Kathmar Construction, Inc. purchased all of Bell Bros., Inc. Traffic Calming equipment and materials. Kathmar is also the current contractor for the City’s Asphalt Street Paving (ITB #000000246).

We trust the above will meet the City’s approval as a satisfactory “cure” for this situation.

Again, we regret any inconvenience we have caused the City due to our retirement.

Sincerely,
Bell Bros., Inc.

Steven C. Bell  
Vice President

Encl: Kathmar Letter 4/9/14
April 8, 2014

Steve Bell
Bell Bros., Inc.
5504 Oakwood Rd.
Alexandria, VA 22310

SUBJECT: Cure Notice for the Contract for Traffic Calming Device commencing on January 22, 2013, Blanket Purchase Order #13-06560

Dear Mr. Bell,

The purpose of this letter is to communicate to you a cure notice regarding your performance under the above referenced Contract. The Contract ends on January 21, 2016, with two (2), one (1) year options. Bell Bros., Inc. advised the City of Alexandria, Virginia (City) via email on February 11, 2014 that it is ceasing contracting operations and will not be able to perform under its Contract with the City after February 28, 2014. On March 11, 2014 you informed the City that Bell Bros, Inc. had been liquidated and all equipment has been sold to another company.

The City considers your failure to perform future work a breach of contract and therefore, unless this condition is cured within ten calendar (10) days after receipt of this notice, the City will terminate for default under the terms and conditions of this Contract.

In responding to this cure notice you are required to advise our office in writing of what actions you will be taking in order to cure. Specifically, if Bell Bros. will continue operations throughout the term of the Contract. Bell Bros. may also propose another vendor to assign its rights and obligations under the Contract to, pursuant to approval by the City and the terms of the Contract. If Bell Bros. fails to perform the services within the timeframe identified in this notice, the City may perform the services itself or obtain the services from another vendor and hold Bell Bros. liable to the City for any excess costs it incurs.

Should you have any questions or concerns regarding the cure notice or the performance of this work, please contact Jason Soltis via email at Jason.Soltis@alexandriava.gov.

Sincerely,

Christina Wells
Deputy Purchasing Agent

http://alexandriava.gov/purchasing