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In the matter of:

AZULWORKS, INC., a California  
corporation, a/k/a Azul Works, Inc. and  
BALMORE HERNANDEZ, an individual

STIPULATION AND [PROPOSED] ORDER TO  
STAY DEBARMENT PROCEEDINGS PENDING  
RESOLUTION OF FEDERAL CRIMINAL  
COMPLAINT

The City Attorney, as the charging official, on the one hand, and Respondents AzulWorks, Inc. ("Azulworks") and Balmore Hernandez (collectively, "Respondents"), on the other, hereby stipulate and agree to the following:

WHEREAS, on or about June 4, 2020, the Federal Bureau of Investigation ("FBI") filed publicly charges against Hernandez and a federal criminal complaint ("Criminal Complaint") in the United States District Court for the Northern District of California, alleging bribery of a local official, in a case captioned *United States of America v. Balmore Hernandez*, Case No. 3:20-MJ-70705 JCS (the "Federal Criminal Case");

WHEREAS, on or about July 13, 2020, the City Attorney initiated these proceedings (the "Debarment Proceedings") by issuing Counts and Allegations against Respondents pursuant to Chapter 28 of the San Francisco Administrative Code;

WHEREAS, on or about July 15, 2020, Respondents, through their attorney, requested an administrative hearing pursuant to Section 28.6 of the San Francisco Administrative Code;

1 WHEREAS, on or about July 29, 2020, pursuant to Administrative Code Section 28.8, the City  
2 Controller appointed Martin Gran as the Hearing Officer in this matter;

3 WHEREAS, neither the City nor Respondents filed objections to the appointment of Hearing  
4 Office Gran;

5 WHEREAS, on July 31, 2020, Respondents requested a stay of this matter pending resolution  
6 of the Federal Criminal Case, and the Hearing Officer issued a letter requiring the City Attorney to  
7 respond to the request for a stay;

8 WHEREAS, the City Attorney and Respondents have agreed that good cause exists to extend  
9 the date of the hearing under Administrative Code Section 28.9, in accordance with the terms set forth  
10 herein;

11 THEREFORE, the City Attorney and Respondents hereby STIPULATE as follows:

12 1) The Debarment Proceedings shall be stayed pending resolution of the Federal Criminal  
13 Case. For the purposes of this stipulation, "resolution" shall mean written notice from either  
14 Respondent or its authorized representative to the City Attorney, the Controller, and the Hearing  
15 Officer, that the Federal Criminal Case has concluded, whether by verdict or judgment. Such notice  
16 shall include a copy of such verdict or judgment, to the extent such document(s) are not confidential.

17 2) During the period of the stay, Respondents, their Affiliates (as that term is defined in  
18 Chapter 28 of the Administrative Code), and the corporate officers, responsible managing employees,  
19 or other owners or officers of Respondents or their Affiliates (collectively, the "Respondents") agree  
20 not to participate in the procurement process for contracts or grants with the City and County of San  
21 Francisco ("City"). For the purposes of this stipulation, non-participation shall mean the Respondents  
22 may not submit a qualification statement, proposal, bid, quote, grant request, or otherwise seek to  
23 contract directly or indirectly with the City for the purpose of providing any goods or services or  
24 construction work to or for the City including, without limitation, as any grantee, contractor,  
25 subcontractor, consultant, subconsultant or supplier at any tier for any new contracts.

1           3)     The period of time that the Respondents comply with the non-participation period shall  
2 count towards any potential future debarment that may be issued by the Hearing Officer pursuant to  
3 the Counts and Allegations in this matter.

4           4)     The period of time that this Debarment Proceeding is stayed shall not count towards the  
5 120 day deadline for the Hearing Officer to set a debarment hearing set forth in Section 28.9 of the  
6 Administrative Code.

7           5)     Respondents' entry into this stipulation does not constitute an admission of any liability  
8 or culpability in connection with these Debarment Proceedings.


9           6)     The City Attorney's entry into this stipulation does not constitute an admission that a  
10 stay of these Debarment Proceedings is justified by the authority cited in Respondents July 31, 2020  
11 letter. Should Respondents breach the terms of this stipulation, the City Attorney reserves the right to  
12 seek to reinstitute these Debarment Proceedings. If the Hearing Officer finds that any Respondents  
13 have failed to comply with the terms set forth in this Stipulation, Respondents will not be entitled to a  
14 credit towards any potential future debarment that may be issued by the Hearing Officer pursuant to  
15 these Debarment Proceedings.

16          7)     This stipulation applies solely to these Debarment Proceedings. Nothing in this  
17 stipulation shall be construed to impair the City from enforcing any other legal or contractual rights  
18 the City may have against the Respondents. Furthermore, nothing in this stipulation shall be construed  
19 to impair the City's right to pursue debarment or suspension of individuals or entities other than  
20 Respondents.

21           IT IS SO STIPULATED.  
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1 Dated: 8/24/20

2 DENNIS J. HERRERA  
3 City Attorney  
4 RONALD P. FLYNN  
5 Chief Deputy City Attorney  
6 RICHARD E. ROBINSON  
7 Deputy City Attorneys

8 By:   
9 RICHARD E. ROBINSON

10  
11 Dated: 8/25/20

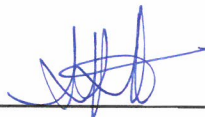
12 JAYNE LAW GROUP, P.C.

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14  
15 By:   
16 JULIA JAYNE

17 Attorneys for Respondents AzulWorks, Inc. and Balmore  
18 Hernandez  
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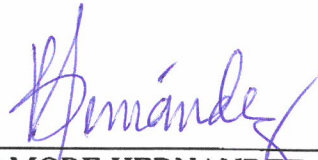
1 Dated: 8-25-2020

2  
3 AZULWORKS, INC.

4  
5 By: 

6 Its: President

7  
8 Dated: 8/25/20

9 By: 

10 BALMORE HERNANDEZ

1 **[PROPOSED] ORDER**

2 Upon stipulation of the Parties and good cause appearing, the Hearing Officer hereby STAYS  
3 the Debarment Proceedings upon the terms and conditions set forth in the preceding stipulation.

4 IT IS SO ORDERED

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6 Date: 8/25/2020 \_\_\_\_\_



7 \_\_\_\_\_  
8 Martin Gran

9 HEARING OFFICER  
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