



SAN FERNANDO CITY COUNCIL
REGULAR MEETING NOTICE AND AGENDA
FEBRUARY 19, 2019 – 6:00 PM
CITY HALL COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo
Vice Mayor Sylvia Ballin
Councilmember Robert C. Gonzales
Councilmember Antonio Lopez
Councilmember Hector A. Pacheco

PLEDGE OF ALLEGIANCE

Led by Student of the Month Melissa Villegas

APPROVAL OF AGENDA

PRESENTATIONS

- a) CERTIFICATE OF RECOGNITION – STUDENT OF THE MONTH
 - Melissa Villegas – Social Justice Humanitas Academy
Education Commissioner Olivia Robledo
- b) PRESENTATION REGARDING EXPANDED POLYSTYRENE FOODWARE AND A GREEN CITY CONCEPT
Dr. Rosa Furumoto, Marina Diaz, Alonso Garcia, and Maria Guerrero
- c) PEDESTRIAN FENCING AT GLENOAKS BOULEVARD BRIDGE OVER PACOIMA WASH
FEASIBILITY STUDY RESULTS
Director of Public Works/City Engineer Yazdan T. Emrani and Los Angeles County
Department of Public Works

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- d) PRESENTATION BY GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT
City Liaison Board of Trustee Member Jesse H. Avila
- e) PRESENTATION BY FilmLA
Vice President of Operations Donna Washington
- f) AIR QUALITY UPDATE - SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD)
Governing Board Member Michael Cacciotti

DECORUM AND ORDER

The City Council, elected by the public, must be free to discuss issues confronting the City in an orderly environment. Public members attending City Council meetings shall observe the same rules of order and decorum applicable to the City Council ([SF Procedural Manual](#)). Any person making impertinent derogatory or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting, may be removed from the room if the Presiding Officer so directs the sergeant-at-arms and such person may be barred from further audience before the City Council.

PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments relating to City Business. Anyone wishing to speak, please fill out the blue form located at the Council Chambers entrance and submit it to the City Clerk. When addressing the City Council please speak into the microphone and voluntarily state your name and address.

CITY COUNCIL - LIAISON UPDATES**CONSENT CALENDAR**

Items on the Consent Calendar are considered routine and may be disposed of by a single motion to adopt staff recommendation. If the City Council wishes to discuss any item, it should first be removed from the Consent Calendar.

1) REQUEST TO APPROVE MINUTES OF:

- a. FEBRUARY 4, 2019 – SPECIAL MEETING
- b. FEBRUARY 12, 2019 – SPECIAL MEETING

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2) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE WARRANT REGISTER

Recommend that the City Council adopt Resolution No. 19-022 approving the Warrant Register.

3) CONSIDERATION TO APPROVE A SECOND AMENDMENT TO THE WILLDAN ENGINEERING PROFESSIONAL SERVICES AGREEMENT FOR THE SAN FERNANDO TRAFFIC SIGNAL IMPROVEMENT PROJECT

Recommend that the City Council:

- a. Approve a second Amendment to the Willdan Engineering Professional Services Agreement (Contract No. 1893(b)) for design services related to the Highway Safety Improvement Program Cycle 8 Traffic Signal Improvements Project; and
- b. Authorize the City Manager, or designee, to execute all related documents.

ADMINISTRATIVE REPORTS**4) CONSIDERATION TO APPROVE A FIVE-YEAR EXTENSION TO THE FRANCHISE AGREEMENT WITH BLACK & WHITE TOWING, INC. FOR TOWING AND STORAGE SERVICES**

Recommend that the City Council:

- a. Approve a five-year extension (Contract No. 1740(a)) to the Franchise Agreement with Black & White Towing, Inc. for Vehicle Towing and Storage Services (set to expire on March 29, 2019) pursuant to section 2.5.2 of the Franchise Agreement Contract No. 1740; and
- b. Authorize the City Manager, or designee, to execute all related documents.

5) CONSIDERATION TO APPROVE A MEMORANDUM OF UNDERSTANDING WITH THE SAN FERNANDO MANAGEMENT

Recommend that the City Council:

- a. Approve a Memorandum of Understanding (Contract No. 1905) between the City of San Fernando and the San Fernando Management Group for a three-year term (July 1, 2018 through June 30, 2021); and
- b. Authorize the City Manager to make non-substantive corrections and execute all related documents.

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6) CONSIDERATION TO ADOPT A RESOLUTION AMENDING THE FISCAL YEAR 2018-2019 SALARY SCHEDULE TO INCLUDE THE POLICE RESERVE PROGRAM STIPENDS AND THE NEGOTIATED WAGE ADJUSTMENTS FOR THE SAN FERNANDO MANAGEMENT GROUP

Recommend that the City Council:

- a. Adopt Resolution No. 7904 amending the Fiscal Year 2018-2019 Salary Schedule to include the Police Reserve Program stipends and the negotiated wage adjustments for certain job classifications in the San Fernando Management Group;
- b. Approve the implementation of the updated and negotiated wages for all applicable employees; and
- c. Authorize the City Manager to make non-substantive corrections and execute all related documents.

7) DISCUSSION REGARDING SAN FERNANDO CREDIT DOWNGRADE, FINANCIAL STABILITY AND USE OF MEASURE A FUNDS

This item is placed on the agenda by Mayor Joel Fajardo.

8) DISCUSSION REGARDING OVERVIEW OF LEGAL AUTHORITY AND OTHER CONSIDERATIONS RELEVANT TO THE IMPLEMENTATION OF A LOCAL MINIMUM WAGE ORDINANCE

This item is placed on the agenda by Vice Mayor Sylvia Ballin.

9) DISCUSSION AND POSSIBLE ACTION TO MODIFY THE ADMINISTRATIVE STRUCTURE OF THE CITY

Recommend that the City Council:

- a. Receive the presentation from City staff;
- b. Pose follow-up questions to City staff;
- c. Depending on the collective desire of the City Council:
 - i. Pending public testimony, introduce for first reading, in title only, and waive further reading of one of the two ordinance alternatives as presented or subject to additional modifications;

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1. Ordinance No. 1684 “An Ordinance of the City Council of the City of San Fernando, California, Amending Section 2-121 (Powers and Duties) of Division 2 (City Manager) of Article III (Officers and Employees) of Chapter 2 (Administration of the San Fernando Municipal Code Expanding the Authority of the City Council to Appoint, Remove, Promote, and Demote Executive Employees of the City, and Reaffirming the City Manager Form of Government.”; or
2. Ordinance No. 1685 “An Ordinance of the City Council of the City of San Fernando, California, Amending Division 2 (City Manager) of Title III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government.”; or

ii. Take no action and provide direction to City staff.

10) CONSIDERATION AND POSSIBLE APPROVAL OF CITY MANAGER APPOINTMENT AND APPROVAL OF RELATED EMPLOYMENT AGREEMENT PENDING CLOSED SESSION DISCUSSION AND DELIBERATION

If the City Council is prepared to make an appointment to the office of City Manager, it is recommended that the City Council:

- a. Announce the name of the candidate to be appointed;
- b. Announce that copies of the final proposed iteration of the related Employment Agreement for the candidate be made available to any interested member of the public who may request a copy;
- c. Entertain any comment by the City Council or members of the public on the matter; and
- d. Entertain a motion to:
 - i. Approve the candidate for appointment;
 - ii. Ratify the related Employment Agreement for the candidate in the substantive form distributed to the City Council and the public; and
 - iii. Authorize the Mayor to execute the Employment Agreement with the candidate on behalf of the City and the City Council.

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STAFF COMMUNICATION INCLUDING COMMISSION UPDATES**GENERAL COUNCIL COMMENTS****ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.

Elena G. Chávez, CMC

City Clerk

Signed and Posted: February 14, 2019 (5:30 p.m.)

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet website (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk Department. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this regular meeting agenda will also be made available at the City Clerk Department at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's website at www.sfcity.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk Department at (818) 898-1204 at least 48 hours prior to the meeting.

Regular Meeting

San Fernando City Council

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**FEBRUARY 4, 2019 – 5:00 P.M.
SPECIAL MEETING**

City Hall Community Room
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 5:09 p.m.

Present:

Council: Mayor Joel Fajardo, Vice Mayor Sylvia Ballin, Councilmembers Robert C. Gonzales, Antonio Lopez, and Hector A. Pacheco

Staff: City Manager Alexander P. Meyerhoff, City Attorney Rick Olivarez, Assistant City Attorney Richard Padilla, and City Clerk Elena G. Chávez

APPROVAL OF AGENDA

Motion by Councilmember Lopez, seconded by Vice Mayor Ballin, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

None

RECESS TO CLOSED SESSION (5:09 P.M.)

By consensus, Councilmembers recessed to the following Closed Session as announced by Assistant City Attorney Padilla:

A) CONFERENCE WITH LABOR NEGOTIATOR

G.C. §54957.6

Designated City Negotiators:

City Manager Alexander P. Meyerhoff

Deputy City Manager/Director of Finance Nick Kimball

City Attorney Rick Olivarez

Assistant City Attorney Richard Padilla

Employees and Employee Bargaining Units that are the Subject of Negotiation:

San Fernando Management Group (SEIU, Local 721)

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SPECIAL MEETING MINUTES – February 4, 2019**

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San Fernando Public Employees' Association (SEIU, Local 721)
San Fernando Police Officers Association
San Fernando Police Officers Association Police Management Unit
San Fernando Police Civilian Association
San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)
All Unrepresented Employees

B) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (PRE-EVALUATION PREP)

G.C. §54957

Title of Employee: City Manager

C) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (PRE-EVALUATION PREP)

G.C. §54957

Title of Employee: City Clerk

D) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (PRE-EVALUATION PREP)

G.C. §54957

Title of Employee: City Attorney

E) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

G.C. § 54956.9(d)(2) AND 54956.9(e)(1)

One (1) Matter

RECONVENE /REPORT OUT FROM CLOSED SESSION (6:09 P.M.)

Assistant City Attorney Padilla reported the following:

Items A – Updates were provided to the City Council, feedback given, but no final action was taken.

Items B, C & D – A general discussion was had, but no final action was taken.

Item E – Unanimous direction was given by the City Council with no final action taken.

ADJOURNMENT (6:10 P.M.)

Motion by Councilmember Lopez, seconded by Vice Mayor Ballin, to adjourn. By consensus, the meeting was adjourned.

I do hereby certify that the foregoing is a true and correct copy of the minutes of February 4, 2019, meeting as approved by the San Fernando City Council.

*Elena G. Chávez, CMC
City Clerk*

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**FEBRUARY 12, 2019 – 5:00 P.M.
SPECIAL MEETING**

City Hall Community Room
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 5:33 p.m.

Present:

Council: Mayor Joel Fajardo, Vice Mayor Sylvia Ballin, and Councilmember Robert C. Gonzales

Staff: City Manager Alexander P. Meyerhoff, City Attorney Rick Olivarez, Assistant City Attorney Richard Padilla, and City Clerk Elena G. Chávez

Absent: Councilmembers Antonio Lopez and Hector A. Pacheco

APPROVAL OF AGENDA

Motion by Vice Mayor Ballin, and Councilmember Gonzales, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

Tom Ross, San Fernando City Chamber of Commerce, expressed support for City Manager Meyerhoff and said that the improvement in the quality of communication and direction has been advantageous to the Chamber and businesses.

RECESS TO CLOSED SESSION (5:09 P.M.)

By consensus, Councilmembers recessed to the following Closed Session as announced by Assistant City Attorney Padilla:

- A) PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE
G.C. §54957(b)(1)
- B) PUBLIC EMPLOYEE APPOINTMENT
G.C. §54957(b)(1)

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SPECIAL MEETING MINUTES – February 12, 2019
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Title: Interim City Manager

C) CONFERENCE WITH LABOR NEGOTIATORS

G.C. §54957.6

City's Designated Negotiators:	Rick Olivarez, City Attorney Richard Padilla, Assistant City Attorney
Unrepresented Employee:	Interim City Manager

RECONVENE /REPORT OUT FROM CLOSED SESSION (6:39 P.M.)

Assistant City Attorney Padilla reported the following:

Item A – By a vote of 3-0 (Lopez and Pacheco absent), the City Council moved to terminate City Manager Alex Meyerhoff's employment for convenience and without cause.

Item B – By a vote of 3-0 (Lopez and Pacheco absent), the City Council moved to appoint Nick Kimball as Interim City Manager, effective immediately.

Item C – Direction was given, but no final action was taken.

ADJOURNMENT (6:41 P.M.)

Motion by Vice Mayor Ballin, seconded by Councilmember Gonzales, to adjourn. By consensus, the meeting was adjourned.

I do hereby certify that the foregoing is a true and correct copy of the minutes of February 12, 2019, meeting as approved by the San Fernando City Council.

*Elena G. Chávez, CMC
City Clerk*

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, Interim City Manager

Date: February 19, 2019

Subject: Consideration to Adopt a Resolution Approving the Warrant Register

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 19-022 (Attachment "A") approving the Warrant Register.

BACKGROUND:

For each City Council meeting the Finance Department prepares a Warrant Register for Council approval. The Register includes all recommended payments for the City. Checks, other than special checks, generally are not released until after the Council approves the Register. The exceptions are for early releases to avoid penalties and interest, excessive delays and in all other circumstances favorable to the City to do so. Special checks are those payments required to be issued between Council meetings such as insurance premiums and tax deposits. Staff reviews requests for expenditures for budgetary approval and then prepares a Warrant Register for Council approval and or ratification. Items such as payroll withholding tax deposits do not require budget approval.

The Interim City Manager hereby certifies that all requests for expenditures have been signed by the department head, or designee, receiving the merchandise or services thereby stating that the items or services have been received and that the resulting expenditure is appropriate. The Interim City Manager hereby certifies that each warrant has been reviewed for completeness and that sufficient funds are available for payment of the warrant register.

ATTACHMENT:

A. Resolution No. 19-022

ATTACHMENT "A"**RESOLUTION NO. 19-022****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO ALLOWING AND APPROVING FOR PAYMENT DEMANDS PRESENTED ON DEMAND/ WARRANT REGISTER NO. 19-022****THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

1. That the demands (EXHIBIT "A") as presented, having been duly audited, for completeness, are hereby allowed and approved for payment in the amounts as shown to designated payees and charged to the appropriate funds as indicated.

2. That the City Clerk shall certify to the adoption of this Resolution and deliver it to the City Treasurer.

PASSED, APPROVED, AND ADOPTED this 19th day of February, 2019.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 19th day of February, 2019, by the following vote to it:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

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02/14/2019 10:02:46AM CITY OF SAN FERNANDO

Bank code : bank3

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213379	2/19/2019	893091 ACEITUNO, ALEJANDRO	54-0762-07		WATER ACCT REFUND-962 HARDING 070-2010	60.59 60.59
213380	2/19/2019	887377 AKEMON, DOLORES	FEB2019		COMMISSIONER'S STIPEND 001-310-0000-4111	75.00 75.00
213381	2/19/2019	893100 ALBA, CYNTHIA	REIMB		MILEAGE REIMBURSEMENT 001-115-0000-4390	56.26 56.26
213382	2/19/2019	100143 ALONSO, SERGIO	JAN2019		INSTRUCTOR SERVICES 108-424-3647-4260	960.00 960.00
213383	2/19/2019	100191 ANGELES SHOOTING RANGE	10391		TRAINING 001-225-0000-4360	100.00 100.00
213384	2/19/2019	888321 ARRIZON, FRANCISCO	FEB2019		COMMISSIONER'S STIPEND 001-310-0000-4111	75.00 75.00
213385	2/19/2019	100222 ARROYO BUILDING MATERIALS, INC	221287		MACLAY IRRIGATION PROJECT 001-311-0000-4300	5.84 5.84
213386	2/19/2019	892713 ASCENCIO, ALEJANDRO	MMAP		MMAP MENTOR INSTRUCTOR 109-424-3614-4260	816.00 816.00
213387	2/19/2019	893013 AYSON, LEILANI	DEC/JAN		ZUMBA INSTRUCTOR 017-420-1337-4260	125.00 125.00
213388	2/19/2019	890546 BARAJAS, CRYSTAL	JAN2019		INSTRUCTOR SERVICES	

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Bank code :bank3

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213388	2/19/2019	890546 BARAJAS, CRYSTAL	(Continued)	11807	109-424-3614-4260	272.00
					Total :	272.00
213389	2/19/2019	892784 BARAJAS, MARIA BERENICE	JAN2019		FITNESS INSTRUCTOR	
			JAN2019		017-420-1337-4260	360.00
					CYCLING	
					017-420-1337-4260	80.00
					Total :	440.00
213390	2/19/2019	892426 BEARCOM	4782666		CONTRACTUAL SERVICES	
					001-135-0000-4260	7,388.55
					Total :	7,388.55
213391	2/19/2019	893089 BERKOWITZ, EDWARD	62-2132-12		WATER ACCT REFUND-1517 FOURTH	
					070-2010	30.47
					Total :	30.47
213392	2/19/2019	891301 BERNARDEZ, RENATE Z.	498		INTERPRETATION SERVICES	
					001-101-0000-4270	250.00
					Total :	250.00
213393	2/19/2019	888800 BUSINESS CARD	012119		LODGING-SBSLI POST TRAINING IN OF	
			012819		001-225-0000-4370	396.69
					LODGING-LCW ANNUAL CONFERENCE	
					001-222-0000-4360	606.20
					001-224-0000-4360	606.20
					001-225-0000-4360	606.20
					Total :	2,215.29
213394	2/19/2019	888800 BUSINESS CARD	012319		CERTIFICATE SEALS	
			012319		001-101-0000-4300	9.00
			012819		EXAM REG & SESSIONS	
			012819		001-140-0000-4360	800.00
			012819		SEMINAR REGISTRATION	
			012819		001-105-0000-4370	99.00
					CITY COUNCIL BUS TRIP ON 02/19/19	

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213394	2/19/2019	888800 BUSINESS CARD	(Continued)			
			012919		007-440-0443-4260 BUSINESS CARDS	1,051.20
					001-105-0000-4300	45.62
			012919		001-420-0000-4300 CONFERENCE REGISTRATION	43.61
					001-101-0102-4370	1,550.00
			012919		AIRFARE-CONFERENCE	372.50
			012919		001-101-0102-4370 LODGING FOR CONFERENCE	286.08
					001-101-0109-4370	286.08
			013119		001-101-0111-4370 FINANCE CHARGES	112.90
					001-190-0000-4435	4,655.99
					Total :	4,655.99
213395	2/19/2019	888800 BUSINESS CARD	012619		LODDGING-2019 ANNUAL LABOR & EM	613.64
			012819		001-130-0000-4370 WORKBENCHES FOR WELL SITES & S	505.94
			012919		070-384-0000-4310 PARKING FEE-OVERSIGHT BOARD ME	17.50
					001-130-0000-4370	1,137.08
					Total :	1,137.08
213396	2/19/2019	100505 C.P.R.S.	030523		MEMBERSHIP DUES	170.00
					001-420-0000-4370	170.00
					Total :	170.00
213397	2/19/2019	100466 CACEO	200008758		TRAINING	86.00
					001-152-0000-4360	86.00
					Total :	86.00
213398	2/19/2019	893095 CAL NENA	TRAVEL		RGSTR-CAL NENA 911 MISSION CRITIC	625.00
					010-220-3449-4370	625.00
					Total :	625.00
213399	2/19/2019	893095 CAL NENA	TRAVEL		RGSTR-CAL NENA 911 MISSION CRITIC	

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Bank code : bank3

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213399	2/19/2019	893095 CAL NENA	(Continued)			
					010-220-3449-4370	625.00
					Total :	625.00
213400	2/19/2019	887810 CALGROVE RENTALS, INC.	W1104-1		STOMPER REPAIR	277.75
					041-320-0000-4320	277.75
					Total :	277.75
213401	2/19/2019	103797 CALIFORNIA ASSOCIATION OF	200008757		TRAINING	86.00
					001-152-0000-4360	86.00
					Total :	86.00
213402	2/19/2019	889712 CALIFORNIA BACKGROUND	01/29/2019		MEMBERSHIP	60.00
					001-222-0000-4380	60.00
					Total :	60.00
213403	2/19/2019	893096 CALIFORNIA TRUCK EQUIPMENT CO	10105		ARROWBOARD MICRO SWITCH-WA01	97.50
					070-383-0000-4400	97.50
					Total :	97.50
213404	2/19/2019	893097 CASTELLANOS, IVETTE	2000393.001		REFUND	10.00
					017-3770-1328	10.00
					Total :	10.00
213405	2/19/2019	893090 CASTRO, VIRGINIA	58-2918-01		WATER ACCT REFUND-743 N LAZARD	85.69
					070-2010	85.69
					Total :	85.69
213406	2/19/2019	100713 CITY OF GLENDALE	114		WASTEMASTER COST SHARE	5,579.73
					070-381-0000-4270	5,579.73
					Total :	5,579.73
213407	2/19/2019	103818 CITY OF LOS ANGELES	103818		INSPECTION AND CONTROL FEE	326.66
					070-381-0000-4450	326.66
					Total :	326.66
213408	2/19/2019	103029 CITY OF SAN FERNANDO	1471-1497		REIMB TO WORKER'S COMP ACCT	8,492.36
					006-1038	8,492.36

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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213408	2/19/2019	103029 103029 CITY OF SAN FERNANDO	(Continued)			Total : 8,492.36
213409	2/19/2019	100805 COOPER HARDWARE INC.	113241	11872	ELLS & COPPER ADAPTERS	
			113242		070-383-0301-4300	29.46
			114337		CREDIT FOR RETURN	-7.86
			114436	11872	070-383-0301-4300	47.80
			114560	11872	HOLIDAY DECO	17.50
			114605	11872	001-311-0000-4300	79.32
			13271	11872	HOLIDAY DECO	29.52
					MISCELLANEOUS SUPPLIES	357.18
					043-390-0000-4300	Total : 552.92
213410	2/19/2019	892687 CORE & MAIN LP	J951165	11842	SUPPLIES	
			J968169	11842	070-383-0301-4300	1,739.87
			J977494	11842	SUPPLIES	1,029.60
					070-383-0301-4300	119.78
					SUPPLIES	Total : 2,889.25
213411	2/19/2019	893092 CORTEZ, RALPH	39-2565-04		WATER ACCT REFUND-1418 GRIFFITH	
					070-2010	1.54
						Total : 1.54
213412	2/19/2019	891637 CPRS DISTRICT 14	0152		SEMINAR	
					001-420-0000-4360	45.00
						Total : 45.00
213413	2/19/2019	890559 CRESCENTA VALLEY WATER DISTRIC	SF1		ULARA SHARE AGREEMENT	
			SF2		070-381-0000-4270	2.80
					ULARA SHARE AGREEMENT	

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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213413	2/19/2019	890559 CRESCENTA VALLEY WATER DISTRIC	(Continued)			
			SF3		070-381-0000-4270	158.20
					ULARA SHARE AGREEMENT	36.40
					070-381-0000-4270	Total : 197.40
213414	2/19/2019	888951 DOMINGUEZ, WALTER	REIMB		REIMB OF K-9 FOOD & SUPPLIES	
					001-225-0000-4270	333.11
						Total : 333.11
213415	2/19/2019	893103 DUARTE, MARITZA	020319		REIMB.-FOOD FOR SENIOR CLUB MTG	
					004-2380	296.53
						Total : 296.53
213416	2/19/2019	101010 DUTHIE POWER SERVICES INC.	A61143	11921	GENERATOR MAINTENANCE	
			A61144	11921	043-390-0000-4260	517.92
					GENERATOR MAINTENANCE	587.14
					070-384-0000-4400	Total : 1,105.06
213417	2/19/2019	890401 ENVIROGEN TECHNOLOGIES INC	0010711	11930	MAINT, REPAIR & EXTENDED WARRANT	
			0010712	11930	070-384-0857-4260	10,033.20
			0010715	11930	MAINT, REPAIR & EXTENDED WARRANT	4,411.02
			0010758	11930	070-384-0857-4260	14,451.12
					MAINT, REPAIR & EXTENDED WARRANT	9,351.47
					070-384-0857-4260	Total : 38,246.81
213418	2/19/2019	893075 ESPOSITO, JANE	31-0575-08		WATER ACCT REFUND-332 GRISWOLD	
					070-2010	195.88
						Total : 195.88
213419	2/19/2019	890879 EUROFINS EATON ANALYTICAL, INC	L0411519	11899	PROFESSIONAL SERVICES - LAB DRIN	
			L0414555		070-384-0000-4260	164.00
					PROFESSIONAL SERVICES - LAB DRIN	

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213419	2/19/2019	890879 EUROFINS EATON ANALYTICAL, INC	(Continued)			
			L0415326	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0415860	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0416086	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0416086	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0416835	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0416852	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0417172	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	120.60
			L0417201	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	184.60
			L0417767	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	164.00
			L0417768	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0418281	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0418825	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	50.00
			L0418826	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0419053	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	159.60
			L0419435	11899	070-384-0000-4260 PROFESSIONAL SERVICES - LAB DRIN	625.00
					Total :	3,063.80
213420	2/19/2019	103851 EVERSOF, INC.	R1883339		SUPPLIES	
			R1893906		070-384-0000-4260 SUPPLIES	79.68

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213420	2/19/2019	103851 EVERSOF, INC.	(Continued)			
			R1905230		070-384-0000-4260 SUPPLIES	79.68
					070-384-0000-4260	79.68
					Total :	239.04
213421	2/19/2019	888122 FABIAN, MANUEL	REIMB		MILEAGE REIMB-WASC MEETING ON 0	
					001-310-0000-4390	30.86
					Total :	30.86
213422	2/19/2019	101147 FEDEX	6-440-95619		COURIER SERVICES	
			6-448-29199		001-190-0000-4280 COURIER SERVICES	61.90
					001-190-0000-4280	105.46
					Total :	167.36
213423	2/19/2019	892198 FRONTIER COMMUNICATIONS	209-150-5251-040172		MWD METER (PW)	
			209-151-4939-102990		070-384-0000-4220 MUSIC CHANNEL	45.82
			209-188-4361-031792		001-190-0000-4220 RCS PHONE LINES	41.70
			209-188-4362-031792		001-420-0000-4220 PD MAJOR PHONE LINES	104.88
			209-188-4363-031892		001-222-0000-4220 VARIOUS PHONE LINES	575.72
					001-190-0000-4220	73.89
					070-384-0000-4220	219.76
					001-420-0000-4220	251.40
			818-361-6728-080105		ENGINEERING FAX LINE	
			818-365-5097-120298		001-310-0000-4220 POLICE NARVOTICS VAULT	33.81
			818-837-1509-032207		001-222-0000-4220	24.63
			818-838-4696-021803		PW PHONE LINE	
					001-190-0000-4220 PD ALARM PANEL	33.60
					001-222-0000-4220	116.05

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213423	2/19/2019	892198 892198 FRONTIER COMMUNICATIONS	(Continued)			Total : 1,521.26
213424	2/19/2019	887249 GALLS, LLC	011847508		UNIFORM 001-226-0230-4430	94.13 Total : 94.13
213425	2/19/2019	101300 GENERAL PUMP CO., INC.	26830	11771	HUBBARD BOOSTER #2 PUMP & MOTC 070-385-0000-4320	16,903.70 Total : 16,903.70
213426	2/19/2019	891664 GOLDEN TOUCH CLEANING, INC	65929	11811	JAN-JANITORIAL SERVICES CONTRAC 043-390-0000-4260	13,345.50 Total : 13,345.50
213427	2/19/2019	889352 GOMEZ, ADRIANA	JAN2019		COMMISSIONER'S STIPEND INCREASE 001-420-0000-4111	25.00 Total : 25.00
213428	2/19/2019	101279 GOMEZ-GARCIA, SONIA	REIMB.		MILEAGE & LUNCH REIMB-ATTENDING 001-130-0000-4370	64.95 Total : 64.95
213429	2/19/2019	892550 GOVEA, DAVID	JAN2019		COMMISSIONER'S STIPEND 001-115-0000-4111	75.00 Total : 75.00
213430	2/19/2019	101376 GRAINGER, INC.	9006266408	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	198.36
			9017893851	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	1,226.42
			9021165445	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	70.23
			9022026935	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	956.96
			9023423511	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	74.09
			9026977356	11853	STREET LIGHT REPLACEMENT 001-370-0000-4310	266.90

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213430	2/19/2019	101376 GRAINGER, INC.	(Continued)			
			9029665636		POLICE STATION LIGHTING RETURNED 043-390-0000-4300	-161.56
			9029696318	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	161.56
			9030519129	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	160.72
			9032906167	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	64.76
			9035722686	11853	MALL LIGHTING 001-370-0000-4310	3,381.31
			9038942786	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	32.64
			9040428170	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	0.85
			9040565260	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	35.57
			9040752090	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	106.05
			9040752108	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	120.39
			9041191298	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	8.47
			9041747198	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	3.39
			9044051960	11853	SUPPLIES-SANITIZER 070-384-0000-4320	55.95
			9045784429	11853	PARKING LOT 6N LED RETROFIT 001-370-0000-4310	255.09
			9045800498	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	19.81
			9045951457	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	4.27
			9049879845	11853	ST. LIGHT SIGN REPLACEMENT 001-370-0000-4310	274.91
			9051859115	11853	MALL LED RETROFIT 001-370-0000-4310	933.11

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213430	2/19/2019	101376 GRAINGER, INC.	(Continued) 9052522670	11853	SUPPLIES-WARDROBE CABINET 070-384-0000-4320	1,713.10
			9910419663	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	101.83
			9957153308	11853	MISC. SUPPLIES FOR BUILDING, ELEC 043-390-0000-4300	414.27
					Total :	10,479.45
213431	2/19/2019	101671 GUZMAN, DANETTE	TRAVEL		PER DIEM-STC TRAINING IN CONCOR[001-225-3688-4360	55.00
					Total :	55.00
213432	2/19/2019	101428 H & H WHOLESALE PARTS	BST3IN6553	11859	FULL SERVICE FOR VEHICLE BATTERI 041-1215	295.45
					Total :	295.45
213433	2/19/2019	101436 HACH COMPANY	11306516		MATERIALS 070-384-0000-4300	632.96
			11311607		MATERIALS 070-384-0000-4300	124.30
					Total :	757.26
213434	2/19/2019	888647 HDL SOFTWARE, LLC	0013676-IN	11822	BUSINESS LICENSE SERVICES 001-130-0000-4260	34,711.45
					Total :	34,711.45
213435	2/19/2019	101512 HDL, COREN & CONE	0026180-IN		CONTRACT SERVICE PROPERTY TAX 001-130-0000-4270	1,465.75
					Total :	1,465.75
213436	2/19/2019	890360 HERRERA, NINAMARIE JULIA	JAN2019		COMMISSIONER'S STIPEND INCREASE 001-420-0000-4111	25.00
					Total :	25.00
213437	2/19/2019	101599 IMAGE 2000 CORPORATION	262743		ADMIN COPIER TONERS SHIPPING FEI 001-190-0000-4300	13.00
			263589		COPY MACHINE CONTRACT	
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213437	2/19/2019	101599 IMAGE 2000 CORPORATION	(Continued)		001-135-0000-4260	872.43
					072-360-0000-4450	15.17
					001-135-0000-4260	237.35
					Total :	1,137.95
213438	2/19/2019	887740 INDUSTRIAL SHOE COMPANY	1100-1168245		SUPPLIES 001-152-0000-4325	100.00
					Total :	100.00
213439	2/19/2019	891570 INNOVATIVE TELECOM. SYSTEMS	2475		EQUIPMENT MAINT 001-190-0000-4260	395.00
					Total :	395.00
213440	2/19/2019	101635 INTERNATIONAL COUNCIL OF	1716411		MEMBERSHIP DUES 001-150-0000-4380	50.00
					Total :	50.00
213441	2/19/2019	891777 IRRIGATION EXPRESS	15137375-00	11879	SUPPLIES 070-383-0301-4300	37.94
			15137770-00	11879	SUPPLIES 070-383-0301-4300	9.24
			15138665-00	11879	IRRIGATION SUPPLIES FOR REPAIRS & 043-390-0000-4300	89.43
					Total :	136.61
213442	2/19/2019	887952 J. Z. LAWNMOWER SHOP	21531	11873	SMALL EQUIPMENT REPAIR AND MATE 001-346-0000-4320	202.16
					Total :	202.16
213443	2/19/2019	101764 KEYSTONE UNIFORM DEPOT	101764		UNIFORMS 001-222-0000-4300	751.96
					Total :	751.96
213444	2/19/2019	891794 KIMBALL, NICK	TRAVEL		PER DIEM-LCW 2019 ANNUAL CONF IN 001-130-0000-4370	40.00
					Total :	40.00
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213445	2/19/2019	891738 KNIGHT COMMUNICATIONS INC	20101060	11823	IT MANAGEMENT SERVICES-FEB2018 001-135-0000-4270	10,000.00
					Total :	10,000.00
213446	2/19/2019	101971 L.A. MUNICIPAL SERVICES	6947501000		WATER/ELECTRIC 070-384-0000-4210	31,781.52
					Total :	31,781.52
213447	2/19/2019	101852 LARRY & JOE'S PLUMBING	2078878-0001-02		TOOLS 070-383-0301-4300	147.20
					Total :	147.20
213448	2/19/2019	893099 LAVC FOUNDATION	LEC-121163		PARTICIPATION IN LA VALLEY COLLEG 001-222-0000-4380	100.00
					Total :	100.00
213449	2/19/2019	101873 LEAGUE OF CALIFORNIA CITIES	189498		MEMBERSHIP DUES 001-190-0000-4380	8,637.00
					Total :	8,637.00
213450	2/19/2019	101920 LIEBERT CASSIDY WHITMORE	1472172		PROFESSIONAL SERVICES 001-112-0000-4270	111.00
			1472173		PROFESSIONAL SERVICES 001-112-0000-4270	58.00
			1472174		PROFESSIONAL SERVICES 001-112-0000-4270	814.00
			1472175		PROFESSIONAL SERVICES 001-112-0000-4270	786.00
			1472176		PROFESSIONAL SERVICES 001-112-0000-4270	518.00
			1472177		PROFESSIONAL SERVICES 001-112-0000-4270	2,701.00
			1472178		PROFESSIONAL SERVICES 001-112-0000-4270	185.00
					Total :	5,173.00
213451	2/19/2019	889423 LIZARRAGA, MANUEL	TRAVEL		PER DIEM- CAL NENA 911 MISSION CR	
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213451	2/19/2019	889423 LIZARRAGA, MANUEL	(Continued)		010-220-3449-4370	95.00
					Total :	95.00
213452	2/19/2019	893102 LOEZ, JOSE	71007604		CITATION REFUND 001-3430-0000	50.00
					Total :	50.00
213453	2/19/2019	893093 LOPEZ, ALFREDO	37-0515-12		WATER ACCT REFUND-637 KEWEN 070-2010	9.21
					Total :	9.21
213454	2/19/2019	892202 LOPEZ, ANNA M.	JAN2019		COMMISSIONER'S STIPEND INCREASE 001-420-0000-4111	25.00
					Total :	25.00
213455	2/19/2019	892477 LOWES	1830		SUPPLIES 043-390-0000-4300	47.76
			1831		SUPPLIES 043-390-0000-4300	34.30
			1832		SUPPLIES 043-390-0000-4300	71.59
			1918		SUPPLIES 043-390-0000-4300	58.11
			1919		SUPPLIES 043-390-0000-4300	43.69
			1964		LP SNACK BAR CLEANUP AND REC PA 043-390-0000-4300	159.25
					Total :	414.70
213456	2/19/2019	102075 MAG-TROL ASSOCIATES, INC.	I212207		RELAYS FOR GENERATOR 043-390-0000-4300	831.77
					Total :	831.77
213457	2/19/2019	102125 MARTINEZ, MARLENE	TRAVEL		PER DIEM-STC TRAINING IN CONCORD 001-225-3688-4360	55.00
					Total :	55.00
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213458	2/19/2019	888242 MCI COMM SERVICE	7DK54968		MTA PHONE LINE 007-440-0441-4220	33.96
					Total :	33.96
213459	2/19/2019	893098 MEDINA, CARMEN	2000396.001		RENTAL REFUND 001-3777-0000	581.00
					Total :	581.00
213460	2/19/2019	102226 MISSION LINEN SUPPLY	509134979		LAUNDRY 001-225-0000-4350	131.20
			509154355		LAUNDRY 001-225-0000-4350	110.26
			509174562		LAUNDRY 001-225-0000-4350	118.05
			509201689		LAUNDRY 001-225-0000-4350	118.24
					Total :	477.75
213461	2/19/2019	893050 MORALES-RODRIGUEZ, CRYSTAL	JAN2019		MMAP INSTRUCTOR 109-424-3614-4260	204.00
					Total :	204.00
213462	2/19/2019	892535 MORAN, YOVANNI	JAN2019		YOGA INSTRUCTOR 017-420-1337-4260	100.00
					Total :	100.00
213463	2/19/2019	892800 MORGENSTERN, ROBERT	FEB2019		INTERPRETATION SERVICES 001-101-0000-4270	250.00
					Total :	250.00
213464	2/19/2019	893082 N1 CRITICAL TECHNOLOGIES	6420-4057	11925	BATTERIES 001-222-0000-4300	3,889.00
					001-222-0000-4300	356.00
					Total :	4,245.00
213465	2/19/2019	890995 NAVARRO, SAYDITH	JAN2018		COMMISSIONER'S STIPEND INCREASE 001-420-0000-4111	25.00
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213465	2/19/2019	890995 890995 NAVARRO, SAYDITH	(Continued)			Total : 25.00
213466	2/19/2019	101761 NCCA/KEYS CONFERENCE	TRAVEL		REGSTR-STC TRAINING IN CONCORD 001-225-3688-4360	399.00
					Total :	399.00
213467	2/19/2019	101761 NCCA/KEYS CONFERENCE	TRAVEL		RGSTR-STC TRAINING IN CONCORD C 001-225-3688-4360	399.00
					Total :	399.00
213468	2/19/2019	102410 NORTHRIDGE HOSPITAL MEDICAL	30151059505		SART EXAM 001-224-0000-4270	1,020.00
					Total :	1,020.00
213469	2/19/2019	102403 NOW IMAGE PRINTING	2018239		500 UTILITY SERVICE FORMS 070-382-0000-4300	96.80
					072-360-0000-4300	96.80
					Total :	193.60
213470	2/19/2019	102432 OFFICE DEPOT	2268361134		SUPPLIES 001-222-0000-4300	152.18
			2272735890		CREDIT 001-222-0000-4300	-19.95
			22VTAYPU5RY5644RH		SUPPLIES 001-423-0000-4300	68.99
			25833903-5001		SUPPLIES 001-422-0000-4300	337.33
			25833903-5002		SUPPLIES 001-422-0000-4300	22.80
			25833903-6001		SUPPLIES 001-422-0000-4300	9.41
			260627137001		OFFICE SUPPLIES 001-130-0000-4300	147.33
			260627767001		OFFICE SUPPLIES 001-130-0000-4300	22.39
			264849781001		SUPPLIES 001-222-0000-4300	120.86
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213470	2/19/2019	102432 OFFICE DEPOT	(Continued) 266938144001		OFFICE SUPPLIES 043-390-0000-4300	40.18
			267321991001		SUPPLIES 001-222-0000-4300	318.95
			267505459001		OFFICE SUPPLIES 001-310-0000-4300	69.06
			268083184001		OFFICE SUPPLIES 001-130-0000-4300	254.47
			268083469001		OFFICE SUPPLIES 001-130-0000-4300	73.13
					Total :	1,617.13
213471	2/19/2019	892749 PACHECO, VERONICA	JAN. 29 2019		COMMISSIONER'S STIPEND 001-115-0000-4111	75.00
			JAN.02 2019		COMMISSIONER'S STIPEND 001-115-0000-4111	75.00
					Total :	150.00
213472	2/19/2019	890324 PEREZ, JUAN	2119	11809	YOUTH BASKETBALL 017-420-1328-4260	1,573.00
					Total :	1,573.00
213473	2/19/2019	893101 POLICEONE.COM	NON PO		TASER RECERTIFICATION 001-225-0000-4360	990.00
					Total :	990.00
213474	2/19/2019	890994 PONCE, JOE	JAN2019		COMMISSIONER'S STIPEND INCREASE 001-420-0000-4111	25.00
					Total :	25.00
213475	2/19/2019	102688 PROFESSIONAL PRINTING CENTERS	19-35001		SUPPLIES 001-222-0000-4300	218.90
					Total :	218.90
213476	2/19/2019	891379 PROTECT YOUTH SPORTS	673153		BACKGROUND CHECK 017-420-1337-4260	83.80
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213476	2/19/2019	891379 891379 PROTECT YOUTH SPORTS	(Continued)			Total : 83.80
213477	2/19/2019	102779 RAMIREZ, THOMAS	JAN2019		KARATE INSTRUCTOR 017-420-1326-4260	450.00
					Total :	450.00
213478	2/19/2019	891881 REMENIH, MICHAEL	JAN2019		COMMISSIONER'S STIPEND 001-115-0000-4111	75.00
					Total :	75.00
213479	2/19/2019	887872 ROSENBERG, IRWIN	REIMB.		LUNCH REIMB-MEDIA TRAINING ON 001-222-0000-4360	24.20
					Total :	24.20
213480	2/19/2019	103045 SAN FER. MALL DOWNTOWN ASSOC.	NOV & DEC 2018		REIMB TO DOWNTOWN ASSOC-NOV & 001-2260	2,095.75
					Total :	2,095.75
213481	2/19/2019	103038 SAN FERNANDO FLORIST	4577		PLANTS 004-2380	110.00
			4578		PLANTS 004-2383	150.00
					Total :	260.00
213482	2/19/2019	892416 SANCHEZ, KARLA	JAN2019		ZUMBA INSTRUCTOR 017-420-1337-4260	275.00
					Total :	275.00
213483	2/19/2019	103941 SHREDDER SPECIALTIES	00000002005		SUPPLIES 001-222-0000-4320	693.69
			0000001999		SERVICE AGREEMENT 001-222-0000-4320	219.45
					Total :	913.14
213484	2/19/2019	891064 SIEMENS INDUSTRY INC	5620021458	11850	KNOCKDOWN TRAFFIC SIGNAL 001-371-0564-4300	3,305.93
			5620022666	11850	KNOCKDOWN TRAFFIC SIGNALS 001-371-0564-4300	10,413.41
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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213484	2/19/2019	891064 SIEMENS INDUSTRY INC	(Continued) 5620022676	11850	KNOCKDOWN TRAFFIC SIGNALS 001-371-0564-4300	3,689.36
			5620022940	11850	KNOCKDOWN TRAFFIC SIGNALS 001-371-0564-4300	310.00
					Total :	17,718.70
213485	2/19/2019	103174 SKILL PATH SEMINARS	8051529		ACCESS PASS 001-140-0000-4360	100.00
					001-150-0000-4360	149.00
					001-152-0000-4360	100.00
					Total :	349.00
213486	2/19/2019	103184 SMART & FINAL	51422		SUPPLIES FOR PIONEER PARK EVENT 001-310-0000-4300	120.80
			OP#40016003		SUPPLIES 004-2383	32.77
					004-2382	24.40
			OP#810106433		SUPPLIES 004-2380	98.99
					Total :	276.96
213487	2/19/2019	103196 SOUTH COAST AIR QUALITY	3396358		EMERGENCY FEES 041-320-0000-4260	406.79
			3399094		EMERGENCY FEES 041-320-0000-4260	131.79
					Total :	538.58
213488	2/19/2019	103202 SOUTHERN CALIFORNIA EDISON CO.	2-02-682-6982		ELECTRIC-910 FIRST 043-390-0000-4210	3,499.90
			2-02-682-7675		ELECTRIC-VARIOUS LOCATIONS 043-390-0000-4210	3,147.41
			2-21-082-3241		ELECTRIC-8TH ST/ARROYO 027-344-0000-4210	1,387.50
			2-21-082-3241		ELECTRIC-PARKING LOT 029-335-0000-4210	1,714.10
			2-21-082-3241		ELECTRIC-CNG STATION	

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vchlist 02/14/2019 10:02:46AM		Voucher List CITY OF SAN FERNANDO				Page: 20
Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213488	2/19/2019	103202 SOUTHERN CALIFORNIA EDISON CO.	(Continued)		074-320-0000-4210	4,059.79
			2-21-082-3241		ELECTRIC-TRAFFIC SIGNALS 043-390-0000-4210	5,930.45
					070-384-0000-4210	924.31
			2-33-746-5215		ELECTRIC-190 PARK 027-344-0000-4210	549.48
			2-39-084-2581		ELECTRIC-1117 2ND XMAS 043-390-0000-4210	26.09
					Total :	21,239.03
213489	2/19/2019	103251 STANLEY PEST CONTROL	113510	11880	PEST CONTROL 043-390-0000-4260	94.00
			113515	11880	PEST CONTROL 043-390-0000-4260	95.00
			113574	11880	PEST CONTROL 043-390-0000-4260	135.00
			113575	11880	PEST CONTROL 043-390-0000-4260	62.00
			113576	11880	PEST CONTROL 043-390-0000-4260	55.00
			113577	11880	PEST CONTROL 043-390-0000-4260	85.00
			113578	11880	PEST CONTROL 043-390-0000-4260	85.00
					Total :	611.00
213490	2/19/2019	100532 STATE OF CALIFORNIA, DEPARTMENT OF JU	266830		FINGERPRINTS 001-420-0000-4260	98.00
			283934		FINGERPRINTS 001-420-0000-4260	49.00
			352726		LIVESCAN SERVICES 001-222-0000-4270	198.00
					004-2386	2,846.00
					Total :	3,191.00
213491	2/19/2019	103305 TAB PRODUCTS CO.	2422880		SUPPLIES	

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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213491	2/19/2019	103305 TAB PRODUCTS CO.	(Continued)		001-222-0000-4300	407.98
					Total :	407.98
213492	2/19/2019	101528 THE HOME DEPOT CRC, ACCT#603532202490	06090113738		TOOLS	
			38129		004-2380	128.96
			5010439		SUPPLIES FOR REPAIR	
			5075493		043-390-0000-4300	247.22
			7282550		TOOLS & SUPPLIES	
			8010136		001-311-0000-4300	38.07
			8073328		TOOLS & SUPPLIES	
			8282503		001-311-0000-4300	24.06
			9060055		TOOLS & SUPPLIES	
			9060056		001-341-0000-4300	103.63
			9060057		SUPPLIES FOR REPAIR	
					043-390-0000-4300	128.72
					TOOLS AND SUPPLIES	
					072-360-0000-4300	136.97
					TOOLS & SUPPLIES	
					001-311-0000-4300	143.59
					SUPPLIES FOR REPAIR	
					043-390-0000-4300	21.97
					SUPPLIES FOR REPAIR	
					043-390-0000-4300	54.97
					SUPPLIES FOR REPAIR	
					043-390-0000-4300	32.96
					Total :	1,061.12
213493	2/19/2019	102431 THE ODYSSEY RESTAURANT	01232019		SENIOR CLUB DANCE	
					004-2380	2,000.00
					Total :	2,000.00
213494	2/19/2019	103903 TIME WARNER CABLE	00105180-12119		CABLE	
			10328012719		001-420-0000-4260	443.86
			222204012019		CABLE-02/05/19-03/04/19	
					001-190-0000-4220	132.56
					CABLE-PW OPS 01/29/19-02/28/19	

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213494	2/19/2019	103903 TIME WARNER CABLE	(Continued)		043-390-0000-4260	106.77
					Total :	683.19
213495	2/19/2019	892525 T-MOBILE	958769818		HOTSPOT & TABLET	
					001-420-0000-4220	79.69
					Total :	79.69
213496	2/19/2019	887458 TORRES, HECTOR	REIMB		REIMB FOR LUNCH-COPLINKS TRAINING	
					001-224-0000-4360	15.00
					Total :	15.00
213497	2/19/2019	893088 TORRES, JOSE	54-1083-02		WATER ACCT REFUND-963 N MACLAY	
					070-2010	20.72
					Total :	20.72
213498	2/19/2019	890998 TRUJILLO, RODOLFO	FEB2019		COMMISSIONER'S STIPEND	
					001-310-0000-4111	75.00
					Total :	75.00
213499	2/19/2019	103503 U.S. POSTAL SERVICE, NEOPOST POSTAGE (15122187			REIMB. OF POSTAGE MACHINE	
					001-190-0000-4280	1,500.00
					Total :	1,500.00
213500	2/19/2019	103445 UNDERGROUND SERVICE ALERT	120190676		MONTHLY DATABASE MAINTENANCE	
			18DSBFEE508		070-381-0000-4260	64.45
					REGULATORY COSTS	
					070-381-0000-4260	48.93
					Total :	113.38
213501	2/19/2019	888241 UNITED SITE SERVICES OF CA INC	114-7904220		PORTABLE TOILET RENTAL	
				11896	043-390-0000-4260	738.92
			114-7912978		PORTABLE TOILET RENTAL	
				11896	043-390-0000-4260	509.93
			114-7924375		PORTABLE TOILET RENTAL	
				11896	070-384-0000-4260	146.27
					Total :	1,395.12

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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213502	2/19/2019	103439 UPS	831954059		COURIER SERVICES 001-190-0000-4280	127.37
					Total :	127.37
213503	2/19/2019	103534 VALLEY LOCKSMITH	5720	11865	LOCKSMITH SERVICES FOR ALL FACIL 041-320-0225-4400	38.32
			5774	11865	LOCKSMITH SERVICES 041-1215	304.47
			5806	11865	LOCKSMITH SERVICES 041-1215	52.37
			5837	11865	LOCKSMITH SERVICES FOR ALL FACIL 043-390-0000-4330	124.27
					Total :	519.43
213504	2/19/2019	103550 VANICEK, JAMES	TRAVEL		PER DIEM- CAL NENA 911 MISSION CR 010-220-3449-4370	95.00
					Total :	95.00
213505	2/19/2019	892081 VERIZON BUSINESS SERVICES	71022139		MPLS PORT ACCESS & ROUTER FOR F 001-222-0000-4220	1,045.65
					Total :	1,045.65
213506	2/19/2019	889627 VERIZON CONFERENCING	Z6545966		CONFERENCE CALLS-JAN 2019 001-190-0000-4220	10.86
					Total :	10.86
213507	2/19/2019	100101 VERIZON WIRELESS-LA	9821052220		PW CELL PHONE PLANS 070-384-0000-4220	118.08
					043-390-0000-4220	20.27
					041-320-0000-4220	20.27
					072-360-0000-4220	33.74
			9822405333		MDT MODEMS-PD UNITS 001-222-0000-4220	1,233.40
			9822675815		PLANNING CELL PHONE PLAN 001-140-0000-4220	5.36
			9822726899		PD CELL PHONE PLANS 001-222-0000-4220	279.30
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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213507	2/19/2019	100101 VERIZON WIRELESS-LA	(Continued)		001-152-0000-4220	152.04
			9823003434		VARIOUS CELL PHONE PLANS 001-133-0000-4220	68.26
					070-384-0000-4220	42.48
					001-310-0000-4220	33.96
			9823003434		PD CELL PHONE PLANS 001-222-0000-4220	149.89
					Total :	2,157.05
213508	2/19/2019	887212 VILLAFANA, REBEKAH	JAN2019		SUPPORT SERVICES 109-424-3614-4260	1,500.00
					Total :	1,500.00
213509	2/19/2019	891845 VINYL PRODUCTS MFG., INC	063245		MATTRESS COVER 001-225-0000-4350	67.59
					Total :	67.59
213510	2/19/2019	103603 VULCAN MATERIALS COMPANY	72080758		MATERIALS 072-360-0000-4300	1,148.36
			72080759		MATERIALS 072-360-0000-4300	1,486.13
					Total :	2,634.49
213511	2/19/2019	888390 WEST COAST ARBORISTS, INC.	144082	11836	ANNUAL TREE TRIMMING SERVICES 043-390-0000-4260	677.00
			144248	11836	ANNUAL TREE TRIMMING SERVICES 011-311-0000-4260	1,340.00
					Total :	2,017.00
213512	2/19/2019	890970 WEX BANK	57586553		FUEL FOR FLEET 041-320-0152-4402	195.53
					041-320-0221-4402	192.09
					041-320-0222-4402	216.37
					041-320-0224-4402	606.75
					041-320-0225-4402	5,301.09
					041-320-0226-4402	2.00
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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213512	2/19/2019	890970 WEX BANK	(Continued)		041-320-0312-4402	2.00
					041-320-0320-4402	122.34
					041-320-0346-4402	30.95
					041-320-0370-4402	697.69
					041-320-0390-4402	1,184.10
					041-320-0420-4402	2.00
					007-313-3630-4402	222.37
					029-335-0000-4402	92.52
					070-381-0000-4402	40.87
					070-382-0000-4402	154.19
					070-383-0000-4402	833.06
					070-384-0000-4402	226.64
					072-360-0000-4402	471.16
					041-320-0311-4402	694.57
					041-320-0228-4402	453.80
					Total :	11,742.09
213513	2/19/2019	889138 WIEDER, CAROL	FEB2019		INTERPRETATION SERVICES	
			JAN2019		001-101-0000-4270	250.00
					INTERPRETATION SERVICES	
					001-101-0000-4270	250.00
					Total :	500.00
213514	2/19/2019	891531 WILLDAN ENGINEERING	00328615	11599	PROFESSIONAL SERVICES	1,008.00
			00617116	11736	008-311-6676-4600	
				11736	PROFESSIONAL SERVICES	5,545.56
				11736	012-311-6673-4600	1,140.00
				11736	070-385-6673-4600	6,664.44
			00617117	11736	PROFESSIONAL SERVICES	8,587.00
					012-311-6673-4600	
					Total :	22,945.00
213515	2/19/2019	103710 WONDRIES FLEET GROUP	D0432	11897	POLICE VEHICLE	
					041-225-0000-4500	24,041.75
					041-225-0000-4500	2,403.30

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Bank code :		bank3							
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount			
213515	2/19/2019	103710 WONDRIES FLEET GROUP	(Continued)			Total :	26,445.05		
213516	2/19/2019	892785 WONG, MICHELLE	JAN2019		YOGA INSTRUCTOR 017-420-1337-4260		100.00		
						Total :	100.00		
213517	2/19/2019	889467 YOUNGBLOOD & ASSOCIATES	3625A		POLYGRAPH 001-222-0000-4260		300.00		
			3634A		POLYGRAPH SERVICES 001-222-0000-4260		600.00		
						Total :	900.00		
213518	2/19/2019	888682 ZOBEL-RODRIGUEZ, ANGELIQUE Y.	JAN2019		COMMISSIONER'S STIPEND 001-115-0000-4111		75.00		
						Total :	75.00		
140 Vouchers for bank code :		bank3					Bank total :	363,337.58	
140 Vouchers in this report							Total vouchers :	363,337.58	

Voucher Registers are not final until approved by Council.

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CITY OF SAN FERNANDO

Bank code : bank3

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213041	1/9/2019	103648 CITY OF SAN FERNANDO	PR 1-11-19		REIMB FOR PAYROLL W/E 1-4-19	
					001-1003	357,263.91
					007-1003	664.89
					008-1003	2,061.12
					017-1003	3,416.68
					018-1003	66,957.98
					027-1003	3,486.36
					029-1003	2,590.60
					041-1003	9,334.84
					043-1003	19,905.97
					070-1003	37,607.73
					072-1003	25,129.68
					119-1003	1,570.14
					Total :	529,989.90
213042	1/10/2019	890907 DELTA DENTAL OF CALIFORNIA	DEMAND		DENTAL INS BENEFITS - JAN 2019	
					001-1160	11,960.42
					Total :	11,960.42
213043	1/10/2019	891230 DELTA DENTAL INSURANCE COMPANY	DEMAND		DENTAL INS BENEFITS - JAN 2019	
					001-1160	234.96
					Total :	234.96
213044	1/10/2019	103596 CALIFORNIA VISION SERVICE PLAN	DEMAND		VISION INS BENEFITS - JAN 2019	
					001-1160	2,486.87
					Total :	2,486.87
213045	1/10/2019	887627 STANDARD INSURANCE	DEMAND		AD&D INS BENEFITS - JAN 2019	
					001-1160	3,988.00
					Total :	3,988.00
213158	1/24/2019	103648 CITY OF SAN FERNANDO	PR 1/25/19		REIMB FOR PAYROLL W/E 1/18/19	
					001-1003	348,083.08
					007-1003	799.52
					008-1003	2,061.12
					017-1003	28.73

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CITY OF SAN FERNANDO

Bank code : bank3

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213158	1/24/2019	103648 CITY OF SAN FERNANDO	(Continued)			
					018-1003	68,082.70
					027-1003	2,907.40
					029-1003	2,590.59
					041-1003	9,512.46
					043-1003	18,879.57
					070-1003	32,640.29
					072-1003	23,992.51
					119-1003	1,554.82
					Total :	511,132.79
213374	1/31/2019	891825 UNITED STATES TREASURY	OCT-DEC 2018		EXCISE TAX QRTL PYMNT-12/31/18	
					074-320-0000-4457	1,311.60
					Total :	1,311.60
213375	1/31/2019	103255 STATE BOARD OF EQUALIZATION	58-101099		VENDOR USE FUEL TAX RETURN-2018	
					074-320-0000-4457	1,153.00
					Total :	1,153.00
8 Vouchers for bank code : bank3						Bank total : 1,062,257.54
8 Vouchers in this report						Total vouchers : 1,062,257.54

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CITY OF SAN FERNANDO

Bank code : bank3

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213376	2/4/2019	102519 P.E.R.S.	FEB 2019		HEALTH INS. BENEFITS-FEB 2019 001-1160	152,253.61
Total :						152,253.61
1 Vouchers for bank code : bank3						Bank total : 152,253.61
1 Vouchers in this report						Total vouchers : 152,253.61

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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213279	2/1/2019	100286 BAKER, BEVERLY	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	533.75
					Total :	533.75
213280	2/1/2019	891015 CROOK, ROBERT	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66
					Total :	653.66
213281	2/1/2019	100916 DEIBEL, PAUL	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83
					Total :	258.83
213282	2/1/2019	891041 GARCIA, CONNIE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74
					Total :	187.74
213283	2/1/2019	101781 KISHITA, ROBERT	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74
					Total :	187.74
213284	2/1/2019	101926 LILES, RICHARD	19-Feb		CALPERS HEALTH REIMB 070-180-0000-4127 072-180-0000-4127	247.21 247.20
					Total :	494.41
213285	2/1/2019	891027 LOCKETT, JOANN	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83
					Total :	258.83
213286	2/1/2019	102126 MARTINEZ, MIGUEL	19-Feb		CALPERS HEALTH REIMB 070-180-0000-4127	482.64
					Total :	482.64
213287	2/1/2019	102483 OROZCO, ELVIRA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	163.37
					Total :	163.37

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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213288	2/1/2019	891031 ORTEGA, JIMMIE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83
					Total :	258.83
213289	2/1/2019	891032 OTREMBA, EUGENE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66
					Total :	653.66
213290	2/1/2019	891354 RAMIREZ, ROSALINDA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	482.64
					Total :	482.64
213291	2/1/2019	102940 RUIZ, RONALD	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	533.75
					Total :	533.75
213292	2/1/2019	103121 SERRANO, ARMANDO	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	533.75
					Total :	533.75
213293	2/1/2019	892782 TIGHE, DONNA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74
					Total :	187.74
213294	2/1/2019	891046 VANAALST, LEONILDA	19-Feb		CALPERS HEALTH REIMB 070-180-0000-4127	187.74
					Total :	187.74
16 Vouchers for bank code :		bank3			Bank total :	6,059.08
16 Vouchers in this report					Total vouchers :	6,059.08

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213295	2/1/2019	100042 ABDALLAH, ALBERT	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,234.75 1,234.75
213296	2/1/2019	100091 AGORICHAS, JOHN	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	224.41 224.41
213297	2/1/2019	891039 AGUILAR, JESUS	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	511.48 511.48
213298	2/1/2019	100104 ALBA, ANTHONY	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66 653.66
213299	2/1/2019	891011 APODACA-GRASS, ROBERTA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66 653.66
213300	2/1/2019	100306 BARNARD, LARRY	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,226.00 1,226.00
213301	2/1/2019	100346 BELDEN, KENNETH M.	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,226.00 1,226.00
213302	2/1/2019	892233 BUZZELL, CAROL	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	163.37 163.37
213303	2/1/2019	891350 CALZADA, FRANK	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	462.74 462.74
213304	2/1/2019	100642 CASTRO, RICO	19-Feb		CALPERS HEALTH REIMB	

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213304	2/1/2019	100642 CASTRO, RICO	(Continued)		001-180-0000-4127	1,551.56 1,551.56
213305	2/1/2019	891014 CREEKMORE, CASIMIRA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83 258.83
213306	2/1/2019	891016 DEATON, MARK	19-Feb		CALPERS HEALTH REIMB 070-180-0000-4127	494.41 494.41
213307	2/1/2019	100913 DECKER, CATHERINE	19-Feb		CALPERS HEALTH REIMB 070-180-0000-4127	653.66 653.66
213308	2/1/2019	100925 DELGADO, RALPH	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	462.74 462.74
213309	2/1/2019	892102 DOSTER, DARRELL	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66 653.66
213310	2/1/2019	100996 DRAKE, JOYCE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83 258.83
213311	2/1/2019	100995 DRAKE, MICHAEL	19-Feb		CALPERS HEALTH REIMB 070-180-0000-4127 072-180-0000-4127	129.42 129.41 258.83
213312	2/1/2019	100997 DRAPER, CHRISTOPHER	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,472.46 1,472.46
213313	2/1/2019	101044 ELEY, JEFFREY	19-Feb		CALPERS HEALTH REIMB	

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213313	2/1/2019	101044 ELEY, JEFFREY	(Continued)		001-180-0000-4127	1,940.00
					Total :	1,940.00
213314	2/1/2019	891040 FISHKIN, RIVIAN	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74
					Total :	187.74
213315	2/1/2019	892103 GAJDOS, BETTY	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74
					Total :	187.74
213316	2/1/2019	891351 GARCIA, DEBRA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,490.94
					Total :	1,490.94
213317	2/1/2019	891067 GARCIA, NICOLAS	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,177.56
					Total :	1,177.56
213318	2/1/2019	101318 GLASGOW, KEVIN	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,472.46
					Total :	1,472.46
213319	2/1/2019	891020 GLASGOW, ROBERT	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	377.00
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213320	2/1/2019	891021 GUIZA, JENNIE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83
					Total :	258.83
213321	2/1/2019	101415 GUTIERREZ, OSCAR	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74
					Total :	187.74
213322	2/1/2019	891352 HADEN, SUSANNA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	482.64
					Total :	482.64
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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213322	2/1/2019	891352 891352 HADEN, SUSANNA	(Continued)			Total : 482.64
213323	2/1/2019	101440 HALCON, ERNEST	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,226.00
					Total :	1,226.00
213324	2/1/2019	891918 HARTWELL, BRUCE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66
					Total :	653.66
213325	2/1/2019	101465 HARVEY, DAVID	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74
					Total :	187.74
213326	2/1/2019	101466 HARVEY, DEVERY MICHAEL	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,679.00
					Total :	1,679.00
213327	2/1/2019	101471 HASBUN, NAZRI A.	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,203.50
					Total :	1,203.50
213328	2/1/2019	891023 HATFIELD, JAMES	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66
					Total :	653.66
213329	2/1/2019	892104 HERNANDEZ, ALFONSO	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,503.07
					Total :	1,503.07
213330	2/1/2019	891024 HOOKER, RAYMOND	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	707.78
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213331	2/1/2019	101538 HOUGH, RAY	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	462.74
					Total :	462.74
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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213332	2/1/2019	101597 IBRAHIM, SAMIR	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	511.48 511.48
213333	2/1/2019	101694 JACOBS, ROBERT	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,147.00 1,147.00
213334	2/1/2019	892105 KAHMANN, ERIC	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	511.48 511.48
213335	2/1/2019	101786 KLOTZSCHE, STEVEN	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	832.98 832.98
213336	2/1/2019	891866 KNIGHT, DONNA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74 187.74
213337	2/1/2019	892929 LEWIS, WANDA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83 258.83
213338	2/1/2019	891043 LIEBERMAN, LEONARD	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74 187.74
213339	2/1/2019	101933 LITTLEFIELD, LESLEY	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66 653.66
213340	2/1/2019	102059 MACK, MARSHALL	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,203.50 1,203.50
213341	2/1/2019	891010 MAERTZ, ALVIN	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	511.48

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213341	2/1/2019	891010 MAERTZ, ALVIN	(Continued)			511.48
213342	2/1/2019	888037 MARTINEZ, ALVARO	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,101.28 1,101.28
213343	2/1/2019	102206 MILLER, WILMA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83 258.83
213344	2/1/2019	102212 MIRAMONTES, MONICA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,203.50 1,203.50
213345	2/1/2019	102232 MIURA, HOWARD	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83 258.83
213346	2/1/2019	892106 MONTAN, EDWARD	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	832.98 832.98
213347	2/1/2019	102365 NAVARRO, RICARDO A	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	462.74 462.74
213348	2/1/2019	102473 ORDELHEIDE, ROBERT	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,551.56 1,551.56
213349	2/1/2019	102486 ORSINI, TODD	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,605.35 1,605.35
213350	2/1/2019	102569 PARKS, ROBERT	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,940.00 1,940.00

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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213351	2/1/2019	891353 PEAVY, JOSEPH	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74 187.74
213352	2/1/2019	102527 PISCITELLI, ANTHONY	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	462.74 462.74
213353	2/1/2019	891033 POLLOCK, CHRISTINE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	377.00 377.00
213354	2/1/2019	102735 QUINONEZ, MARIA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,101.28 1,101.28
213355	2/1/2019	891034 RAMSEY, JAMES	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	677.47 677.47
213356	2/1/2019	102864 RIVETTI, DOMINICK	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	886.00 886.00
213357	2/1/2019	102936 RUELAS, MARCO	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,503.07 1,503.07
213358	2/1/2019	891044 RUSSUM, LINDA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74 187.74
213359	2/1/2019	890806 SALDIVAR, GEORGE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74 187.74
213360	2/1/2019	892107 SHANAHAN, MARK	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	511.48
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Bank code :		bank3				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213360	2/1/2019	892107 892107 SHANAHAN, MARK	(Continued)			511.48
213361	2/1/2019	891035 SHERWOOD, NINA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83 258.83
213362	2/1/2019	103175 SKOBIN, ROMELIA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,102.61 1,102.61
213363	2/1/2019	103220 SOMERVILLE, MICHAEL	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,487.00 1,487.00
213364	2/1/2019	103394 TORRES, RACHEL	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83 258.83
213365	2/1/2019	889588 UFANO, VIRGINIA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	187.74 187.74
213366	2/1/2019	888417 VALDIVIA, LAURA	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	707.78 707.78
213367	2/1/2019	103562 VASQUEZ, JOEL	19-Feb		CALPERS HEALTH REIMB 070-180-0000-4127	1,940.00 1,940.00
213368	2/1/2019	891038 WAITE, CURTIS	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,102.61 1,102.61
213369	2/1/2019	891036 WATT, DAVID	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66 653.66
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Bank code : bank3

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
213370	2/1/2019	891037 WEBB, NANCY	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	677.47 677.47
213371	2/1/2019	103643 WEDDING, JEROME	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	653.66 653.66
213372	2/1/2019	103727 WYSBEEK, DOUDE	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	258.83 258.83
213373	2/1/2019	103737 YNIGUEZ, LEONARD	19-Feb		CALPERS HEALTH REIMB 001-180-0000-4127	1,102.61 1,102.61
79 Vouchers for bank code : bank3					Bank total :	60,155.70
79 Vouchers in this report					Total vouchers :	60,155.70

Voucher Registers are not final until approved by Council.

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, Interim City Manager
By: Yazdan T. Emrani, P.E., Director of Public Works/ City Engineer

Date: February 19, 2019

Subject: Consideration to Approve a Second Amendment to the Willdan Engineering Professional Services Agreement for the San Fernando Traffic Signal Improvement Project

RECOMMENDATION:

It is recommended that the City Council:

- a. Approve a second Amendment to the Willdan Engineering Professional Services Agreement (Attachment "A" – Contract No. 1893(b)) for design services related to the Highway Safety Improvement Program (HSIP) Cycle 8 Traffic Signal Improvements Project; and
- b. Authorize the City Manager, or designee, to execute all related documents.

BACKGROUND:

1. In November 2016, the California Department of Transportation (Caltrans) awarded the City \$1,096,000 in HSIP Cycle 8 Grant funds for a traffic signal improvements project.
2. On January 25, 2018, a Request for Proposals (RFP) for the Traffic Signal Improvements was published on the City's Website and the *San Fernando Valley Sun Newspaper*.
3. On March 1, 2018, the City Clerk's office received one bid proposal from Willdan Engineering.
4. On August 20, 2018, the City Council approved Contract No. 1893 (Attachment "B"), with Willdan Engineering for the Design Phase of the HSIP Cycle 8 Traffic Signal Improvements Project.
5. In December 2018, staff was made aware that additional language needed to be included in Contract No. 1893 in order to satisfy Caltrans' procurement criteria and to move project forward.

Consideration to Approve a Second Amendment to the Willdan Engineering Professional Services Agreement for the San Fernando Traffic Signal Improvement ProjectPage 2 of 3

6. On February 4, 2018, the City Council approved a First Amendment to Contract No. 1893 (Exhibit "A" to Attachment "A" – Contract No. 1893(a)) which included additional language to the original contract agreement.

ANALYSIS:

A local agency may engage consultants to perform architectural, engineering, and related services to develop a federal-aid or state-funded project. Those private consulting firms providing architectural, landscape architectural, engineering, environmental, land surveying, construction engineering, or construction project management services are termed Architectural and Engineering (A&E) Consultants. Local agencies requesting federal or state funds to reimburse A&E Consultants must follow specific selection and contracting procedures established by Caltrans.

All consultants wanting to provide services for any HSIP Cycle 8 Federally funded project must determine a specific method of compensation for services which will be rendered. Caltrans permits four methods of compensation depending on the scope of services the consultant will be performing. The four methods are:

- Actual Cost-Plus-Fixed Fee;
- Cost Per Unit of Work;
- Specific Rates of Compensation; and
- Lump Sum.

For the HSIP 8 Traffic Signals Improvement Project (design phase), the method of compensation for Willdan Engineering's professional services contract is "Actual Cost-Plus-Fixed Fee." With this method, the consultant is reimbursed for actual costs (direct labor costs + indirect costs) incurred and receives an additional predetermined amount as a fixed fee (profit). The amount of the fixed fee is determined by the size, complexity, duration, and degree of risk involved in the work.

Due to specific Caltrans' regulations and requirements which govern consultant compensation, the maximum allowable percentage of profit cannot exceed 15 percent of the total direct labor and indirect costs. Caltrans allows fixed fees to exceed the 15 percent threshold of the total direct labor and indirect costs of the contract only when it can be proven or justified that exceptional circumstances exist. Additionally, Caltrans does not allow markups on subconsultant compensation. Therefore all subconsultant work done by the prime consultant has to be treated as "Pass Through" costs.

Consideration to Approve a Second Amendment to the Willdan Engineering Professional Services Agreement for the San Fernando Traffic Signal Improvement ProjectPage 3 of 3

Reason for Second Amendment.

Willdan Engineering's original contract to provide design services for the HSIP Cycle 8 Traffic Signal Improvements Project is for the amount of \$111,571; the fix fee (profit) calculated by Willdan Engineering exceeds the allowable 15 percent. After a review of the breakdown of the cost estimate developed by Willdan Engineering, it was found that the fees for sub-consultants to be utilized by Willdan Engineering were mistakenly marked-up. Caltrans' regulations do not allow for this. City staff discussed this issue with Willdan Engineering and they agreed to reduce the contract amount for design services to \$83,804.82.

BUDGET IMPACT:

Due to the proposed reduction to the cost of providing design services for the HSIP Cycle 8 Traffic Signal Improvements Project, a second amendment to Contract No. 1893 will have a positive monetary impact on the Fiscal Year 2018-2019 Adopted Budget by reducing the amount of funds that will be expended.

CONCLUSION:

It is recommended that City Council approve the Second Amendment to Willdan Engineering's Professional Services Agreement for design services related to the HSIP Cycle 8 Traffic Signal Improvements Project and authorize execution of the Amendment.

ATTACHMENTS:

- A. Contract No.1893(b)
- B. Contract No. 1893

ATTACHMENT "A"
CONTRACT NO. 1893(b)

2019
SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
(Willdan Engineering – San Fernando Traffic Signal Improvement Project)

THIS 2019 SECOND AMENDMENT ("Second Amendment") to that certain agreement entitled "Professional Services Agreement – Willdan Engineering – San Fernando Traffic Signal Improvement Project" originally executed 20th day of August, 2018 by and between the CITY OF SAN FERNANDO, a municipal corporation and general law city ("CITY") and WILLDAN ENGINEERING, a California corporation (hereinafter, "CONSULTANT" is made and entered into this 19th day of February, 2019 ("Effective Date"). For purposes of this Second Amendment, the capitalized term "Parties" shall be a collective reference to both CITY and CONSULTANT. The capitalized term "Party" may refer to either CITY or CONSULTANT interchangeably as appropriate.

RECITALS

WHEREAS, the Parties executed and entered into an employment agreement dated August 22nd, 2018 and entitled "Professional Services Agreement – Willdan Engineering – San Fernando Traffic Signal Improvement Project", Contract No. 1893 (hereinafter, the "Master Agreement"); and

WHEREAS, the Parties modified the Master Agreement by the execution of a First Amendment to the Master Agreement ("First Amendment") dated February 4th, 2019 (the Master Agreement as amended by way of the First Amendment is attached and incorporated hereto as **Exhibit "A"**)

WHEREAS, the Parties now wish to modify the Master Agreement further for purposes of modifying the Master Agreement's compensation terms; and

WHEREAS, execution of this Second Amendment was approved by the San Fernando City Council ("City Council") at its Regular Meeting of February 19, 2019.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

SECTION 1. The Not-to-Exceed Sum as defined under Section 1.3 of the Master Agreement is hereby amended to mean and refer to the sum of Eighty-Three Thousand, Eight Hundred and Four Dollars and Eighty-Two Cents (\$83,804.82).

SECTION 2. Exhibit "B" to the Master Agreement entitled "City of San Fernando, HSPI Cycle 8 Traffic Signal Improvements, Federal Project No. H8-07-046 – Estimated Fee, Thursday, July 26, 2018" is repealed and deleted and replaced by a new Contract No. 1983 - Exhibit "B" entitled "Actual Cost-Plus Fixed Fee or Lump Sum (Firm Fixed Price) Contracts" (The new Exhibit "B" is attached and incorporated into this Second Amendment as **Exhibit "B"**).

SECTION 3. Subsection (A) of Section 1.3 (Compensation) of the Master Agreement is hereby amended in its entirety to state the following:

A. CONSULTANT shall performance the various services and tasks set forth in the Scope of Services in accordance with the compensation terms set forth in the document entitled "Actual Cost-Plus Fixed Fee or Lump Sum (Firm Fixed Price) Contracts"

which is attached and incorporated hereto as Exhibit "B."

SECTION 4. Notwithstanding anything in the Master Agreement or the First Amendment to the contrary, CONSULTANT shall performance the various services and tasks set forth in the Scope of Services in accordance with the performance scheduled entitled "City of San Fernando, HSIP Cycle 8 Traffic Signal Improvements, Federal Project No. H8-07-046, Hour Matrix, Wednesday, January 23, 2019" which is attached and incorporated hereto as **Exhibit "C"**).

SECTION 5. Except as otherwise set forth in this Second Amendment, the Master Agreement as amended by way of the First Amendment shall remain binding, controlling and in full force and effect. The provisions of this Second Amendment shall be deemed a part of the Master Agreement as the same has been amended by way of the First Amendment and except as otherwise provided under this Second Amendment, the Master Agreement, the First Amendment and all provisions contained therein shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this Second Amendment and the provisions of the Master Agreement or the First Amendment, the provisions of this Second Amendment shall govern and control, but only in so far as such provisions conflict with the Master Agreement or the First Amendment and no further.

SECTION 6. The Master Agreement as amended by way of this Second Amendment and the First Amendment, constitutes the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between CITY and CONSULTANT prior to the execution of this Second Amendment. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to the Master Agreement as amended by this Second Amendment and the First Amendment shall be valid and binding unless in writing and duly executed by the Parties in the form of a written contract amendment.

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be executed on the day and year first appearing above.

CITY:**City of San Fernando**

By: _____

Joel Fajardo
Mayor

Date: _____

APPROVED AS TO FORM

By: _____

Name: _____

Title: _____

Date: _____

CONSULTANT**Willdan Engineering**

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A"
CONTRACT NO. 1893(a)

2019
FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
(Willdan Engineering – San Fernando Traffic Signal Improvement Project)

THIS 2019 FIRST AMENDMENT ("Amendment") to that certain agreement entitled "Professional Services Agreement – Willdan Engineering – San Fernando Traffic Signal Improvement Project" originally executed 20th day of August 2018 by and between the CITY OF SAN FERNANDO, a municipal corporation and general law city ("CITY") and WILLDAN ENGINEERING, a California corporation (hereinafter, "CONSULTANT" is made and entered into this 4th day of February, 2019 ("Effective Date"). For purposes of this Amendment, the capitalized term "Parties" shall be a collective reference to both CITY and CONSULTANT. The capitalized term "Party" may refer to either CITY or CONSULTANT interchangeably as appropriate.

RECITALS

WHEREAS, the Parties executed and entered into an employment agreement dated August 22nd, 2018 and entitled "Professional Services Agreement – Willdan Engineering – San Fernando Traffic Signal Improvement Project", Contract No. 1893 (hereinafter, the "Master Agreement") (the Master Agreement is attached and incorporated hereto as Attachment "A"); and

WHEREAS, the Parties now wish to modify the Master Agreement further to include provisions required as conditions of the funding source for the work to be performed under the Master Agreement; and

WHEREAS, execution of this Amendment was approved by the San Fernando City Council ("City Council") at its Regular Meeting of February 4, 2019.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

SECTION 1. The Master Agreement is hereby amended by the addition of those terms and conditions set forth in Attachment "B" to this Amendment (hereinafter, the "Supplemental Contract Terms") which is attached and incorporated hereto by this reference.

SECTION 2. Section 1.2 (Term) of the Master Agreement is hereby amended in its entirety to state the following:

- A. *This Agreement shall take effect as of August 22, 2018, contingent upon approval by CITY, and CONSULTANT shall commence work after notification to proceed by the City Representative. The Agreement shall sixteen (16) months from August 22, 2018, unless extended by written amendment.*
- B. *CONSULTANT is advised that any recommendation for contract award or any subsequent amendment of this Agreement is not binding on CITY until the Agreement is fully executed and approved by the CITY.*

SECTION 3. The first sentence of Section 5.1 (Termination without Cause) of the Master Agreement is hereby repealed and replaced by the following text:

CITY may terminate this Agreement at any time for convenience and without cause upon thirty (30) calendar days prior written notice to CONSULTANT.

SECTION 4. Article V (Termination) of the Master Agreement is hereby amended by the addition of a new Section 5.5 which shall state the following:

If CITY terminates this Agreement with CONSULTANT, CITY shall pay CONSULTANT the sum due to CONSULTANT under this contract prior to termination, unless the cost of completion to CITY exceeds the funds remaining in the contract. In which case the overage shall be deducted from any sum due CONSULTANT under this Agreement and the balance, if any, shall be paid to CONSULTANT upon demand.

SECTION 5. SECTION 6.6 (Subcontracting) of the Master Agreement is hereby amended by the addition of the following text:

Nothing contained in this Agreement or otherwise, shall create any contractual relation between CITY and any subconsultant(s), and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. CONSULTANT agrees to be as fully responsible to CITY for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT's obligation to pay its subconsultant(s) is an independent obligation from CITY's obligation to make payments to the CONSULTANT. CONSULTANT shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Agreement shall be subcontracted without written authorization by CITY through the City Representative, except that, which is expressly identified in this Agreement. CONSULTANT shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to CONSULTANT by CITY. All subcontracts entered into as a result of this contract shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants. Any substitution of subconsultant(s) must be approved in writing by CITY through the City Representative prior to the start of work by the subconsultant(s).

SECTION 6. Except as otherwise set forth in this Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. The provisions of this Amendment shall be deemed a part of the Master Agreement and except as otherwise provided under this Amendment, the Master Agreement and all provisions contained therein shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this Amendment and the provisions of the Master Agreement, the provisions of this Amendment shall govern and control, but only in so far as such provisions conflict with the Master Agreement and no further.

SECTION 7. The Master Agreement as amended by way of this Amendment, constitutes the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between CITY and Consultant prior to the execution of this Amendment. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to the Master Agreement as amended by this Amendment shall be valid and binding unless in writing and duly executed by the Parties in the form of a written contract amendment.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed on the day and year first appearing above.

CITY:**City of San Fernando**

By: _____
Alexander P. Meyerhoff, City Manager

Date: _____

APPROVED AS TO FORM

By: _____

Name: _____

Title: _____

Date: _____

CONSULTANT**Willdan Engineering**

By: _____

Name: _____

Title: _____

Date: _____



PROFESSIONAL SERVICES AGREEMENT

Willdan Engineering

San Fernando Traffic Signal Improvements Project

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 20th day of August 2018 (hereinafter, the "Effective Date"), by and between the CITY OF SAN FERNANDO, a municipal corporation ("CITY") and Willdan Engineering, a California corporation (hereinafter, "CONSULTANT"). For the purposes of this Agreement CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to CITY or CONSULTANT interchangeably.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

I. ENGAGEMENT TERMS

- 1.1 **SCOPE OF SERVICES:** Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, CONSULTANT agrees to perform the services and tasks set forth in **Exhibit "A"** (hereinafter referred to as the "**Scope of Services**"). CONSULTANT further agrees to furnish to CITY all labor, materials, tools, supplies, equipment, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Services. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Services shall hereinafter be referred to generally by the capitalized term "Work."
- 1.2 **TERM:** This Agreement shall have a term of 16 Months commencing on August 22, 2018 and concluding December 31, 2019. Nothing in this Section shall operate to prohibit or otherwise restrict the CITY's ability to terminate this Agreement at any time for convenience or for cause
- 1.3 **COMPENSATION:**
 - A. CONSULTANT shall perform the various services and tasks set forth in the Scope of Services in accordance with the compensation schedule which is Table 6.1. "Fee Proposal for Feasibility and Preliminary Design" set forth in **Exhibit "B"** (hereinafter, the "Approved Rate Schedule").
 - B. Section 1.3(A) notwithstanding, CONSULTANT's total compensation during the Term of this Agreement or any extension term shall not exceed the budgeted

PROFESSIONAL SERVICES AGREEMENT

San Fernando Traffic Signal Improvements Project

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aggregate sum of **ONE HUNDRED ELEVEN THOUSAND FIVE HUNDRED SEVENTY-ONE DOLLARS** (\$111,571) (hereinafter, the "Not-to-Exceed Sum"), unless such added expenditure is first approved by the CITY acting in consultation with the City Manager and the Finance Director. In the event CONSULTANT's charges are projected to exceed the Not-to-Exceed Sum prior to the expiration of the Term or any single extension term, CITY may suspend CONSULTANT's performance pending CITY approval of any anticipated expenditures in excess of the Not-to-Exceed Sum or any other CITY-approved amendment to the compensation terms of this Agreement.

- 1.4 PAYMENT OF COMPENSATION: Following the conclusion of each calendar month, CONSULTANT shall submit to CITY an itemized invoice indicating the services and tasks performed during the recently concluded calendar month, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT's monthly compensation is a function of hours worked by CONSULTANT's personnel, the invoice shall indicate the number of hours worked in the recently concluded calendar month, the persons responsible for performing the Work, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included in the invoice. Within forty-five (45) calendar day of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.
- 1.5 ACCOUNTING RECORDS: CONSULTANT shall maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. CITY shall have the right to access and examine such records, without charge, during normal business hours. CITY shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.
- 1.6 ABANDONMENT BY CONSULTANT: In the event CONSULTANT ceases to perform the Work agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT shall deliver to CITY immediately and without delay, all materials, records and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT shall only be compensated for the reasonable value of the services, tasks and other work performed up to the time of cessation or abandonment, less a deduction for any damages, costs or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

PROFESSIONAL SERVICES AGREEMENT

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II. PERFORMANCE OF AGREEMENT

- 2.1 CITY'S REPRESENTATIVES: The CITY hereby designates the Director of Public Works/ City Engineer (hereinafter, the "CITY Representative") to act as its representatives for the performance of this Agreement. The CITY Representative or their designee shall act on behalf of the CITY for all purposes under this Agreement. The Director of Public Works/ City Engineer shall be the chief CITY Representative. CONSULTANT shall not accept directions or orders from any person other than the CITY Representative or their designee.
- 2.2 CONSULTANT REPRESENTATIVE: CONSULTANT hereby designates Jeffrey Lau, Professional Engineer and Project Manager, to act as its representative for the performance of this Agreement (hereinafter, "CONSULTANT Representative"). CONSULTANT Representative shall have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. CONSULTANT Representative or his designee shall supervise and direct the performance of the Work, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Agreement. Notice to the CONSULTANT Representative shall constitute notice to CONSULTANT.
- 2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS: CONSULTANT agrees to work closely with CITY staff in the performance of the Work and this Agreement and shall be available to CITY staff and the CITY Representatives at all reasonable times. All work prepared by CONSULTANT shall be subject to inspection and approval by CITY Representatives or their designees.
- 2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: CONSULTANT represents, acknowledges and agrees to the following:
- A. CONSULTANT shall perform all Work skillfully, competently and to the highest standards of CONSULTANT's profession;
 - B. CONSULTANT shall perform all Work in a manner reasonably satisfactory to the CITY;
 - C. CONSULTANT shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.);
 - D. CONSULTANT understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;

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- E. All of CONSULTANT's employees and agents possess sufficient skill, knowledge, training and experience to perform those services and tasks assigned to them by CONSULTANT; and
- F. All of CONSULTANT's employees and agents (including but not limited subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.

The Parties acknowledge and agree that CONSULTANT shall perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed within seven (7) calendars days from the date of discovery or such other extended period of time authorized by the CITY Representatives in writing and in their sole and absolute discretion. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge and experience necessary to perform the Work skillfully, competently and to the highest standards of CONSULTANT's profession.

- 2.5 ASSIGNMENT: The skills, training, knowledge and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it shall not assign or transfer, either directly or indirectly or by operation of law, this Agreement or the performance of any of CONSULTANT's duties or obligations under this Agreement without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer shall be ineffective, null and void and shall constitute a material breach of this Agreement.
- 2.6 CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR: The Work shall be performed by CONSULTANT or under CONSULTANT's strict supervision.

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San Fernando Traffic Signal Improvements Project

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CONSULTANT will determine the means, methods and details of performing the Work subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not unduly interfere with CONSULTANT's competent and timely performance of the Work contemplated under this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Work under this Agreement on behalf of CONSULTANT are not employees of CITY and shall at all times be under CONSULTANT's exclusive direction and control. CONSULTANT shall pay all wages, salaries and other amounts due such personnel and shall assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation insurance and the like.

- 2.7 REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants is determined by the CITY Representatives to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Work in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant shall be promptly removed by CONSULTANT and shall not be re-assigned to perform any of the Work.
- 2.8 COMPLIANCE WITH LAWS: CONSULTANT shall keep itself informed of and in compliance with all applicable federal, State or local laws to the extent such laws control or otherwise govern the performance of the Work. CONSULTANT's compliance with applicable laws shall include without limitation compliance with all applicable Cal/OSHA requirements.
- 2.9 NON-DISCRIMINATION: In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, subconsultant, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.
- 2.10. INDEPENDENT CONTRACTOR STATUS: The Parties acknowledge, understand and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and shall at all times remain, wholly independent contractors and are not officials, officers,

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employees, departments or subdivisions of CITY. CONSULTANT shall be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT shall have no authority, express or implied, to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of, or against, CITY, whether by contract or otherwise, unless such authority is expressly conferred to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

III. INSURANCE

3.1 DUTY TO PROCURE AND MAINTAIN INSURANCE: Prior to the beginning of and throughout the duration of the Work, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT shall procure and maintain the following insurance coverage, at its own expense:

- A. Commercial General Liability Insurance: CONSULTANT shall procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.
- B. Automobile Liability Insurance: CONSULTANT shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
- C. Workers' Compensation Insurance/ Employer's Liability Insurance: A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both CONSULTANT and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by CONSULTANT in the course of carrying out the Work contemplated in this Agreement.

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- D. Errors & Omissions Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT shall procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall be endorsed to include contractual liability.
- 3.2 ADDITIONAL INSURED REQUIREMENTS: The CGL Coverage and the Automobile Liability Insurance shall contain an endorsement naming the CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers as additional insureds.
- 3.3 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement shall be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance shall be procured from insurers who, according to the latest edition of the Best's Insurance Guide, have an A.M. Best's rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide. As to Workers' Compensation Insurance/ Employer's Liability Insurance, the CITY Representatives are authorized to authorize lower ratings than those set forth in this Section.
- 3.4 PRIMACY OF CONSULTANT'S INSURANCE: All policies of insurance provided by CONSULTANT shall be primary to any coverage available to CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers shall be in excess of CONSULTANT's insurance and shall not contribute with it.
- 3.5 WAIVER OF SUBROGATION: All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT or CONSULTANT's officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.
- 3.6 VERIFICATION OF COVERAGE: CONSULTANT acknowledges, understands and agrees, that CITY's ability to verify the procurement and maintenance of the insurance required under this Article is critical to safeguarding CITY's financial well-being and, indirectly, the collective well-being of the residents of the CITY. Accordingly, CONSULTANT warrants, represents and agrees that it shall furnish CITY with original certificates of insurance and endorsements evidencing the coverage required under this Article on forms satisfactory to CITY in its sole and absolute discretion. **The certificates of insurance and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the CITY if**

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requested. All certificates of insurance and endorsements shall be received and approved by CITY as a condition precedent to CONSULTANT's commencement of any work or any of the Work. Upon CITY's written request, CONSULTANT shall also provide CITY with certified copies of all required insurance policies and endorsements.

IV. INDEMNIFICATION

- 4.1 The Parties agree that CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers (hereinafter, the "CITY Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the CITY Indemnitees with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT's commitment to indemnify, defend and protect CITY as set forth herein.
- 4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the CITY.
- 4.3 CITY shall have the right to offset against the amount of any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Article and related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 4.4 The obligations of CONSULTANT under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers.
- 4.5 CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and

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indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.

- 4.6 CITY does not, and shall not, waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.
- 4.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity.

V. TERMINATION

- 5.1 TERMINATION WITHOUT CAUSE: CITY may terminate this Agreement at any time for convenience and without cause by giving CONSULTANT a minimum of five (5) calendar days prior written notice of CITY's intent to terminate this Agreement. Upon such termination for convenience, CONSULTANT shall be compensated only for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in Section 6.1 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Work. CONSULTANT shall be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, shall operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.
- 5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:
- A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event

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of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 5.2.B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.

- B. CONSULTANT shall cure the following Events of Defaults within the following time periods:
- i. Within three (3) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 3-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 3-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2 B.i. that exceeds seven (7) calendar days from the end of the initial 3-day cure period; or
 - ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of

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Default on the part of CONSULTANT shall include, but shall not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; (v) CONSULTANT's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vii) CITY's discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

- C. CITY shall cure any Event of Default asserted by CONSULTANT within forty-five (45) calendar days of CONSULTANT's issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 45-day cure period. Prior to the expiration of the 45-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 45-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.4, above, shall be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.
- D. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT shall be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY shall operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement as provided herein.
- E. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

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- F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
- i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;
 - ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;
 - iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or
 - iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT shall be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

- G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

- 5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- 5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto shall not operate to terminate any Article, Section or provision contained herein which provides that it shall survive the termination or normal expiration of this Agreement.

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VI. MISCELLANEOUS PROVISIONS

- 6.1 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data shall be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, drawings, designs, renderings, specifications, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT shall require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY shall be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.
- 6.2 CONFIDENTIALITY: All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. Upon request, all CITY data shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT shall not use CITY's name or insignia, photographs, or any publicity pertaining to the Work in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.
- 6.3 FALSE CLAIMS ACT: CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., Section 3789 et seq. and the California False Claims Act, Government Code Section 12650 et seq.
- 6.4 NOTICES: All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

PROFESSIONAL SERVICES AGREEMENT

San Fernando Traffic Signal Improvements Project

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CONSULTANT:

Willdan Engineering
13191 Crossroads Parkway North,
Suite 405
Industry, CA 91746
Attn: Vanessa Munoz, Director of
Engineering
Phone: 562 368-4848
Fax: 562.695-2120

CITY:

City of San Fernando
Public Works Department
117 Macneil Street
San Fernando, CA 91340
Attn: Yazdan T. Emrani, Director of Public
Works/City Engineer
Phone: 818-898-1222
Fax: 818-361-6728

Such notices shall be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

- 6.5 COOPERATION; FURTHER ACTS: The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as is reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.
- 6.6 SUBCONTRACTING: CONSULTANT shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.7 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: CITY reserves the right to employ other contractors in connection with the various projects worked upon by CONSULTANT.
- 6.8 PROHIBITED INTERESTS: CONSULTANT warrants, represents and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for CONSULTANT, to solicit or secure this Agreement. Further, CONSULTANT warrants and represents that it has not paid nor has it agreed to pay any company or person, other than a *bona fide* employee working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of CITY, during the term of his or her service with CITY, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

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- 6.9 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.
- 6.10 GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.
- 6.11 ATTORNEYS' FEES: If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.
- 6.12 SUCCESSORS AND ASSIGNS: This Agreement shall be binding on the successors and assigns of the Parties.
- 6.13 NO THIRD PARTY BENEFIT: There are no intended third party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.14 CONSTRUCTION OF AGREEMENT: This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.15 SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 6.16 AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.
- 6.17 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limits, augment, or describe the scope, content, or intent of this Agreement.

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- 6.18 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.
- 6.19 ENTIRE AGREEMENT: This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between CITY and CONSULTANT prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to this Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.15, above.
- 6.20 COUNTERPARTS: .This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 6.16, above. One fully executed original counterpart shall be delivered to CONSULTANT and the remaining two original counterparts shall be retained by CITY.

(SIGNATURE PAGE TO FOLLOW)

PROFESSIONAL SERVICES AGREEMENT

San Fernando Traffic Signal Improvements Project

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF SAN FERNANDOBy: Alex Meyerhoff

Alexander P. Meyerhoff, City Manager

Willdan EngineeringBy: Vanessa MunozName: Vanessa MunozTitle: Director of Engineering**APPROVED AS TO FORM**By: Rick R. Olivarez

Rick R. Olivarez, City Attorney

Richard Padilla, Asst City Atty

EXHIBIT "A"**City of San Fernando****Revised Project Scope of Services (July 26, 2018)****Task 1 – General**

The day-to-day management of the HSIP Cycle 8 Traffic Signal Improvement project will lie with Mr. Lau. He will be responsible for overseeing all services provided, maintaining a beneficial relationship with City staff and other stakeholders, planning and guiding the work plan, and coordinating with the project team – including our two subconsultants. Mr. Lau will ensure that project requirements are clearly understood and reinforced through frequent communications with the entire project team and careful review of deliverables. Ms. Vanessa Muñoz, PE, TE, PTOE, our Principal-in-Charge, will be accessible to City staff throughout the project's duration.

Task 1.1 – Meetings. Upon project award, Mr. Lau, will hold a kick-off meeting with City project staff, stakeholders, and Willdan's task leaders and subconsultant to develop a common understanding of the project's goals, timelines, and deliverables to finalize a detailed scope for the City's approval. Willdan's approach to, and execution of, the project tasks will be to the point with appropriate levels of effort planned and maintained throughout the project's duration. This will be achieved by implementing these project management tasks:

Task 1.1 Deliverables

- ✓ Meeting agendas
- ✓ Meeting minutes
- ✓ Meeting attendance rosters

- Project work plan
- Draft project schedule
- Monthly status reports and invoices
- Issue/action item/decision log
- Project coordination with City
- Schedule and budget management

Willdan will report progress to the City on a regular basis and as necessary to keep the project schedule up-to-date and the project team on the same page. Willdan will submit a monthly progress report to accompany invoices. The reports will generally include a narrative of work accomplished during the reporting period; work planned for the next reporting period; information/decisions required to maintain the project schedule and complete deliverables; problems encountered that may affect the schedule, budget, and anticipated work items; and recommendations to resolve issues. The report can be customized and formatted to best suit the needs of the City.

Task 1.2 – Coordinate with Los Angeles Department of Transportation Traffic Signal Synchronization System.

Willdan will coordinate with Los Angeles Department of Transportation (LADOT) to connect seven project intersections along San Fernando Road and Truman Street to LADOT's Automated Traffic Surveillance and Control (ATSAC) signal system. Willdan's design plans will feature signal controller and software systems and interconnect communications that can be directly integrated with the ATSAC signal system.

Task 1.3 – Schedule. We understand the importance of completing the project in a timely manner and Willdan is committed to working closely with the City to finalize a schedule to meet the City's project timing requirements. A preliminary project schedule for the tasks outlined in this Project Scope of Services is included immediately following this paragraph. The draft project schedule was developed utilizing a critical path method to address approvals and deliverables required for processing the project. The schedule includes major activities, milestones, deliverables, internal quality control processes, and designated City review of submitted documents. The schedule will be updated monthly to reflect actual and forecasted completions. Mr. Lau can, then, anticipate and forecast potential issues and develop an advanced strategy to proactively mitigate problems before they impact the schedule. If a project is falling behind schedule, the project manager will meet with team members, identify the problem, and ensure extra support and effort are expended to bring the project back on track. Willdan will keep City staff informed of the overall schedule, including advanced notification of any necessary adjustments or actions to remain within the agreed-upon scheduling.

Task 1.3 Deliverables

- ✓ Project schedule with updates as necessary



City of San Fernando

Task 2 – Planning, Environmental, and Conceptual Design

Task 2.1 – Traffic Counts and LT Warrant Analysis.

Willdan will utilize the services of City Traffic Counters to collect AM and PM peak-hour turning movement counts for one weekday for the nine intersections. Upon completion of the traffic data collection, Willdan will prepare a. A left-turn phasing analysis will be performed for all nine intersections to determine which locations meet the 2014 California Manual on Uniform Traffic Control Devices requirements for installation of protected left-turn phasing.

Task 2.1 Deliverables

- ✓ Traffic Count Collection Traffic count files
- ✓ Left-turn phasing analysis

Task 2.2 – Research of Record Information. Willdan will obtain available as-built drawings, survey data, HSIP grant application, and utility contact information from the City. The research may include assessor parcel maps, tract maps, recently completed or planned improvement drawings, as-built drawings for street, traffic signals, signing, striping, and storm drain, as well as municipal improvements such as water and sewer as-builts, atlases, and/or GIS information. Willdan will verify known underground utilities to avoid conflicts with the proposed traffic signal improvements.

Task 2.3 – Environmental. Willdan assumes this project will require a Categorical Exemption for CEQA compliance and a Categorical Exclusion without technical studies for NEPA compliance and excludes preparation of technical studies or acquiring permits and/or cooperative/maintenance agreements. Willdan can amend this proposal to provide additional scope and corresponding fee if Caltrans requires technical studies for NEPA compliance or a system engineering management plan for ITS projects. Willdan will:

Task 2.3 Deliverables

- ✓ LAPM Exhibit 7-B Field Review
- ✓ LAPM Exhibit 7-C Roadway Data
- ✓ LAPM Exhibit 7-G Field Review Attendance Roster
- ✓ LAPM Exhibit 6-A Preliminary Environmental Study
- ✓ LAPM Exhibit 6-E Categorical Exemption/Programmatic Categorical Exclusion Determination

- Prepare LAPM Exhibits 7-B Field Review, 7-C Roadway Data, and 7-G Field Review Attendance Roster
- Prepare LAPM Exhibit 7-I Systems Engineering Review Form if required for ITS project and not previously prepared by the City and submitted to Caltrans with the RFA for PE package
- Prepare Notice of Exemption
- Prepare LAPM Exhibits 6-A Preliminary Environmental Study and 6-E Categorical Exemption/Programmatic Categorical Exclusion Determination Form
- Submit package to Caltrans along with applicable attachments such as typical sections, project footprint map, FTIP sheet, and approved HSIP project list
-

Task 2.4 – Utilities Coordination. Willdan will mail notices to the utility companies in accordance with the City's procedures. Documentation of contacts and responses will be copied to the City. Willdan will prepare the utility notices and deliver them to the City for mailing under City letterhead. If so desired by the City, Willdan can transmit these notices under Willdan's letterhead; however, the City will be responsible for any fees assessed to Willdan by the utility companies. In either case, all responses, questions, and correspondence from the utility companies will be addressed to Willdan's utility coordinator. Willdan will also provide utility dispositions identifying existing utility locations above and below ground. Willdan will:

Task 2.4 Deliverables

- ✓ Copies of transmittals, submittals, and letters sent to utilities and agencies
- ✓ A summary of utility coordination status upon delivery of final construction contract documents

- Notify and coordinate with utility agencies regarding project-related modifications to their facilities; determine special requirements for utility facilities, including protection, right-of-way, and construction methods within the utility vicinity



City of San Fernando

- Provide second utility notification letter (prepare to relocate) and third utility notification letter (notice to relocate)
- If necessary, provide fourth utility notification letter (notice to relocate immediately)
- Submit preliminary and final set of plans to each utility company with clouded demarcations to illustrate areas that conflict
- Verify that project's final design is compatible with known utilities to be installed, relocated, adjusted, or otherwise modified, including adding utility relocation windows into construction schedule as necessary
- Coordinate service feed point, if necessary, with PG&E and prepare application

Task 2.5 – Utility Potholing. Willdan will utilize the services of Bess Testlab, Inc. to provide potholing of underground utilities to determine the depth for clearance or conflicts with any underground utility lines. Utility potholing will be performed for each

large traffic signal pole with a mast arm that is to be installed as part of the project to ensure there are no utility conflicts with the proposed placement locations. Utility potholing will be conducted during the design phase following the City's approval of 65% design plans. For the purposes of this proposal, 18 utility potholes will be included and any additional utility potholes will be performed for an additional fee.

Task 2.5 Deliverables

- ✓ Utility pothole reports

Task 2.6 – Preliminary Design. Willdan will prepare conceptual traffic signal plans showing tentative equipment locations; signing and striping changes, if needed; ADA-compliant curb ramps; and other proposed equipment. Conceptual layout plans will be computer-drafted in AutoCAD 2015 for standard 24-inch by 36-inch plan size.

Task 2.6 Deliverables

- ✓ Two full-size, hard-copy plan sets and one electronic PDF set at 35% conceptual completion

Task 3 – Engineering Design – Plans, Specifications, and Estimates (PS&E)

Willdan will prepare engineering plans, construction specifications, and engineers estimate of construction costs (PS&E). Design plans will be prepared in accordance with the City's drafting standards, formats, and conventions. Plans will be computer-drafted in AutoCAD 2015 for standard 24-inch by 36-inch plans and comply with City of San Fernando's and Caltrans' latest standard plans and specifications and the California Manual on Uniform Traffic Control Devices (CA MUTCD). Design plans will be submitted full-size on bond at the 65-percent, 100-percent, and final submittals for the City's review and comment. Final approved drawings will be plotted on Mylar and shall be wet-stamped and signed by a state-registered civil engineer.

Task 3.1 – Improvement Plan Preparation. The traffic signal modification plans will be prepared at a scale of 1" = 20' for all nine project intersections and will include all utilities and existing above-ground features, inclusive of overhead utilities. The design

Task 3.1 Deliverables

- ✓ Two full-size, hard-copy plan sets and one electronic PDF set at 65%, 100%, and final design completion

plans will address installation of proposed signal heads, street lighting, and protected left-turn phasing. Other relevant features of the traffic signal design include installing new signal poles, providing for emergency vehicle pre-emption, protecting existing communication facilities, and evaluating existing battery back-up system in the service pedestal and pedestrian countdown heads. Minor signing and striping improvements and upgrading existing non-complaint pedestrian curb ramps to ADA compliance at the intersections will be shown on the traffic signal modification plans.

The intent of the traffic signal modification plans is to satisfy the objective of the HSIP grant application. Willdan will evaluate all traffic signal equipment against current CA MUTCD guidelines and Caltrans standard plans and specifications. Willdan will identify any deficiencies of the existing traffic signal control equipment and provide recommendations toward simple, low-cost mitigations or solutions that may be implemented to correct the deficiencies; however, we will evaluate if they can be implemented within the grant budget and present our findings to the City at the 65-percent submittal for review and approval.



City of San Fernando

Willdan will prepare design plans for to install 10,400 linear feet of interconnect communication cables along San Fernando Road between Hubbard Street and Brand Boulevard and on Truman Street between Hubbard Street and Brand Boulevard. The communication plans will be prepared at a scale of 1" = 40' and will include details for conduits, splice vaults, pull boxes, and communication field elements utilizing LADOT equipment standards that can be directly integrated into LADOT's ATSAC signal system.

Task 3.2 – Project Specifications. Utilizing the City-provided boilerplate, Willdan will prepare the project's construction specifications in Microsoft Word 2010 format. Willdan will provide a write-up for the project-specific scope of work in the technical specifications and provide special technical provisions beyond the City's standard technical provisions that support the specified traffic signal improvements. Willdan will be responsible for compiling specifications that are complete, ready for bidding purposes, and signed by a state-registered civil engineer.

⇒ Task 3.2 Deliverables

- ✓ Two hard-copy and one electronic Word file of complete specifications at 100% and final design completions

Task 3.3 – Construction Cost Estimate. Willdan will prepare a detailed engineer's estimate of probable costs in a Microsoft Excel 2010 spreadsheet. The items will be arranged in chronological order of construction and will identify the bid items to be included in the contractors' bid forms. The estimate will be based upon recent bid prices for similar traffic signal projects in the vicinity. Backup quantity calculations will be provided showing detailed computations for accuracy of the quantities upon request. The engineer's construction cost estimate will be based upon plan sheet quantities and will be furnished at 65-, 95-, and 100-percent (final) design milestones.

⇒ Task 3.3 Deliverables

- ✓ Two hard-copy and one electronic Excel file of estimated quantities and engineer's estimate of probable costs at 65%, 100%, and final design completion

Task 3.4 – Right-of-Way Certification. Following CEQA and NEPA clearances and completion of the final PS&E, Willdan will prepare the right-of-way certification package in accordance with Caltrans requirements. Willdan will:

⇒ Task 3.4 Deliverables

- ✓ LAPM Exhibit 13-A Short Form Right-of-Way Certification

- Prepare LAPM Exhibit 13-A Short Form Right-of-Way Certification Off State Highway System and Project Engineer's Certification of Utilities
- Submit package to Caltrans along with final signed plans, required backup documentation from utilities and other agencies, copy of City's resolution authorizing a City official to execute right-of-way certifications, and copy of approved NEPA and CEQA documents

Task 3.5 - Authorization-to-Proceed (E-76) with Construction Package. Upon receiving right-of-way certification, Willdan will prepare a request for authorization (RFA) to proceed with construction package to initiate obligation of federal funds by Caltrans for construction. Willdan will t:

⇒ Task 3.5 Deliverables

- ✓ LAPM Exhibit 3-O Finance Letter
- ✓ LAPM Exhibit 12-C PS&E Certification
- ✓ LAPM Exhibit 12-D PS&E Checklist
- ✓ LAPM Exhibit 15-M Detail Estimate
- ✓ LAPM Exhibit 15-A Local Agency Construction Contract Administration Checklist
- ✓ LAPM Exhibit 9-D DBE Contract Goal Methodology

- Prepare LAPM Exhibits 3-D Request for Authorization, 3-E Data Sheets, 12-A Preliminary Estimate of Cost, 3-O Finance Letter, 12-C PS&E Certification, 12-D PS&E Checklist, and 15-A Local Agency Construction Contract Administration Checklist
- Calculate DBE project goals for construction and construction engineering using LAPM Exhibit 9-D DBE Contract Goal Methodology
- Submit package to Caltrans along with final signed plans and specifications, approved NEPA and right-of-way certification documents, and FTIP sheet



City of San Fernando

■

Task 3.6 – Bidding Assistance. Willdan will provide engineering support during bidding and be available to answer questions regarding the technical provisions of the contract special provisions, design drawings, or design issues raised during bidding.

Necessary addenda clarifying actual design oversight or conflicts will be prepared at no charge. If a pre-bid conference is needed, Willdan will attend to answer bidders' questions.



Task 3.6 Deliverables

- ✓ Up to three requests for information (RFI) responses per bid package
- ✓ Up to two addenda issued as outlined

Task 4 – Construction Support

Willdan will assist the City during the construction support phase by reviewing and approving material submittals, responding to requests for information (RFIs), and assisting with contract change orders as necessary. If a design oversight is identified in the design plans or specifications, we will make the appropriate design correction at no cost.

Task 4.1 – Preconstruction Meeting. Willdan will attend the preconstruction meeting and answer any questions regarding the technical provisions or the design drawings during the meeting.

Task 4.2 – Construction Support. During construction, Willdan will draft responses to contractor inquiries and RFIs as requested by the City. Willdan will review proposed change orders and draft change order language as requested by the City. If changes are necessary as a direct result of design oversights, Willdan will prepare and/or review contract change orders at no additional cost. Willdan will review all submittals and shop drawings. Upon completion of project construction, Willdan will incorporate the redline as-built comments prepared by the contractor and project inspector on their copies of the signed design plans into a set of Mylar record drawings that will be provided to the City. Revision will be solely based upon redlines provided by the City's construction inspector and contractor.



Task 4.2 Deliverables

- ✓ Material submittal reviews
- ✓ Change order reviews
- ✓ One copy of each RFI response
- ✓ One full-size Mylar set and one electronic PDF of as-built record drawings



EXHIBIT "B"

CITY OF SAN FERNANDO
HSIP CYCLE 8 TRAFFIC SIGNAL IMPROVEMENTS, FEDERAL PROJECT NO. H8-07-046
ESTIMATED FEE

Thursday, July 26, 2018

SUMMARY TASK	WILDMAN ENGINEERING													Estimated Hours	Expenses	Subcontractant	Estimated Cost
	Director of Engineering \$200	Deputy Director of Engineering \$190	City Engineer I \$190	Traffic Engineer II \$190	Principal Project Manager \$190	Senior Design Manager \$156	Assistant Engineer III \$125	Technical Aide II \$80	Utility Coordinator \$138	Administrative Assistant II \$83	Senior Survey Analyst \$143	2-Man Survey Crew \$225	Labor Compliance Manager \$131				
Task 1 - General																	
1.1 - Meetings	2.0	6.0												8.0	\$ 100.00	\$ -	\$ 1,640.00
1.2 - Coordinate with LADOT Traffic Signal Synchronization		2.0		4.0		4.0								8.0	\$ -	\$ -	\$ 1,384.00
1.3 - Schedule														2.0	\$ -	\$ -	\$ 380.00
Subtotal	2.0	8.0	0.0	4.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.0	\$ 100.00	\$ -	\$ 3,404.00
Task 2 - Planning, Environmental, and Conceptual Design																	
2.1 - Traffic Counts and Warrant							14.0	20.0						34.0	\$ -	\$ 2,079.00	\$ 5,429.00
2.2 - Research of Record Information								10.0		1.0				10.0	\$ -	\$ -	\$ 800.00
2.3 - Environmental			36.0							4.0				37.0	\$ -	\$ -	\$ 6,923.00
2.4 - Utilities Coordination									8.0	2.0				12.0	\$ 50.00	\$ -	\$ 1,486.00
2.5 - Utility Relocating (18 Poles)														2.0	\$ -	\$ -	\$ 15,840.00
2.6 - Preliminary Design							8.0	20.0	20.0					48.0	\$ 100.00	\$ -	\$ 5,448.00
Subtotal	0.0	0.0	36.0	0.0	0.0	8.0	34.0	50.0	10.0	5.0	0.0	0.0	0.0	143.0	\$ 150.00	\$ 17,919.00	\$ 36,202.00
Task 3 - Engineering Design - Plans, Specifications, and Estimate (PS&E)																	
3.1 - Improvement Plan Preparation																	
Traffic Signal Plans (9 Sheets)				8.0		50.0	180.0	100.0						0.0	\$ -	\$ -	\$ -
Interconnect Plans (5 Sheets)				2.0		8.0	20.0	80.0						114.0	\$ 50.00	\$ -	\$ 48,590.00
3.2 - Project Specification				1.0		4.0				1.0				17.0	\$ -	\$ -	\$ 11,338.00
3.3 - Construction Cost Estimate					1.0		4.0	5.0		1.0				12.0	\$ -	\$ -	\$ 2,408.00
3.4 - Right-of-Way Certification														1.0	\$ 50.00	\$ -	\$ 1,363.00
3.5 - Authorization-to-Proceed (E-70) with Construction Package										1.0				1.0	\$ 50.00	\$ -	\$ 16.00
3.6 - Bidding Assistance														14.0	\$ 50.00	\$ -	\$ 2,924.00
Subtotal	0.0	12.0	26.0	15.0	0.0	2.0	2.0	275.0	0.0	4.0	0.0	0.0	3.0	613.0	\$ 200.00	\$ -	\$ 2,544.00
Task 4 - Construction Support																	
4.1 - Pre-construction Meeting						2.0	2.0							4.0	\$ 50.00	\$ -	\$ 612.00
4.2 - Construction Support						4.0	8.0							12.0	\$ -	\$ -	\$ 1,624.00
Subtotal	0.0	0.0	0.0	0.0	0.0	6.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	16.0	\$ 50.00	\$ -	\$ 2,236.00
TOTAL	2.0	20.0	62.0	19.0	0.0	82.0	256.0	325.0	10.0	9.0	0.0	0.0	3.0	790.0	\$ 500.00	\$ 17,919.00	\$ 111,571.00

ATTACHMENT "B"**SUPPLEMENTAL CONTRACT TERMS****SECTION 1. COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS**

- A. CONSULTANT agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.
- B. CONSULTANT also agrees to comply with federal procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- C. Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 2 CFR, Part 200 and 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., are subject to repayment by CONSULTANT to CITY.

SECTION 2. RETENTION OF RECORDS/AUDIT

For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of the contract pursuant to Government Code 8546.7; CONSULTANT, subconsultants, and CITY shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the contract, including but not limited to, the costs of administering the Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the Agreement period and for three years from the date of final payment under the Agreement. The state, State Auditor, CITY, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of CONSULTANT and its certified public accountants (CPA) work papers that are pertinent to the Agreement and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.

SECTION 3. AUDIT REVIEW PROCEDURES

- A. Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by agreement, shall be reviewed by CITY'S Chief Financial Officer.
- B. Not later than 30 days after issuance of the final audit report, CONSULTANT may request a review by CITY'S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.
- C. Neither the pendency of a dispute nor its consideration by CITY will excuse CONSULTANT from full and timely performance, in accordance with the terms of this Agreement.

SECTION 4. EQUIPMENT PURCHASE

- A. Prior authorization in writing, by the CITY Representative shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding \$5,000 for supplies equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.
- B. For purchase of any item, service or consulting work not covered in CONSULTANT's Cost Proposal and exceeding \$5,000 prior authorization by CITY Representative; three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.
- C. Any equipment purchased as a result of this Agreement is subject to the following: "CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of \$5,000 or more. If the purchased equipment needs replacement and is sold or traded in, CITY shall receive a proper refund or credit at the conclusion of the Agreement, or if the Agreement is terminated, CONSULTANT may either keep the equipment and credit CITY in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established CITY procedures; and credit CITY in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by CITY and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by CITY." 2 CFR, Part 200 requires a credit to Federal funds when participating equipment with a fair market value greater than \$5,000 is credited to the project.

SECTION 5. STATE PREVAILING WAGE RATES

- A. CONSULTANT shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work.
- B. Any subcontract entered into as a result of this Agreement, if for more than \$25,000 for public works construction or more than \$15,000 for the alteration, demolition, repair, or maintenance of public works, shall contain all of the provisions of this Article, unless the awarding agency has an approved labor compliance program by the Director of Industrial Relations.
- C. When prevailing wages apply to the services described in the scope of work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination.

SECTION 6. CONFLICT OF INTEREST

- A. CONSULTANT shall disclose any financial, business, or other relationship with CITY that may have an impact upon the outcome of this Agreement, or any ensuing CITY construction project. CONSULTANT shall also list current clients who may have a financial interest in the outcome of this Agreement, or any ensuing CITY construction project, which will follow.

- B. CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.
- C. CONSULTANT hereby certifies that neither CONSULTANT, its employees, nor any firm affiliated with CONSULTANT providing services on this project prepared the Plans, Specifications, and Estimate for any construction project included within this Agreement. An affiliated firm is one, which is subject to the control of the same persons through joint-ownership, or otherwise.
- D. CONSULTANT further certifies that neither CONSULTANT, nor any firm affiliated with CONSULTANT, will bid on any construction subcontracts included within the construction Agreement. Additionally, CONSULTANT certifies that no person working under this Agreement is also employed by the construction contractor for any project included within this Agreement.
- E. Except for subconsultants whose services are limited to materials testing, no subconsultant who is providing service on this Agreement shall have provided services on the design of any project included within this Agreement.

SECTION 7. REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION

CONSULTANT warrants that this Agreement was not obtained or secured through rebates kickbacks or other unlawful consideration, either promised or paid to any CITY employee. For breach or violation of this warranty, CITY shall have the right in its discretion; to terminate the Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

SECTION 8. PROHIBITION OF EXPENDING CITY STATE OR FEDERAL FUNDS FOR LOBBYING

- A. CONSULTANT certifies to the best of his or her knowledge and belief that:
 - 1. No state, federal or CITY-appropriated funds have been paid, or will be paid by-or-on behalf of CONSULTANT to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any state or federal contract; the making of any state or federal grant; the making of any state or federal loan; the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state or federal contract, grant, loan, or cooperative agreement.
 - 2. If any funds other than federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency; a Member of Congress; an officer or employee of Congress, or an employee of a

Member of Congress; in connection with this federal contract, grant, loan, or cooperative agreement; CONSULTANT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

- B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- C. CONSULTANT also agrees by signing this document that he or she shall require that the language of this certification be included in all lower-tier subcontracts, which exceed \$100,000 and that all such sub recipients shall certify and disclose accordingly.

SECTION 9. STATEMENT OF COMPLIANCE

- A. CONSULTANT's signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that CONSULTANT has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.
- B. During the performance of this Agreement, CONSULTANT and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. CONSULTANT and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CONSULTANT and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.
- C. The CONSULTANT shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation – Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.
- D. The CONSULTANT, with regard to the work performed by it during the Agreement shall act in accordance with Title VI. Specifically, the CONSULTANT shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. The

CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DOT's Regulations, including employment practices when the Agreement covers a program whose goal is employment.

SECTION 10. DEBARMENT AND SUSPENSION CERTIFICATION

- A. CONSULTANT's signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, that CONSULTANT has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (non-procurement)", which certifies that he/she or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to CITY.
- B. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining CONSULTANT responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.
- C. Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal highway Administration.

[END OF ATTACHMENT]

City of San Fernando - HSIP Cycle 8 Project

Cost Proposal

EXHIBIT 10-H COST PROPOSAL (EXAMPLE #1) PAGE 1 OF 2

ACTUAL COST-PLUS-FIXED FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS

(DESIGN, ENGINEERING AND ENVIRONMENTAL STUDIES)

Note: Mark-ups are Not Allowed

Consultant Willdan Engineering

Contract No. _____

Date 1/23/2019

DIRECT LABOR

Classification/Title	Name	Hours	Actual Hourly Rate	Total
Director of Engineering	Vanessa Munoz	2	\$75.00	\$150.00
Deputy Director of Engineering	TBD	20	\$67.70	\$1,354.00
Traffic Engineer II	TBD	19	\$71.35	\$1,355.65
City Engineer I	TBD	62	\$72.79	\$4,512.98
Labor Compliance Manager	TBD	3	\$46.30	\$138.90
Sr. Design Manager	TBD	82	\$56.80	\$4,657.60
Utility Coordinator	TBD	5	\$29.33	\$146.65
Assistant Eng. III	TBD	258	\$33.16	\$8,555.28
Administrative Assistant II	TBD	9	\$30.66	\$275.94

LABOR COSTS

460

a) Subtotal Direct Labor Costs

\$21,147.00

b) Anticipated Salary Increases (see page 2 for sample)

\$370.07

c) TOTAL DIRECT LABOR COSTS [(a) + (b)]

\$21,517.07

FRINGE BENEFITS

d) Fringe Benefits (Rate 40.09%)

e) Total Fringe Benefits

[(c) x (d)]

\$8,626.19

INDIRECT COSTS

f) Overhead (Rate: 87.65%)

g) Overhead [(c) x (f)]

\$18,859.71

h) General and Administrative (Rate: 0.00%)

i) Gen & Admin [(c) x (h)]

\$0.00

j) Total Indirect Costs [(e) + (g) + (i)]

\$27,485.91

FEE (Profit)

q) (Rate: 14.00%)

k) TOTAL FIXED PROFIT [(c) + (j)] x (q)]

\$6,860.42

OTHER DIRECT COSTS (ODC)

Description

Unit(s)

Unit Cost

Total

l) Travel/Mileage Costs (supported by consultant actual costs)

1

\$500.00

\$500.00

m) Equipment Rental and Supplies (itemize)

1

\$0.00

\$0.00

n) Permit Fees (itemize), Plan sheets (each), Test Holes (each), etc.

1

\$0.00

\$0.00

o) Subconsultant Costs

Willdan Engineering - Public Agency Resources

1

\$9,171.42

\$9,171.42

Bess Labs

1

\$16,400.00

\$16,400.00

City Traffic Counters

1

\$1,870.00

\$1,870.00

p) Total Other Direct Costs [(l) + (m) + (n) + (o)]

\$27,941.42

TOTAL COST [(c) + (j) + (k) + (p)]

\$83,804.82

NOTES:

- Employees subject to prevailing wage requirements to be marked with an *.
- ODC items should be based on actual costs and supported by historical data and other documentation.

- ODC items that would be considered “tools of the trade” are not reimbursable.
- ODC items should be consistently billed directly to all clients, not just when client will pay for them as a direct cost.

EXHIBIT 10-H COST PROPOSAL (EXAMPLE #1) PAGE 2 OF 2
ACTUAL COST-PLUS-FIXED FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS
 (SAMPLE CALCULATIONS FOR ANTICIPATED SALARY INCREASES)

Consultant Willdan Engineering Contract No. Date 8/2/2018

1. Calculate Average Hourly Rate for 1st year of the contract (Direct Labor Subtotal divided by total hours) 43488

Direct Labor <u>Subtotal</u> per Cost Proposal	Total Hours per Cost Proposal		Avg Hourly Rate	5 Year Contract Duration
\$21,147.00	460	=	\$45.97	Year 1 Avg Hourly Rate

2. Calculate hourly rate for all years (Increase the Average Hourly Rate for a year by proposed escalation %)

	Avg Hourly Rate		Proposed Escalation			
Year 1	\$45.97	+	4%	=	\$47.58	Year 2 Avg Hourly Rate
Year 2	\$47.58	+	4%	=	\$49.25	Year 3 Avg Hourly Rate
Year 3		+	4%	=	\$0.00	Year 4 Avg Hourly Rate
Year 4		+	4%	=	\$0.00	Year 5 Avg Hourly Rate

3. Calculate estimated hours per year (Multiply estimate % each year by total hours)

	Estimated % Completed Each Year		Total Hours per Cost Proposal		Total Hours per Year	
Year 1	50.00%	*	460.0	=	230.0	Estimated Hours Year 1
Year 2	50.00%	*	460.0	=	230.0	Estimated Hours Year 2
Year 3		*	460.0	=	0.0	Estimated Hours Year 3
Year 4		*	460.0	=	0.0	Estimated Hours Year 4
Year 5		*	460.0	=	0.0	Estimated Hours Year 5
Total	100%		Total	=	460.0	

4. Calculate Total Costs including Escalation (Multiply Average Hourly Rate by the number of hours)

	Avg Hourly Rate (calculated above)		Estimated hours (calculated above)		Cost per Year	
Year 1	\$45.97	*	230	=	\$10,573.50	Estimated Hours Year 1
Year 2	\$47.58	*	230	=	\$10,943.57	Estimated Hours Year 2
Year 3		*		=		Estimated Hours Year 3
Year 4		*		=		Estimated Hours Year 4
Year 5		*		=		Estimated Hours Year 5
Total Direct Labor Cost with Escalation				=	\$21,517.07	
Direct Labor Subtotal before Escalation				=	\$21,147.00	
Estimated total of Direct Labor Salary Increase				=	\$370.07	Transfer to Page 1

NOTES:

- This is not the only way to estimate salary increases. Other methods will be accepted if they clearly indicate the % increase, the # of years of the contract, and a breakdown of the labor to be performed each year.
- An estimation that is based on direct labor multiplied by salary increase % multiplied by the # of years is not acceptable. (i.e. \$250,000 x 2% x 5 yrs = \$25,000 is not an acceptable methodology)

- This assumes that one year will be worked at the rate on the cost proposal before salary increases are granted.

City of San Fernando - HSIP Cycle 8 Project

Cost Proposal

EXHIBIT 10-H COST PROPOSAL (EXAMPLE #1) PAGE 1 OF 2

ACTUAL COST-PLUS-FIXED FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS

(DESIGN, ENGINEERING AND ENVIRONMENTAL STUDIES)

Note: Mark-ups are Not Allowed

Consultant Willdan Engineering - Public Agency Resources Contract No. _____Date 1/23/2019

DIRECT LABOR

Classification/Title	Name	Hours	Actual Hourly Rate	Total
Utility Coordinator	TBD	5	\$44.00	\$220.00
Technical Aide II	TBD	325	\$18.00	\$5,850.00
		0	\$0.00	\$0.00
		0	\$0.00	\$0.00
				\$0.00
				\$0.00

LABOR COSTS

330

a) Subtotal Direct Labor Costs

\$6,070.00

b) Anticipated Salary Increases (see page 2 for sample)

\$121.40

c) TOTAL DIRECT LABOR COSTS [(a) + (b)]

\$6,191.40

FRINGE BENEFITS

d) Fringe Benefits (Rate 9.53%)

e) Total Fringe Benefits

[(c) x (d)] \$590.04

INDIRECT COSTS

f) Overhead (Rate: 20.41%)

g) Overhead [(c) x (f)] \$1,263.66

h) General and Administrative (Rate: _____)

i) Gen & Admin [(c) x (h)] \$0.00

j) Total Indirect Costs [(e) + (g) + (i)]

\$1,853.71

FEE (Profit)

q) (Rate: 14.00%)

k) TOTAL FIXED PROFIT [(c) + (j) x (q)]

\$1,126.31

OTHER DIRECT COSTS (ODC)

Description

Unit(s)

Unit Cost

Total

l) Travel/Mileage Costs (supported by consultant actual costs)

\$200.00 \$0.00

m) Equipment Rental and Supplies (itemize)

\$0.00 \$0.00

n) Permit Fees (itemize), Plan sheets (each), Test Holes (each), etc.

\$0.00 \$0.00

o) Subconsultant Costs (attach detailed cost proposal in same format as prime consultant estimate for each subconsultant)

\$0.00 \$0.00

p) Total Other Direct Costs [(l) + (m) + (n) + (o)]

\$0.00

TOTAL COST [(c) + (j) + (k) + (p)]

\$9,171.42

NOTES:

- Employees subject to prevailing wage requirements to be marked with an *.
- ODC items should be based on actual costs and supported by historical data and other documentation.
- ODC items that would be considered "tools of the trade" are not reimbursable.
- ODC items should be consistently billed directly to all clients, not just when client will pay for them as a direct cost.
- ODC items when incurred for the same purpose, in like circumstances, should not be included in any indirect cost pool or in overhead rate.

EXHIBIT 10-H COST PROPOSAL (EXAMPLE #1) PAGE 2 OF 2
ACTUAL COST-PLUS-FIXED FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS
 (SAMPLE CALCULATIONS FOR ANTICIPATED SALARY INCREASES)

Consultant Willdan Engineering - Public Agency Resources Contract No. Date 1/23/2019

1. Calculate Average Hourly Rate for 1st year of the contract (Direct Labor Subtotal divided by total hours) 1/23/2019

Direct Labor Subtotal per Cost Proposal	Total Hours per Cost Proposal		Avg Hourly Rate	5 Year Contract Duration
\$6,070.00	330	=	\$18.39	Year 1 Avg Hourly Rate

2. Calculate hourly rate for all years (Increase the Average Hourly Rate for a year by proposed escalation %)

	Avg Hourly Rate		Proposed Escalation			
Year 1	\$18.39	+	4%	=	\$19.13	Year 2 Avg Hourly Rate
Year 2	\$19.13	+	4%	=	\$19.89	Year 3 Avg Hourly Rate
Year 3		+	4%	=	\$0.00	Year 4 Avg Hourly Rate
Year 4		+	4%	=	\$0.00	Year 5 Avg Hourly Rate

3. Calculate estimated hours per year (Multiply estimate % each year by total hours)

	Estimated % Completed Each Year		Total Hours per Cost Proposal		Total Hours per Year	
Year 1	50.00%	*	330.0	=	165.0	Estimated Hours Year 1
Year 2	50.00%	*	330.0	=	165.0	Estimated Hours Year 2
Year 3		*		=	0.0	Estimated Hours Year 3
Year 4		*		=	0.0	Estimated Hours Year 4
Year 5		*		=	0.0	Estimated Hours Year 5
Total	100%		Total	=	330.0	

4. Calculate Total Costs including Escalation (Multiply Average Hourly Rate by the number of hours)

	Avg Hourly Rate (calculated above)		Estimated hours (calculated above)		Cost per Year	
Year 1	\$18.39	*	165	=	\$3,035.00	Estimated Hours Year 1
Year 2	\$19.13	*	165	=	\$3,156.40	Estimated Hours Year 2
Year 3		*		=		Estimated Hours Year 3
Year 4		*		=		Estimated Hours Year 4
Year 5		*		=		Estimated Hours Year 5
Total Direct Labor Cost with Escalation				=	\$6,191.40	
Direct Labor Subtotal before Escalation				=	\$6,070.00	
Estimated total of Direct Labor Salary Increase				=	\$121.40	Transfer to Page 1

NOTES:

- This is not the only way to estimate salary increases. Other methods will be accepted if they clearly indicate the % increase, the # of years of the contract, and a breakdown of the labor to be performed each year.
- An estimation that is based on direct labor multiplied by salary increase % multiplied by the # of years is not acceptable. (i.e. \$250,000 x 2% x 5 yrs = \$25,000 is not an acceptable methodology)
- This assumes that one year will be worked at the rate on the cost proposal before salary increases are granted.

CITY OF SAN FERNANDO

HSIP CYCLE 8 TRAFFIC SIGNAL IMPROVEMENTS, FEDERAL PROJECT NO. H8-07-046

HOUR MATRIX

Wednesday, January 23, 2019

SUMMARY TASK	WILLDAN ENGINEERING													Estimated Hours
	Director of Engineering	Deputy Director of Engineering	City Engineer I	Traffic Engineer II	Principal Project Manager	Senior Design Manager	Assistant Engineer III	Technical Aide II	Utility Coordinator	Administrative Assistant II	Senior Survey Analyst	2-Man Survey Crew	Labor Compliance Manager	
Task 1 - General														
1.1 - Meetings	2.0	6.0												8.0
1.2 - Coordinate with LADOT Traffic Signal Synchronization				4.0		4.0								8.0
1.3 - Schedule		2.0												2.0
Subtotal	2.0	8.0	0.0	4.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.0
Task 2 - Planning, Environmental, and Conceptual Design														
2.1 - Traffic Counts and Warrant							14.0	20.0						34.0
2.2 - Research of Record Information								10.0						10.0
2.3 - Environmental			36.0							1.0				37.0
2.4 - Utilities Coordination									8.0	4.0				12.0
2.5 - Utility Potholing (18 Potholes)									2.0					2.0
2.6 - Preliminary Design						8.0	20.0	20.0						48.0
Subtotal	0.0	0.0	36.0	0.0	0.0	8.0	34.0	50.0	10.0	5.0	0.0	0.0	0.0	143.0
Task 3 - Engineering Design - Plans, Specifications, and Estimate (PS&E)														
3.1 - Improvement Plan Preparation														0.0
Traffic Signal Plans (9 Sheets)		8.0		8.0		50.0	180.0	190.0						436.0
Interconnect Plans (5 Sheets)		2.0		4.0		8.0	20.0	80.0						114.0
3.2 - Project Specification		1.0		2.0		4.0	8.0			1.0			1.0	17.0
3.3 - Construction Cost Estimate		1.0		1.0			4.0	5.0		1.0				12.0
3.4 - Right-of-Way Certification			14.0							1.0			1.0	16.0
3.5 - Authorization-to-Proceed (E-76) with Construction Package			12.0							1.0			1.0	14.0
3.6 - Bidding Assistance						2.0	2.0							4.0
Subtotal	0.0	12.0	26.0	15.0	0.0	64.0	214.0	275.0	0.0	4.0	0.0	0.0	3.0	613.0
Task 4 - Construction Support														
4.1 - Pre-construction Meeting						2.0	2.0							4.0
4.2 - Construction Support						4.0	8.0							12.0
Subtotal	0.0	0.0	0.0	0.0	0.0	6.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	16.0
TOTAL	2.0	20.0	62.0	19.0	0.0	82.0	258.0	325.0	10.0	9.0	0.0	0.0	3.0	790.0



PROFESSIONAL SERVICES AGREEMENT

Willdan Engineering

San Fernando Traffic Signal Improvements Project

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 20th day of August 2018 (hereinafter, the "Effective Date"), by and between the CITY OF SAN FERNANDO, a municipal corporation ("CITY") and Willdan Engineering, a California corporation (hereinafter, "CONSULTANT"). For the purposes of this Agreement CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to CITY or CONSULTANT interchangeably.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

I. ENGAGEMENT TERMS

- 1.1 **SCOPE OF SERVICES:** Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, CONSULTANT agrees to perform the services and tasks set forth in **Exhibit "A"** (hereinafter referred to as the "**Scope of Services**"). CONSULTANT further agrees to furnish to CITY all labor, materials, tools, supplies, equipment, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Services. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Services shall hereinafter be referred to generally by the capitalized term "Work."
- 1.2 **TERM:** This Agreement shall have a term of 16 Months commencing on August 22, 2018 and concluding December 31, 2019. Nothing in this Section shall operate to prohibit or otherwise restrict the CITY's ability to terminate this Agreement at any time for convenience or for cause
- 1.3 **COMPENSATION:**
 - A. CONSULTANT shall perform the various services and tasks set forth in the Scope of Services in accordance with the compensation schedule which is Table 6.1. "Fee Proposal for Feasibility and Preliminary Design" set forth in **Exhibit "B"** (hereinafter, the "Approved Rate Schedule").
 - B. Section 1.3(A) notwithstanding, CONSULTANT's total compensation during the Term of this Agreement or any extension term shall not exceed the budgeted

PROFESSIONAL SERVICES AGREEMENT

San Fernando Traffic Signal Improvements Project

Page 2 of 17

aggregate sum of **ONE HUNDRED ELEVEN THOUSAND FIVE HUNDRED SEVENTY-ONE DOLLARS** (\$111,571) (hereinafter, the "Not-to-Exceed Sum"), unless such added expenditure is first approved by the CITY acting in consultation with the City Manager and the Finance Director. In the event CONSULTANT's charges are projected to exceed the Not-to-Exceed Sum prior to the expiration of the Term or any single extension term, CITY may suspend CONSULTANT's performance pending CITY approval of any anticipated expenditures in excess of the Not-to-Exceed Sum or any other CITY-approved amendment to the compensation terms of this Agreement.

- 1.4 PAYMENT OF COMPENSATION: Following the conclusion of each calendar month, CONSULTANT shall submit to CITY an itemized invoice indicating the services and tasks performed during the recently concluded calendar month, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT's monthly compensation is a function of hours worked by CONSULTANT's personnel, the invoice shall indicate the number of hours worked in the recently concluded calendar month, the persons responsible for performing the Work, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included in the invoice. Within forty-five (45) calendar day of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.
- 1.5 ACCOUNTING RECORDS: CONSULTANT shall maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. CITY shall have the right to access and examine such records, without charge, during normal business hours. CITY shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.
- 1.6 ABANDONMENT BY CONSULTANT: In the event CONSULTANT ceases to perform the Work agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT shall deliver to CITY immediately and without delay, all materials, records and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT shall only be compensated for the reasonable value of the services, tasks and other work performed up to the time of cessation or abandonment, less a deduction for any damages, costs or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

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II. PERFORMANCE OF AGREEMENT

- 2.1 CITY'S REPRESENTATIVES: The CITY hereby designates the Director of Public Works/ City Engineer (hereinafter, the "CITY Representative") to act as its representatives for the performance of this Agreement. The CITY Representative or their designee shall act on behalf of the CITY for all purposes under this Agreement. The Director of Public Works/ City Engineer shall be the chief CITY Representative. CONSULTANT shall not accept directions or orders from any person other than the CITY Representative or their designee.
- 2.2 CONSULTANT REPRESENTATIVE: CONSULTANT hereby designates Jeffrey Lau, Professional Engineer and Project Manager, to act as its representative for the performance of this Agreement (hereinafter, "CONSULTANT Representative"). CONSULTANT Representative shall have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. CONSULTANT Representative or his designee shall supervise and direct the performance of the Work, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Agreement. Notice to the CONSULTANT Representative shall constitute notice to CONSULTANT.
- 2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS: CONSULTANT agrees to work closely with CITY staff in the performance of the Work and this Agreement and shall be available to CITY staff and the CITY Representatives at all reasonable times. All work prepared by CONSULTANT shall be subject to inspection and approval by CITY Representatives or their designees.
- 2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: CONSULTANT represents, acknowledges and agrees to the following:
- A. CONSULTANT shall perform all Work skillfully, competently and to the highest standards of CONSULTANT's profession;
 - B. CONSULTANT shall perform all Work in a manner reasonably satisfactory to the CITY;
 - C. CONSULTANT shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 et seq.);
 - D. CONSULTANT understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;

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- E. All of CONSULTANT's employees and agents possess sufficient skill, knowledge, training and experience to perform those services and tasks assigned to them by CONSULTANT; and
- F. All of CONSULTANT's employees and agents (including but not limited subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.

The Parties acknowledge and agree that CONSULTANT shall perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed within seven (7) calendars days from the date of discovery or such other extended period of time authorized by the CITY Representatives in writing and in their sole and absolute discretion. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge and experience necessary to perform the Work skillfully, competently and to the highest standards of CONSULTANT's profession.

- 2.5 ASSIGNMENT: The skills, training, knowledge and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it shall not assign or transfer, either directly or indirectly or by operation of law, this Agreement or the performance of any of CONSULTANT's duties or obligations under this Agreement without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer shall be ineffective, null and void and shall constitute a material breach of this Agreement.
- 2.6 CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR: The Work shall be performed by CONSULTANT or under CONSULTANT's strict supervision.

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CONSULTANT will determine the means, methods and details of performing the Work subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not unduly interfere with CONSULTANT's competent and timely performance of the Work contemplated under this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Work under this Agreement on behalf of CONSULTANT are not employees of CITY and shall at all times be under CONSULTANT's exclusive direction and control. CONSULTANT shall pay all wages, salaries and other amounts due such personnel and shall assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation insurance and the like.

- 2.7 REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants is determined by the CITY Representatives to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Work in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant shall be promptly removed by CONSULTANT and shall not be re-assigned to perform any of the Work.
- 2.8 COMPLIANCE WITH LAWS: CONSULTANT shall keep itself informed of and in compliance with all applicable federal, State or local laws to the extent such laws control or otherwise govern the performance of the Work. CONSULTANT's compliance with applicable laws shall include without limitation compliance with all applicable Cal/OSHA requirements.
- 2.9 NON-DISCRIMINATION: In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, subconsultant, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.
- 2.10. INDEPENDENT CONTRACTOR STATUS: The Parties acknowledge, understand and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and shall at all times remain, wholly independent contractors and are not officials, officers,

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employees, departments or subdivisions of CITY. CONSULTANT shall be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT shall have no authority, express or implied, to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of, or against, CITY, whether by contract or otherwise, unless such authority is expressly conferred to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

III. INSURANCE

3.1 DUTY TO PROCURE AND MAINTAIN INSURANCE: Prior to the beginning of and throughout the duration of the Work, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT shall procure and maintain the following insurance coverage, at its own expense:

- A. Commercial General Liability Insurance: CONSULTANT shall procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.
- B. Automobile Liability Insurance: CONSULTANT shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
- C. Workers' Compensation Insurance/ Employer's Liability Insurance: A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both CONSULTANT and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by CONSULTANT in the course of carrying out the Work contemplated in this Agreement.

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- D. Errors & Omissions Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT shall procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall be endorsed to include contractual liability.
- 3.2 ADDITIONAL INSURED REQUIREMENTS: The CGL Coverage and the Automobile Liability Insurance shall contain an endorsement naming the CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers as additional insureds.
- 3.3 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement shall be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance shall be procured from insurers who, according to the latest edition of the Best's Insurance Guide, have an A.M. Best's rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide. As to Workers' Compensation Insurance/ Employer's Liability Insurance, the CITY Representatives are authorized to authorize lower ratings than those set forth in this Section.
- 3.4 PRIMACY OF CONSULTANT'S INSURANCE: All policies of insurance provided by CONSULTANT shall be primary to any coverage available to CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers shall be in excess of CONSULTANT's insurance and shall not contribute with it.
- 3.5 WAIVER OF SUBROGATION: All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT or CONSULTANT's officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.
- 3.6 VERIFICATION OF COVERAGE: CONSULTANT acknowledges, understands and agrees, that CITY's ability to verify the procurement and maintenance of the insurance required under this Article is critical to safeguarding CITY's financial well-being and, indirectly, the collective well-being of the residents of the CITY. Accordingly, CONSULTANT warrants, represents and agrees that it shall furnish CITY with original certificates of insurance and endorsements evidencing the coverage required under this Article on forms satisfactory to CITY in its sole and absolute discretion. **The certificates of insurance and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the CITY if**

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requested. All certificates of insurance and endorsements shall be received and approved by CITY as a condition precedent to CONSULTANT's commencement of any work or any of the Work. Upon CITY's written request, CONSULTANT shall also provide CITY with certified copies of all required insurance policies and endorsements.

IV. INDEMNIFICATION

- 4.1 The Parties agree that CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers (hereinafter, the "CITY Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the CITY Indemnitees with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT's commitment to indemnify, defend and protect CITY as set forth herein.
- 4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the CITY.
- 4.3 CITY shall have the right to offset against the amount of any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Article and related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 4.4 The obligations of CONSULTANT under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers.
- 4.5 CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and

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indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.

- 4.6 CITY does not, and shall not, waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.
- 4.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity.

V. TERMINATION

- 5.1 TERMINATION WITHOUT CAUSE: CITY may terminate this Agreement at any time for convenience and without cause by giving CONSULTANT a minimum of five (5) calendar days prior written notice of CITY's intent to terminate this Agreement. Upon such termination for convenience, CONSULTANT shall be compensated only for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in Section 6.1 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Work. CONSULTANT shall be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, shall operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.
- 5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:
- A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event

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of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 5.2.B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.

- B. CONSULTANT shall cure the following Events of Defaults within the following time periods:
- i. Within three (3) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 3-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 3-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2 B.i. that exceeds seven (7) calendar days from the end of the initial 3-day cure period; or
 - ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of

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Default on the part of CONSULTANT shall include, but shall not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; (v) CONSULTANT's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vii) CITY's discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

- C. CITY shall cure any Event of Default asserted by CONSULTANT within forty-five (45) calendar days of CONSULTANT's issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 45-day cure period. Prior to the expiration of the 45-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 45-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.4, above, shall be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.
- D. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT shall be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY shall operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement as provided herein.
- E. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

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- F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
- i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;
 - ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;
 - iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or
 - iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT shall be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

- G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

- 5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- 5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto shall not operate to terminate any Article, Section or provision contained herein which provides that it shall survive the termination or normal expiration of this Agreement.

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VI. MISCELLANEOUS PROVISIONS

- 6.1 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data shall be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, drawings, designs, renderings, specifications, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT shall require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY shall be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.
- 6.2 CONFIDENTIALITY: All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. Upon request, all CITY data shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT shall not use CITY's name or insignia, photographs, or any publicity pertaining to the Work in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.
- 6.3 FALSE CLAIMS ACT: CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., Section 3789 et seq. and the California False Claims Act, Government Code Section 12650 et seq.
- 6.4 NOTICES: All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

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CONSULTANT:

Willdan Engineering
13191 Crossroads Parkway North,
Suite 405
Industry, CA 91746
Attn: Vanessa Munoz, Director of
Engineering
Phone: 562 368-4848
Fax: 562.695-2120

CITY:

City of San Fernando
Public Works Department
117 Macneil Street
San Fernando, CA 91340
Attn: Yazdan T. Emrani, Director of Public
Works/City Engineer
Phone: 818-898-1222
Fax: 818-361-6728

Such notices shall be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

- 6.5 COOPERATION; FURTHER ACTS: The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as is reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.
- 6.6 SUBCONTRACTING: CONSULTANT shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.7 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: CITY reserves the right to employ other contractors in connection with the various projects worked upon by CONSULTANT.
- 6.8 PROHIBITED INTERESTS: CONSULTANT warrants, represents and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for CONSULTANT, to solicit or secure this Agreement. Further, CONSULTANT warrants and represents that it has not paid nor has it agreed to pay any company or person, other than a *bona fide* employee working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of CITY, during the term of his or her service with CITY, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

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- 6.9 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.
- 6.10 GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.
- 6.11 ATTORNEYS' FEES: If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.
- 6.12 SUCCESSORS AND ASSIGNS: This Agreement shall be binding on the successors and assigns of the Parties.
- 6.13 NO THIRD PARTY BENEFIT: There are no intended third party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.14 CONSTRUCTION OF AGREEMENT: This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.15 SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 6.16 AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.
- 6.17 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limits, augment, or describe the scope, content, or intent of this Agreement.

PROFESSIONAL SERVICES AGREEMENT

San Fernando Traffic Signal Improvements Project

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- 6.18 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.
- 6.19 ENTIRE AGREEMENT: This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between CITY and CONSULTANT prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to this Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.15, above.
- 6.20 COUNTERPARTS: .This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 6.16, above. One fully executed original counterpart shall be delivered to CONSULTANT and the remaining two original counterparts shall be retained by CITY.

(SIGNATURE PAGE TO FOLLOW)

PROFESSIONAL SERVICES AGREEMENT

San Fernando Traffic Signal Improvements Project

Page 17 of 17

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF SAN FERNANDOBy: Alex Meyerhoff

Alexander P. Meyerhoff, City Manager

Willdan EngineeringBy: Vanessa MunozName: Vanessa MunozTitle: Director of Engineering**APPROVED AS TO FORM**By: Rick R. Olivarez


Rick R. Olivarez, City Attorney

Richard Padilla, Asst City Atty

EXHIBIT "A"**City of San Fernando****Revised Project Scope of Services (July 26, 2018)****Task 1 – General**

The day-to-day management of the HSIP Cycle 8 Traffic Signal Improvement project will lie with Mr. Lau. He will be responsible for overseeing all services provided, maintaining a beneficial relationship with City staff and other stakeholders, planning and guiding the work plan, and coordinating with the project team – including our two subconsultants. Mr. Lau will ensure that project requirements are clearly understood and reinforced through frequent communications with the entire project team and careful review of deliverables. Ms. Vanessa Muñoz, PE, TE, PTOE, our Principal-in-Charge, will be accessible to City staff throughout the project's duration.

Task 1.1 – Meetings. Upon project award, Mr. Lau, will hold a kick-off meeting with City project staff, stakeholders, and Willdan's task leaders and subconsultant to develop a common understanding of the project's goals, timelines, and deliverables to finalize a detailed scope for the City's approval. Willdan's approach to, and execution of, the project tasks will be to the point with appropriate levels of effort planned and maintained throughout the project's duration. This will be achieved by implementing these project management tasks:

 **Task 1.1 Deliverables**

- ✓ Meeting agendas
- ✓ Meeting minutes
- ✓ Meeting attendance rosters


- Project work plan
- Draft project schedule
- Monthly status reports and invoices
- Issue/action item/decision log
- Project coordination with City
- Schedule and budget management

Willdan will report progress to the City on a regular basis and as necessary to keep the project schedule up-to-date and the project team on the same page. Willdan will submit a monthly progress report to accompany invoices. The reports will generally include a narrative of work accomplished during the reporting period; work planned for the next reporting period; information/decisions required to maintain the project schedule and complete deliverables; problems encountered that may affect the schedule, budget, and anticipated work items; and recommendations to resolve issues. The report can be customized and formatted to best suit the needs of the City.

Task 1.2 – Coordinate with Los Angeles Department of Transportation Traffic Signal Synchronization System.

Willdan will coordinate with Los Angeles Department of Transportation (LADOT) to connect seven project intersections along San Fernando Road and Truman Street to LADOT's Automated Traffic Surveillance and Control (ATSAC) signal system. Willdan's design plans will feature signal controller and software systems and interconnect communications that can be directly integrated with the ATSAC signal system.

Task 1.3 – Schedule. We understand the importance of completing the project in a timely manner and Willdan is committed to working closely with the City to finalize a schedule to meet the City's project timing requirements. A preliminary project schedule for the tasks outlined in this Project Scope of Services is included immediately following this paragraph. The draft project schedule was developed utilizing a critical path method to address approvals and deliverables required for processing the project. The schedule includes major activities, milestones, deliverables, internal quality control processes, and designated City review of submitted documents. The schedule will be updated monthly to reflect actual and forecasted completions. Mr. Lau can, then, anticipate and forecast potential issues and develop an advanced strategy to proactively mitigate problems before they impact the schedule. If a project is falling behind schedule, the project manager will meet with team members, identify the problem, and ensure extra support and effort are expended to bring the project back on track. Willdan will keep City staff informed of the overall schedule, including advanced notification of any necessary adjustments or actions to remain within the agreed-upon scheduling.

 **Task 1.3 Deliverables**

- ✓ Project schedule with updates as necessary



City of San Fernando

Task 2 – Planning, Environmental, and Conceptual Design

Task 2.1 – Traffic Counts and LT Warrant Analysis.

Willdan will utilize the services of City Traffic Counters to collect AM and PM peak-hour turning movement counts for one weekday for the nine intersections. Upon completion of the traffic data collection, Willdan will prepare a. A left-turn phasing analysis will be performed for all nine intersections to determine which locations meet the 2014 California Manual on Uniform Traffic Control Devices requirements for installation of protected left-turn phasing.

Task 2.1 Deliverables

- ✓ Traffic Count Collection Traffic count files
- ✓ Left-turn phasing analysis

Task 2.2 – Research of Record Information. Willdan will obtain available as-built drawings, survey data, HSIP grant application, and utility contact information from the City. The research may include assessor parcel maps, tract maps, recently completed or planned improvement drawings, as-built drawings for street, traffic signals, signing, striping, and storm drain, as well as municipal improvements such as water and sewer as-builts, atlases, and/or GIS information. Willdan will verify known underground utilities to avoid conflicts with the proposed traffic signal improvements.

Task 2.3 – Environmental. Willdan assumes this project will require a Categorical Exemption for CEQA compliance and a Categorical Exclusion without technical studies for NEPA compliance and excludes preparation of technical studies or acquiring permits and/or cooperative/maintenance agreements. Willdan can amend this proposal to provide additional scope and corresponding fee if Caltrans requires technical studies for NEPA compliance or a system engineering management plan for ITS projects. Willdan will:

Task 2.3 Deliverables

- ✓ LAPM Exhibit 7-B Field Review
- ✓ LAPM Exhibit 7-C Roadway Data
- ✓ LAPM Exhibit 7-G Field Review Attendance Roster
- ✓ LAPM Exhibit 6-A Preliminary Environmental Study
- ✓ LAPM Exhibit 6-E Categorical Exemption/Programmatic Categorical Exclusion Determination

- Prepare LAPM Exhibits 7-B Field Review, 7-C Roadway Data, and 7-G Field Review Attendance Roster
- Prepare LAPM Exhibit 7-I Systems Engineering Review Form if required for ITS project and not previously prepared by the City and submitted to Caltrans with the RFA for PE package
- Prepare Notice of Exemption
- Prepare LAPM Exhibits 6-A Preliminary Environmental Study and 6-E Categorical Exemption/Programmatic Categorical Exclusion Determination Form
- Submit package to Caltrans along with applicable attachments such as typical sections, project footprint map, FTIP sheet, and approved HSIP project list
-

Task 2.4 – Utilities Coordination. Willdan will mail notices to the utility companies in accordance with the City's procedures. Documentation of contacts and responses will be copied to the City. Willdan will prepare the utility notices and deliver them to the City for mailing under City letterhead. If so desired by the City, Willdan can transmit these notices under Willdan's letterhead; however, the City will be responsible for any fees assessed to Willdan by the utility companies. In either case, all responses, questions, and correspondence from the utility companies will be addressed to Willdan's utility coordinator. Willdan will also provide utility dispositions identifying existing utility locations above and below ground. Willdan will:

Task 2.4 Deliverables

- ✓ Copies of transmittals, submittals, and letters sent to utilities and agencies
- ✓ A summary of utility coordination status upon delivery of final construction contract documents

- Notify and coordinate with utility agencies regarding project-related modifications to their facilities; determine special requirements for utility facilities, including protection, right-of-way, and construction methods within the utility vicinity



City of San Fernando

- Provide second utility notification letter (prepare to relocate) and third utility notification letter (notice to relocate)
- If necessary, provide fourth utility notification letter (notice to relocate immediately)
- Submit preliminary and final set of plans to each utility company with clouded demarcations to illustrate areas that conflict
- Verify that project's final design is compatible with known utilities to be installed, relocated, adjusted, or otherwise modified, including adding utility relocation windows into construction schedule as necessary
- Coordinate service feed point, if necessary, with PG&E and prepare application

Task 2.5 – Utility Potholing. Willdan will utilize the services of Bess Testlab, Inc. to provide potholing of underground utilities to determine the depth for clearance or conflicts with any underground utility lines. Utility potholing will be performed for each

large traffic signal pole with a mast arm that is to be installed as part of the project to ensure there are no utility conflicts with the proposed placement locations. Utility potholing will be conducted during the design phase following the City's approval of 65% design plans. For the purposes of this proposal, 18 utility potholes will be included and any additional utility potholes will be performed for an additional fee.

Task 2.5 Deliverables

- ✓ Utility pothole reports

Task 2.6 – Preliminary Design. Willdan will prepare conceptual traffic signal plans showing tentative equipment locations; signing and striping changes, if needed; ADA-compliant curb ramps; and other proposed equipment. Conceptual layout plans will be computer-drafted in AutoCAD 2015 for standard 24-inch by 36-inch plan size.

Task 2.6 Deliverables

- ✓ Two full-size, hard-copy plan sets and one electronic PDF set at 35% conceptual completion

Task 3 – Engineering Design – Plans, Specifications, and Estimates (PS&E)

Willdan will prepare engineering plans, construction specifications, and engineers estimate of construction costs (PS&E). Design plans will be prepared in accordance with the City's drafting standards, formats, and conventions. Plans will be computer-drafted in AutoCAD 2015 for standard 24-inch by 36-inch plans and comply with City of San Fernando's and Caltrans' latest standard plans and specifications and the California Manual on Uniform Traffic Control Devices (CA MUTCD). Design plans will be submitted full-size on bond at the 65-percent, 100-percent, and final submittals for the City's review and comment. Final approved drawings will be plotted on Mylar and shall be wet-stamped and signed by a state-registered civil engineer.

Task 3.1 – Improvement Plan Preparation. The traffic signal modification plans will be prepared at a scale of 1" = 20' for all nine project intersections and will include all utilities and existing above-ground features, inclusive of overhead utilities. The design

Task 3.1 Deliverables

- ✓ Two full-size, hard-copy plan sets and one electronic PDF set at 65%, 100%, and final design completion

plans will address installation of proposed signal heads, street lighting, and protected left-turn phasing. Other relevant features of the traffic signal design include installing new signal poles, providing for emergency vehicle pre-emption, protecting existing communication facilities, and evaluating existing battery back-up system in the service pedestal and pedestrian countdown heads. Minor signing and striping improvements and upgrading existing non-complaint pedestrian curb ramps to ADA compliance at the intersections will be shown on the traffic signal modification plans.

The intent of the traffic signal modification plans is to satisfy the objective of the HSIP grant application. Willdan will evaluate all traffic signal equipment against current CA MUTCD guidelines and Caltrans standard plans and specifications. Willdan will identify any deficiencies of the existing traffic signal control equipment and provide recommendations toward simple, low-cost mitigations or solutions that may be implemented to correct the deficiencies; however, we will evaluate if they can be implemented within the grant budget and present our findings to the City at the 65-percent submittal for review and approval.



City of San Fernando

Willdan will prepare design plans for to install 10,400 linear feet of interconnect communication cables along San Fernando Road between Hubbard Street and Brand Boulevard and on Truman Street between Hubbard Street and Brand Boulevard. The communication plans will be prepared at a scale of 1" = 40' and will include details for conduits, splice vaults, pull boxes, and communication field elements utilizing LADOT equipment standards that can be directly integrated into LADOT's ATSAC signal system.

Task 3.2 – Project Specifications. Utilizing the City-provided boilerplate, Willdan will prepare the project's construction specifications in Microsoft Word 2010 format. Willdan will provide a write-up for the project-specific scope of work in the technical specifications and provide special technical provisions beyond the City's standard technical provisions that support the specified traffic signal improvements. Willdan will be responsible for compiling specifications that are complete, ready for bidding purposes, and signed by a state-registered civil engineer.

⇒ Task 3.2 Deliverables

- ✓ Two hard-copy and one electronic Word file of complete specifications at 100% and final design completions

Task 3.3 – Construction Cost Estimate. Willdan will prepare a detailed engineer's estimate of probable costs in a Microsoft Excel 2010 spreadsheet. The items will be arranged in chronological order of construction and will identify the bid items to be included in the contractors' bid forms. The estimate will be based upon recent bid prices for similar traffic signal projects in the vicinity. Backup quantity calculations will be provided showing detailed computations for accuracy of the quantities upon request. The engineer's construction cost estimate will be based upon plan sheet quantities and will be furnished at 65-, 95-, and 100-percent (final) design milestones.

⇒ Task 3.3 Deliverables

- ✓ Two hard-copy and one electronic Excel file of estimated quantities and engineer's estimate of probable costs at 65%, 100%, and final design completion

Task 3.4 – Right-of-Way Certification. Following CEQA and NEPA clearances and completion of the final PS&E, Willdan will prepare the right-of-way certification package in accordance with Caltrans requirements. Willdan will:

⇒ Task 3.4 Deliverables

- ✓ LAPM Exhibit 13-A Short Form Right-of-Way Certification

- Prepare LAPM Exhibit 13-A Short Form Right-of-Way Certification Off State Highway System and Project Engineer's Certification of Utilities
- Submit package to Caltrans along with final signed plans, required backup documentation from utilities and other agencies, copy of City's resolution authorizing a City official to execute right-of-way certifications, and copy of approved NEPA and CEQA documents

Task 3.5 - Authorization-to-Proceed (E-76) with Construction Package. Upon receiving right-of-way certification, Willdan will prepare a request for authorization (RFA) to proceed with construction package to initiate obligation of federal funds by Caltrans for construction. Willdan will t:

⇒ Task 3.5 Deliverables

- ✓ LAPM Exhibit 3-O Finance Letter
- ✓ LAPM Exhibit 12-C PS&E Certification
- ✓ LAPM Exhibit 12-D PS&E Checklist
- ✓ LAPM Exhibit 15-M Detail Estimate
- ✓ LAPM Exhibit 15-A Local Agency Construction Contract Administration Checklist
- ✓ LAPM Exhibit 9-D DBE Contract Goal Methodology

- Prepare LAPM Exhibits 3-D Request for Authorization, 3-E Data Sheets, 12-A Preliminary Estimate of Cost, 3-O Finance Letter, 12-C PS&E Certification, 12-D PS&E Checklist, and 15-A Local Agency Construction Contract Administration Checklist
- Calculate DBE project goals for construction and construction engineering using LAPM Exhibit 9-D DBE Contract Goal Methodology
- Submit package to Caltrans along with final signed plans and specifications, approved NEPA and right-of-way certification documents, and FTIP sheet



City of San Fernando

■
Task 3.6 – Bidding Assistance. Willdan will provide engineering support during bidding and be available to answer questions regarding the technical provisions of the contract special provisions, design drawings, or design issues raised during bidding.

Necessary addenda clarifying actual design oversight or conflicts will be prepared at no charge. If a pre-bid conference is needed, Willdan will attend to answer bidders' questions.

Task 3.6 Deliverables

- ✓ Up to three requests for information (RFI) responses per bid package
- ✓ Up to two addenda issued as outlined

Task 4 – Construction Support

Willdan will assist the City during the construction support phase by reviewing and approving material submittals, responding to requests for information (RFIs), and assisting with contract change orders as necessary. If a design oversight is identified in the design plans or specifications, we will make the appropriate design correction at no cost.

Task 4.1 – Preconstruction Meeting. Willdan will attend the preconstruction meeting and answer any questions regarding the technical provisions or the design drawings during the meeting.

Task 4.2 – Construction Support. During construction, Willdan will draft responses to contractor inquiries and RFIs as requested by the City. Willdan will review proposed change orders and draft change order language as requested by the City. If changes are necessary as a direct result of design oversights, Willdan will prepare and/or review contract change orders at no additional cost. Willdan will review all submittals and shop drawings. Upon completion of project construction, Willdan will incorporate the redline as-built comments prepared by the contractor and project inspector on their copies of the signed design plans into a set of Mylar record drawings that will be provided to the City. Revision will be solely based upon redlines provided by the City's construction inspector and contractor.

Task 4.2 Deliverables

- ✓ Material submittal reviews
- ✓ Change order reviews
- ✓ One copy of each RFI response
- ✓ One full-size Mylar set and one electronic PDF of as-built record drawings



EXHIBIT "B"

CITY OF SAN FERNANDO
HSIP CYCLE 8 TRAFFIC SIGNAL IMPROVEMENTS, FEDERAL PROJECT NO. H8-07-046
ESTIMATED FEE
Thursday, July 26, 2018

SUMMARY TASK	WILDLAN ENGINEERING													Estimated Hours	Expenses	Subcontractant	Estimated Cost
	Director of Engineering	Deputy Director of Engineering	City Engineer	Traffic Engineer II	Principal Project Manager	Senior Design Manager	Assistant Engineer III	Technical Aide II	Utility Coordinator	Administrative Assistant II	Senior Survey Analyst	2-Man Survey Crew	Labor Compliance Manager				
	\$200	\$190	\$190	\$160	\$190	\$156	\$125	\$80	\$138	\$83	\$143	\$225	\$131				
Task 1 - General																	
1.1 - Meetings	2.0	6.0												8.0	\$ 100.00	\$ -	\$ 1,640.00
1.2 - Coordinate with LADOT Traffic Signal Synchronization				4.0		4.0								8.0	\$ -	\$ -	\$ 1,384.00
1.3 - Schedule		2.0												2.0	\$ -	\$ -	\$ 380.00
Subtotal	2.0	8.0	0.0	4.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.0	\$ 100.00	\$ -	\$ 3,404.00
Task 2 - Planning, Environmental, and Conceptual Design																	
2.1 - Traffic Counts and Warrant							14.0	20.0						34.0	\$ -	\$ 2,079.00	\$ 5,429.00
2.2 - Research of Record Information								10.0		1.0				10.0	\$ -	\$ -	\$ 800.00
2.3 - Environmental			36.0							4.0				37.0	\$ -	\$ 6,923.00	\$ -
2.4 - Utilities Coordination									8.0					12.0	\$ 50.00	\$ -	\$ 1,486.00
2.5 - Utility Relocating (18 Relocates)									2.0					2.0	\$ -	\$ -	\$ 15,840.00
2.6 - Preliminary Design						8.0	20.0	20.0						48.0	\$ 100.00	\$ -	\$ 5,448.00
Subtotal	0.0	0.0	36.0	0.0	0.0	8.0	34.0	50.0	10.0	5.0	0.0	0.0	0.0	143.0	\$ 150.00	\$ 17,919.00	\$ 36,202.00
Task 3 - Engineering Design - Plans, Specifications, and Estimate (PS&E)																	
3.1 - Improvement Plan Preparation														0.0	\$ -	\$ -	\$ -
Traffic Signal Plans (9 Sheets)		8.0		8.0		50.0	180.0	180.0						436.0	\$ 50.00	\$ -	\$ 48,590.00
Interconnect Plans (5 Sheets)		2.0		4.0		8.0	20.0	80.0						114.0	\$ 50.00	\$ -	\$ 11,338.00
3.2 - Project Specification		1.0		2.0		4.0	8.0			1.0			1.0	17.0	\$ -	\$ -	\$ 2,408.00
3.3 - Construction Cost Estimate			1.0				4.0	5.0		1.0			1.0	12.0	\$ -	\$ -	\$ 1,363.00
3.4 - Right-of-Way Certification			14.0							1.0			1.0	16.0	\$ 50.00	\$ -	\$ 2,924.00
3.5 - Authorization-to-Proceed (E-70) with Construction Package			12.0							1.0			1.0	14.0	\$ 50.00	\$ -	\$ 2,544.00
3.6 - Bidding Assistance						2.0	2.0							4.0	\$ -	\$ -	\$ 562.00
Subtotal	0.0	12.0	26.0	15.0	0.0	64.0	214.0	275.0	0.0	4.0	0.0	0.0	3.0	613.0	\$ 200.00	\$ -	\$ 69,729.00
Task 4 - Construction Support																	
4.1 - Pre-construction Meeting						2.0	2.0							4.0	\$ 50.00	\$ -	\$ 612.00
4.2 - Construction Support						4.0	8.0							12.0	\$ -	\$ -	\$ 1,624.00
Subtotal	0.0	0.0	0.0	0.0	0.0	6.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	16.0	\$ 50.00	\$ -	\$ 2,236.00
TOTAL	2.0	20.0	62.0	19.0	0.0	82.0	256.0	325.0	10.0	9.0	0.0	0.0	3.0	790.0	\$ 500.00	\$ 17,919.00	\$ 111,571.00

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, Interim City Manager
By: Anthony Vairo, Police Chief

Date: February 19, 2019

Subject: Consideration to Approve a Five-Year Extension to the Franchise Agreement with Black & White Towing, Inc. for Towing and Storage Services

RECOMMENDATION:

It is recommended that the City Council:

- a. Approve a five-year extension (Attachment "A" – Contract No. 1740(a)) to the Franchise Agreement with Black & White Towing, Inc. for Vehicle Towing and Storage Services (set to expire on March 29, 2019) pursuant to section 2.5.2 of the Franchise Agreement Contract No. 1740 (Attachment "B"); and
- b. Authorize the City Manager, or designee, to execute all related documents.

BACKGROUND:

1. Black & White Towing, Inc. is one of 18 Los Angeles Official Police Garage (LAOPG) governed by the Los Angeles Police Commission.
2. On March 30, 2009, the City and Black & White Towing, Inc. entered into a new Franchise Agreement for Vehicle Towing and Storage Services (Contract No. 1608), which gave Black & White Towing, Inc. exclusive rights for vehicle towing services for the City. The term of the agreement was for five years, which expired on March 29, 2014.
3. On January 23, 2014, the Police Department issued a Request for Proposals (RFP) soliciting proposals for the City Vehicle Towing and Storage Services.
4. On February 20, 2014, the City Clerk received proposals in response to the RFP from four vendors:
 - a) Black & White Towing, Inc.;
 - b) Jon's Towing;

Consideration to Approve a Five-Year Extension to the Franchise Agreement with Black & White Towing, Inc. for Towing and Storage ServicesPage 2 of 4

- c) Larry's Towing; and
 - d) Mid Valley Towing.
5. On March 24, 2014, the City Council and the Police Department conducted a comprehensive analysis. Subsequent to discussing the responses, the City Council determined Black & White Towing, Inc. met and exceeded all requirements in the RFP and was awarded the Franchise Agreement (Attachment "B" – Contract No. 1740).
6. The initial term of the contract was five years, expiring on March 29, 2019. Section 2.5.2 provides for an additional five-year extension of the Agreement with 120-day written extension request from the franchisee and City Council approval.
7. On November, 13, 2018, the Police Department and the City Manager received the requisite extension request from Black & White Towing, Inc. (Attachment "A") requesting an additional five-year term pursuant to Section 2.5.2.

ANALYSIS:

The Police Department regularly requires motor vehicle towing and storage services, including, but not limited to: removal of abandoned, stolen and damaged vehicles, occasional towing and storage of City-owned vehicles, and special security for vehicles held for the investigation of crimes. Vehicles towed or held through the City's Towing Program (City Code 90-911) are subject to various provisions of the California Vehicle and Evidence Codes, as well as the San Fernando Municipal Code. It is imperative that the City's Towing Program is managed by a vendor that is well versed and experienced in complying with the myriad of regulations pertaining to impounding private property and serving as a custodian of evidence.

As previously mentioned, the City issued a Request for Proposals for the Towing Program Franchise in 2013. After a very comprehensive analysis of the proposals, which is detailed in Attachment "C," City Council awarded the Franchise to Black and White Towing, Inc.

Vendor Performance Under Current Agreement.

The services provided by Black & White Towing, Inc. have met and/or exceeded the requirements set forth in the 2014 RFP. In addition to meeting the minimum requirements, Black & White Towing has modernized their dispatch center, installed security surveillance camera system through-out their storage lots and evidence area, enhanced documentation of towed vehicles with before pictures taken at the scene and pictures of the vehicle at the storage lot, and updated their vehicle inventory system at storage lots. These enhancements have reduced claims of vehicles damaged during storage, theft of stored vehicles, and overall complaints significantly.

Consideration to Approve a Five-Year Extension to the Franchise Agreement with Black & White Towing, Inc. for Towing and Storage Services

Page 3 of 4

Additionally, Black & White Towing, Inc. is a City of Los Angeles Official Police Garage (LAOPG), which means they are regulated by the Los Angeles Police Commission that provides oversight, background checks, audits, and inspections at all Black & White Towing, Inc. facilities to ensure compliance with all applicable laws. The oversight provided by the Los Angeles Police Commission is a significant benefit for the City as it alleviates the City from having to provide that oversight and regulation. If the Police Department were to conduct its own oversight, audits, and inspection of the tow facilities and monitoring of vehicle auctions, it would assign one full-time detective dedicated to this detail with a fully burdened cost of approximately \$175,000 per year.

LAOPG also established vehicle locator program (OPGLAVIIC.COM) to provide the public with easily accessible information to locate stored/impounded vehicles either by license plate number or a Vehicle Identification Number (VIN). This vehicle locator program provides the public with the location of the tow yard, storage and city/storage fees for each day the vehicle is stored, as well as the police agency that stored or impounded the vehicle. This service has also been made available to the City.

The Los Angeles County Sheriff's Department (LASD) also has a contract with Black & White Towing for the use of the Evidence Hold Facility, located at the Primary Storage Facility, which meets or exceeds the Police Department and LASD's Evidence Facility requirements.

BUDGET IMPACT:

Per the Agreement, the Franchise Fee paid to the City is \$45 per impound, which has generated a total of \$124,155, or an average of \$24,831 per year, in revenues during the current term of the agreement (2014-2018).

In November 2018, the City requested a five-year audit from Black & White Towing, Inc. of vehicles that were impounded/stored by the Police Department, along with the franchise fee collected. The data was received on January 7, 2019, and verified by staff by reconciling with City records:

Year	Vehicles Impounded/Stored	Franchise Fee Remittance
2014	500	\$22,500
2015	499	\$22,455
2016	600	\$27,000
2017	581	\$26,145
2018	579	\$26,055
Total Franchise Fees Remittance:		\$124,155

Consideration to Approve a Five-Year Extension to the Franchise Agreement with Black & White Towing, Inc. for Towing and Storage ServicesPage 4 of 4

CONCLUSION:

Due to the level of service provided over the initial term of the Agreement, staff is requesting the City Council approve a five-year extension to the existing Franchise Agreement with Black & White Towing, Inc. for Vehicle Towing and Storage Services per section 2.5.2 of the Franchise Agreement (Contract No. 1740).

ATTACHMENTS:

- A. Contract No. 1740(a)
- B. Contract No. 1740
- C. Agenda Report from March 24, 2014



24 Hour Towing Service • Same Location Since 1946

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NOV 13 2018

Police Department
City of San Fernando
CHIEF'S OFFICE

November 12, 2018

Chief Anthony Vairo
San Fernando Police Department
910 First Street
San Fernando, California 91340

Dear Chief Vairo,

Pursuant to our Franchise Agreement for Vehicle Towing and Storage services between the City of San Fernando and Black & White Garage, Inc. (dated: April 8, 2014) Contract # 1740, section 2.5.2. Renewal Term states that "the Franchisee must file with the City, at least one-hundred twenty (120) days prior to the expiration of the then current term, a written request for extension citing this provision."

Consequently, please consider this correspondence as the formal request for the extension of Contract #1740 for an additional five (5) year term, as stated in the contractual agreement.

Thank you in advance for your continued partnership and for the opportunity to provide towing services for the community of San Fernando.

Should you require any further information, I may be contacted at (818) 896-9511.

Sincerely,


Robert Ordelheide
President/CEO
Black & White Garage Inc.

ATTACHMENT "B"

CONTRACT NO. 1740

FRANCHISE AGREEMENT
FOR
VEHICLE TOWING AND STORAGE SERVICES
BETWEEN
THE CITY OF SAN FERNANDO
AND
BLACK & WHITE GARAGE, INC.
DATED APRIL 8, 2014

**FRANCHISE AGREEMENT FOR
VEHICLE TOWING AND STORAGE SERVICES**

THIS FRANCHISE AGREEMENT FOR VEHICLE TOWING AND SECURE STORAGE SERVICES (THE "AGREEMENT") IS MADE AND ENTERED INTO THIS 8TH DAY OF APRIL, 2014, BY AND BETWEEN THE CITY OF SAN FERNANDO, A CITY CORPORATION ("CITY"), AND BLACK & WHITE GARAGE, INC. ("FRANCHISEE").

RECITALS

A. City has a regular need for the towing and secure storage services called for in the Towing Program described hereinafter. City lacks the facilities, equipment or personnel to perform the services called for in the Towing Program and must contract for such services.

B. Franchisee represents that it possesses the facilities, equipment and personnel necessary to perform the services called for in the Towing Program and is qualified to provide such services.

C. City is authorized to enter into this Agreement pursuant to California Vehicle Code Section 12110 and San Fernando City Code Section 90-911.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter contained, City and Franchisee agree as follows:

ARTICLE 1. AGREEMENT – PURPOSE AND CONTENTS.

1.1. Purpose.

A. City regularly requires motor vehicle towing and storage services, including the removal of abandoned, stolen and damaged vehicles, occasional towing and storage of City owned vehicles and special security for vehicles held for the investigation of crimes, pursuant to various provisions of the California Vehicle and other Codes and the San Fernando City Code. Pursuant to San Fernando City Code Section 90.911, any such services performed on behalf of the City or at the request of the San Fernando Police Department are part of the "Towing Program" of the City.

B. This Agreement is intended to provide for the operation and administration of the Towing Program, and is in the vital interest of the City and is necessary for the health and welfare of its citizens.

C. Pursuant to San Fernando City Code Section 90-911, Franchisee is hereby authorized to perform Towing Program related services ("Towing Services"), as requested by the Chief of Police or his designee, subject to the terms and conditions set forth herein.

1.2. Documents Constituting Agreement.

The City of San Fernando Vehicle Towing and Secure Storage Service Provisions (the "Service Provisions") is attached hereto as Exhibit A and incorporated herein by this reference. In the event of any conflict between the provisions of the Service Provisions and the provisions of this Agreement, the provisions of this Agreement shall control.

ARTICLE 2. AGREEMENT AND TERM.

2.1. Incorporation of Recitals.

The recitals set forth in full above constitute a material part hereof, and are hereby incorporated by reference as though fully set forth herein.

2.2. Award of Agreement.

City hereby awards Franchisee the non-exclusive right to provide Towing Services, as the same are more particularly described in Section 2.3, pursuant to the terms set forth in this Agreement and any and all applicable provisions of the San Fernando City Code (the "SFCC"). Franchisee shall have, throughout the term of this Agreement, the non-exclusive right to provide Towing Services to City within the corporate boundaries of City as the same now exist, and within any territory City hereafter annexes during such term, except to the extent that Towing Services within such annexed territory would be unlawful or violate the legal rights of another person.

2.3. Scope of Services.

Franchisee shall provide Towing Services and secure storage services as more particularly described in the Services Provisions attached hereto as Exhibit A and incorporated herein by this reference.

2.4. Effective Date.

This Agreement shall be effective on the date that both parties have executed this Agreement, provided that said date is no later than thirty (30) days after the date the City Council, by resolution, approves this Agreement. This Agreement is further contingent upon the filing by Franchisee with the City Clerk of the fully executed Agreement.

2.5. Term.

2.5.1. Initial Term. The term of this Agreement shall commence on March 30, 2014 ("Commencement Date"), and shall continue thereafter for five (5) consecutive years. This Agreement shall expire and terminate at 11:59 p.m. on March 29, 2019, unless this Agreement has been renewed for a subsequent term as provided for in Section 2.5.2 of this Agreement or earlier terminated as provided in Section 2.6 herein.

2.5.2. Renewal Term. Commencing with the date of execution of this Agreement, City Council may consider a request from the Franchisee to renew this Agreement for an additional five (5) year term. The extension of the term, if exercised by the City Council, is subject to the following:

(a) Franchisee must file with City, at least one-hundred twenty (120) days prior to the expiration of the then current term, a written request for extension citing this provision; and

(b) The City Council, in the reasonable exercise of its discretion, may approve or deny Franchisee's request upon consideration of Franchisee's past conduct under this Agreement and the applicable provisions of the SFCC. Notwithstanding the foregoing, this Agreement shall remain subject to suspension and/or termination during any renewal term pursuant to the provisions set forth in Section 2.6 herein.

2.6. Suspension and Termination of Agreement.

This Agreement may be suspended and/or terminated by the parties before the expiration of the then current term only as follows:

2.6.1. Suspension and/or Termination by City. City may suspend and/or terminate this Agreement under any of the following circumstances:

(a) **For Convenience.** City may terminate this Agreement, without cause, at any time by providing Franchisee with one hundred twenty (120) calendar days written notice of City's intent to terminate the Agreement. Upon receipt of such notice from City, Franchisee agrees to cease all work under this Agreement on or before the effective date of such notice. In the event of termination or cancellation of this Agreement by City, due to no fault or failure of performance by Franchisee, Franchisee shall be paid for Towing Services satisfactorily rendered to the last working day the Agreement is in effect, and Franchisee shall have no other claim against City by reason of such termination.

(b) **For Fraud.** City may, in its sole discretion, terminate this Agreement in the event that any of the representations and warranties made by Franchisee in its Proposal or under this Agreement are, or at any time during the term of this Agreement become, materially false or inaccurate. City shall, within thirty (30) calendar days of discovery of fraud or misrepresentation, give notice to Franchisee, in accordance with the procedures of subsection 4.4 of this Agreement, of any suspected materially false or inaccurate representations or warranties made by Franchisee. Franchisee shall have thirty (30) calendar days to provide City with sufficient information showing it has not made any materially false or inaccurate representations or warranties in its Proposal or under this Agreement; absent such information, this Agreement shall be terminated at the conclusion of the 30-day period.

(c) **For Default.** Subject to the limitations hereafter provided, City may terminate this Agreement for cause if Franchisee:

(i) Fails to provide the equipment, services or personnel required by this Agreement, including the Service Provisions;

- (ii) Fails to pay the Franchise Fee in a timely manner;
- (iii) Assigns or transfers this Agreement, any part thereof or any interest therein without the prior written consent of the City; or
- (iv) Otherwise breaches the provisions of this Agreement, the Services Provisions or any related documents.

Notwithstanding the foregoing, City may not exercise its rights pursuant to this paragraph unless and until City provides Franchisee written notice of such default in accordance with the procedures set forth in Section 4.4 herein, and Franchisee fails to cure such default within thirty (30) days of receipt of said notice.

2.6.2. Termination by Franchisee. Franchisee may terminate this Agreement, without cause, at any time, by providing City with one hundred twenty (120) days written notice of Franchisee's intention to terminate. Said notice of termination shall clearly set forth the effective date of the termination and shall be delivered to City as set forth in Section 4.4 of this Agreement. Upon the effective date of Franchisee's termination of this Agreement, Franchisee shall relinquish any and all rights it may have under this Agreement, and shall relinquish and lose its status as a provider of Towing Services to City. Notwithstanding the foregoing, termination of this Agreement under this provision shall not release Franchisee from any obligations under this Agreement that, by their express terms, survive termination.

2.7. Conflicts with San Fernando City Code.

2.7.1. Conflicts. All provisions of the SFCC applicable to the performance of this Agreement are hereby incorporated by reference as though set forth in full, and form part of the terms and conditions of this Agreement. In the event any conflict arises between the terms and conditions of this Agreement and the provisions of the SFCC, the terms of this Agreement shall prevail.

2.7.2. Application of Amendments. Should the SFCC be amended, revised, superseded, or otherwise changed after the effective date of this Agreement, in a manner that would materially affect the terms and conditions of this Agreement, said amendment, revision or change shall not apply to this Agreement without Franchisee's written consent.

ARTICLE 3. FRANCHISE FEES AND ADMINISTRATION.

3.1. Franchise Fees.

3.1.1. Franchise Fees. Franchisee shall pay to City on a quarterly basis the franchise fees authorized by City Council pursuant to San Fernando City Code section 90-911 and all resolutions authorized thereby. The Franchise Fee, as of the Commencement Date, is \$45.00 per vehicle towed, as adopted by the City Council in Resolution 7302 on March 30, 2009.

3.1.2. Franchise Fee Adjustment. In the event the City Council increases the Franchise Fee, it shall allow a commensurate increase in the rates charged by Franchisee. The intent of the parties is that any increase in the Franchise Fee be passed through directly to the owners of the towed vehicles. Any change in the rates charged by Franchisee as a result of a change in the Franchise Fee shall require prior approval of the City Council and shall be made pursuant to section 4.12 of this Agreement.

3.2. Schedule of Payment.

3.2.1. Payment of Franchise Fees. The first Franchise Fee payment shall be due April 15, 2014, and shall cover the period from the date of this Agreement until March 31, 2014. Thereafter, the Franchise Fee shall be payable quarterly, pursuant to the provisions of Section I(Z) of the Service Provisions. Each such payment shall be accompanied by an accounting, substantially in the form attached hereto as Exhibit B, which sets forth the number of vehicles towed during the preceding quarter.

3.2.2. Effect of Accepting Payment. No acceptance of any payment by City shall be construed as an accord that the amount is, in fact, the correct amount, nor shall such acceptance of payment be construed as a release of any claim City may have against Franchisee for any additional sums payable under the provisions of this Agreement. All amounts paid shall be subject to independent audit and recomputation by City. If, after audit, such recomputation indicates a franchise fee underpayment, Franchisee shall pay to City the amount of the underpayment within ten (10) days of receipt of written notice from City that such is the case.

3.2.3. Remittance. All Franchise Fee payments shall be remitted to City at the following address:

Finance Department
City of San Fernando
117 Macneil Street
San Fernando, California 91340

3.3. Administration.

3.3.1. Designation of Representatives. Each party shall designate a representative to serve as that party's primary contact for the administration of this Agreement at all times during the term hereof. City hereby designates the Chief of Police or designee as the City Representative. Franchisee hereby designates Bart Torres, President, as the Franchisee Representative.

3.3.2. Franchisee Representative. The Franchisee Representative shall be principally responsible for Franchisee's obligations under this Agreement and shall serve as the principal liaison between Franchisee and City. The Franchisee Representative shall be authorized to act in Franchisee's behalf with respect to the services specified herein. The Franchisee Representative shall remain responsible during the term of this Agreement for directing all activities of Franchisee and devoting sufficient time to personally supervise the services hereunder. Designation of another representative by Franchisee shall not be

made without the prior written consent of City. Unless otherwise specified herein, approval of the Franchisee Representative required hereunder shall be deemed the approval of the Franchisee.

3.3.3. City Representative. The City Representative shall be the primary contract administrator for City. It shall be the responsibility of the Franchisee Representative to assure that the City Representative is kept informed of the progress of the performance of Towing Services, and Franchisee shall refer any decisions which must be made by City to the City Representative. Unless otherwise specified herein, approval of the City Representative required hereunder shall be deemed the approval of the City.

ARTICLE 4. GENERAL PROVISIONS.

4.1. Insurance.

Franchisee shall, at its sole cost and expense, procure and maintain in full force and effect, throughout the term of this Agreement, inclusive of any renewal term granted by City, insurance that complies with all of the requirements of Section I(K)(1) of the Service Provisions, incorporated hereto by reference.

4.2. Indemnification.

The indemnification provisions set forth under Section I(K)(2) of the Service Provisions are incorporated hereto by reference and shall set forth Franchisee's indemnification duties and obligations under this Agreement.

4.3. Assignment or Transfer Prohibited.

The reputation, capability and identity of Franchisee are important and material factors in the award of this franchise. Accordingly, Franchisee shall not assign, sell, subcontract, or otherwise transfer any of its obligations, rights, benefits, or other interests it may have under this Agreement to any other person or entity without the prior written consent of City to such transfer or assignment. City may, in its sole discretion, withhold consent to any sale, assignment, or other transfer of this Agreement with or without cause, and may solicit new proposals for the Towing Program. City's consent to a transfer or assignment shall neither relieve Franchisee of its obligations under, nor alter the terms of, this Agreement. For the purposes of this section, the sale, assignment, or other transfer from any person or group of persons collectively having an interest of fifty percent (50%) or more in Franchisee (whether by means of ownership of stock, partnership interests, tenancy, or otherwise) to any other person or entity shall be deemed an assignment subject to the provisions of this section. Any attempted or purported assignment, sale or other transfer by Franchisee without the prior written consent of City shall be null, void and of no effect.

4.4. Notices.

Any notice authorized or required to be given by this Agreement shall, unless otherwise specified in this Agreement, be served by personal delivery or by depositing such notice in the

United States mail with first-class postage prepaid, addressed to the person and addresses listed below for each party, unless written notice is provided by either party as to a change of address for that party:

City: Chief of Police
c/o Support Services Division Commander/Lt. Nichole Hanchett
San Fernando Police Department
910 First Street
San Fernando, California 91340
Phone: (818) 898-1250
Fax: (818) 361-3697

with a copy to:
City Manager
City of San Fernando
17 Macneil Street
San Fernando, CA 91340
Phone: (818) 898-1200
Fax: (818) 361-7631

Franchisee: Black & White Garage, Inc.
10857 San Fernando Road
Pacoima, CA 91331
Attn: Bart Torres, President
Phone: (818) 896-9511
Fax: (818) 896-1031

For the purposes of this Agreement, notices shall be deemed communicated as follows:
(i) Notices delivered personally shall be deemed communicated as of the date of actual receipt;
(ii) Notices sent via regular mail (whether by first class mail, registered mail or certified mail) shall be deemed communicated as of three (3) days after deposit thereof in the United States mail, addressed as shown on the addressee's registry or certificate of receipt; and (iii) Notices sent via Federal Express or similar courier service shall be deemed communicated two (2) days after deposit of such notices with Federal Express or similar courier or one of its agents.

4.5. Authority to Enter Agreement.

City and Franchisee warrant that the individuals who have signed this Agreement have the legal power, right, and authority to enter into this Agreement so as to bind each respective party to perform the obligations and conditions imposed upon each party herein.

4.6. Audit of Franchisee's Books and Accounts.

In addition to the requirements of Section I(L) of Exhibit A, Franchisee shall make its books and records available to City during regular business hours, upon 24-hours written notice

from City, for the purpose of auditing and verifying Franchisees payment of Franchise Fees and compliance with this Agreement.

4.7. Severability.

Whenever possible, each and every provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision, or portion thereof, of this Agreement, or the application of the same to any person or circumstances, is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, such provision, or portion thereof, shall be severed from this Agreement and shall not affect the validity of the remaining portions of this Agreement. City and Franchisee expressly declare that each would have entered into this Agreement, and each and every section and provision herein, irrespective of the fact that any one or more provisions may be declared invalid or unconstitutional.

4.8. Independent Contractor.

Franchisee is, and shall at all times remain as to City, a wholly independent contractor. Franchisee shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Franchisee shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Franchisee or any of Franchisee's employees, except as set forth in this Agreement. Franchisee agrees to pay all required taxes on amounts paid to Franchisee under this Agreement, and to indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Franchisee shall fully comply with the workers' compensation laws regarding Franchisee and its employees. Franchisee further agrees to indemnify and hold City harmless from any failure of Franchisee to comply with applicable workers' compensation laws. City shall have the right to offset against the amount of any compensation due to Franchisee under this Agreement any amount due to City from Franchisee as a result of Franchisee's failure to promptly pay to City any reimbursement or indemnification arising under this Section 4.8.

4.9. No Third Party Beneficiaries.

This Agreement, its provisions, and its covenants, are for the sole and exclusive benefit of City and Franchisee. No other parties or entities are intended to be, nor shall be considered, beneficiaries of the performance by either party of any of the obligations under this Agreement.

4.10. No Waiver.

Any failures or delays by City in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by City in asserting any of its rights and remedies shall not deprive City of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

4.11. Time of the Essence.

Time is of the essence in the performance of this Agreement.

4.12. Modification and Amendment.

This Agreement may not be modified, supplemented, or amended, except by written agreement signed by each of the parties hereto.

4.13. Binding on Successors and Assigns.

This Agreement, and each and every covenant, obligation, and condition herein, shall be binding on and shall inure to the benefit of the successors and assigns of City and Franchisee.

4.14. Institution of Legal Actions.

In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court in that County, or in the Federal District Court in the Central District of California.

4.15. Attorneys' Fees.

In the event either party brings an action at law or in equity, including any action for declaratory relief, to enforce the provisions of this Agreement against the other party, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action which may be set by the Court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled under law.

4.16. Applicable Law.

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

4.17. Use of Captions.

The use of captions to identify the various articles and paragraphs of this Agreement are solely for reference and as a matter of convenience, and in no way bind, emit, or describe the scope or intent of any provision.

4.18. Interpretation.

City and Franchisee acknowledge that this Agreement is the product of mutual, arms-length negotiation and drafting, and each party expressly represents and warrants to the other that it has been represented by legal counsel in the negotiation and drafting of this Agreement. Accordingly, the rule of construction which provides that all ambiguities in the document shall

be construed against the drafter of that document shall have no application to the interpretation and enforcement of the provisions of this Agreement.

4.19. Cooperation and Further Acts.

City and Franchisee hereby agree to execute such other instruments and to do such further acts as may be reasonably required by, or necessary to carry out, the provisions of this Agreement.

4.20. Reservation of Rights.

City and Franchisee expressly reserve all rights that they may possess under the law unless expressly waived herein. By entering into this Agreement, neither City nor Franchisee waives any rights which it now or may later enjoy under applicable law, and City and Franchisee specifically reserve their rights to take full advantage of any changes in the law during the term of the Franchise.

4.21. Force Majeure

If either City or Franchisee is unable to perform its duties under this Agreement due to strikes, lock-outs, labor disputes, inability to obtain labor, governmental restrictions, regulations or controls, civil commotion, fire or other casualty, emergency, or any other cause beyond the reasonable control of either City or Franchisee, such non-performing party shall be excused from the performance of its obligation by the other Party, and shall not be in breach of this Agreement, for a period equal to any such prevention, delay or stoppage.

4.22. Incorporation by Reference

All exhibits attached to this Agreement or documents expressly incorporated by reference shall be deemed incorporated into this Agreement by the individual reference to each such exhibit or document, and all exhibits and documents shall be deemed part of this Agreement as though set forth in full. In the event of any conflict between the express provisions of this Agreement and the provisions of any exhibit or document incorporated herein by reference, the provisions of this Agreement shall prevail.

4.23. Integration.

This Agreement represents the entire and integrated agreement between City and Franchisee and supersedes any prior negotiations, representations, or agreements, whether written or oral, with respect to the subject matter hereof.

ARTICLE 5. FRANCHISEE'S REPRESENTATIONS AND OBLIGATIONS.

5.1. Personnel.

Franchisee represents that it has, or shall secure at its own expense, all personnel required to perform the Towing Services contemplated by this Agreement. Franchisee may associate with

or employ associates or subcontractors in the performance of the Towing Services upon obtaining the prior written approval of City to such association or subcontract, but shall remain, at all times, primarily responsible for the performance of the Towing Services.

5.2. Governing Requirements.

Franchisee shall operate its tow service and shall perform all Towing Services required of it under the terms of this Agreement in full compliance with the regulations set forth in this Agreement, including the Service Provisions, and all applicable federal, state and local laws.

5.3. Performance and Operational Standards.

Franchisee shall perform the Towing Services in accordance with the standards set forth under federal, state and local law and in the Service Provisions. Franchisee shall at all times comply with such operating standards, noticing requirements and service requirements mandated under Article 1 of Chapter 10 of Division 11 of the California Vehicle Code (Vehicle Code section 22650 et seq.) including but not limited to those operating standards, noticing requirements and service requirements set forth under Vehicle Code sections 22655.5(c), 22658, and 22699. The failure to abide by such operating standards, noticing requirements and/or service requirements shall constitute an Event of Default under this Agreement.

5.4. Rates and Charges.

Rates and charges Franchisee may charge for the removal and storage of vehicles towed by Franchisee in the performance of the towing services contemplated by this Agreement shall not exceed the rates and charges set forth in the Service Provisions.

5.5 Prohibited Employment.

In addition to all other conditions of approval, the City Council of the City of San Fernando has also conditioned approval of this Agreement on Franchisee's compliance with the following: To the fullest extent permitted by law, under no circumstances may Franchisee do any of the following during the term of this Agreement or any Renewal Term as the same are defined under Section 2.5 of this Agreement, above: (i) employ or offer employment to any person who is currently employed by the City of San Fernando; (ii) employ or offer employment to any former employee of the City of San Fernando whose employment ended or was otherwise terminated (for whatever reason) less than one year from the date the former employee is employed or offered employment by Franchisee; (iii) engage any employee of the City of San Fernando or offer to engage any employee of the City of San Fernando as an independent contractor or agent of Franchisee; and/or (iv) engage or offer to engage any former employee of the City as an independent contractor or agent of Franchisee where such engagement or offer to engage is made less than one year from the date the former employee's employment with the City of San Fernando ended or was otherwise terminated (for whatever reason).

ARTICLE 6. SIGNATURES.**6.1. Counterpart Originals.**

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, City and Franchisee have caused the within Agreement to be duly executed by their respective officers.

CITY OF SAN FERNANDO

A Municipal Corporation



Sylvia Ballin, Mayor

ATTEST:




Elena Chavez (SEAL)
City Clerk

FRANCHISEE:

BLACK & WHITE GARAGE, INC.

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:



City Attorney

IN WITNESS WHEREOF, City and Franchisee have caused the within Agreement to be duly executed by their respective officers.

CITY OF SAN FERNANDO
A Municipal Corporation

Sylvia Ballin, Mayor

ATTEST:

City Clerk (SEAL)

FRANCHISEE:
BLACK & WHITE GARAGE, INC.

By: _____
Name: BART TORRES
Title: PRESIDENT, CEO

APPROVED AS TO FORM:

City Attorney

C. SECONDARY STORAGE LOTS

All Secondary Storage Facilities proposed by the Franchisee shall be inspected and approved by the Chief of Police or his or her designee prior to use. A Secondary Storage Facility is a designated location used by the Franchisee as a yard or lot for the temporary storage of impounded vehicles. All Secondary Storage Facilities shall be within five (5) miles of Franchisee's Primary Storage Facility. All Secondary Storage Facilities must be fenced for maximum security and lighted during the hours of darkness to afford illumination of all stored vehicles. Secondary Storage Facilities shall only be used to store vehicles with appraised values under One Thousand Dollars (\$1,000.00). A Secondary Storage Facility may be used for emergency temporary storage of vehicles with appraised values over One Thousand Dollars (\$1,000.00) with the prior written approval of the Chief of Police or his or her designee, but in such cases, an attendant must be on duty at the facility for security. The location where vehicles are stored within a Secondary Storage Facility shall be accurately recorded on the garage's impound records.

D. STORAGE OF VEHICLES

All vehicles towed or stored by the Franchisee under the Franchise Agreement shall be kept within the Primary or Secondary Storage Lot when under direct supervision. At no time shall such vehicles be parked or stored or left standing on any public street or alley. Undamaged vehicles shall be segregated from wrecked or junk vehicles and shall be kept in the primary lot. All vehicles shall be systematically parked and sufficiently separated to preclude the probability of damage. Unobstructed access shall be provided to all stored vehicles. Vehicles shall be parked and separated to preclude the possibility of damage. Security provisions shall be implemented at all Secondary Storage Facilities to prevent the loss or theft of personal property or vehicle parts. Secondary Storage Facilities shall provide safe access to all stored vehicles and shall be kept clean and free of litter, debris, and weeds. Lighting of such lots shall be adequate to ensure required security of stored vehicles and eliminate light spill over onto neighboring properties. The Franchisee shall provide security to all primary and secondary storage facilities sufficient to reasonably preclude theft or damage to stored vehicles and as hereinafter provided.

E. ENCLOSING OF STORAGE AREAS

Unless otherwise provided by applicable City regulations, all outdoor areas used for storage shall be enclosed with a solid wall, chain link or wrought iron style fence at least six (6) feet in height, having a gate or door of adequate width and equivalent height. The fence shall be covered from public view. The bottom edge of any such fence or wall, including all gates or doors, shall be maintained in such a manner as to prevent unauthorized entry. All wall or fence enclosures shall be maintained in good condition throughout the term of the Franchise Agreement; any damage shall be repaired promptly within twenty-four (24) hours of notice of such damage.

F. OFFICE

The office space at the Primary and Secondary Storage Facilities shall be neat in appearance, clean and painted. A waiting area shall be provided for customers with adequate restroom and other facilities for the customers' comfort.

G. RESPONSIBILITY FOR VEHICLE, ACCESSORIES, AND PERSONAL PROPERTY

The Franchisee shall be responsible for vehicles and accessories while in Franchisee's possession. The Franchisee shall also be responsible for personal property left in the vehicle at the time possession of that vehicle is taken. All property left in a vehicle should be listed on the California Highway Patrol 180 form. No articles shall be removed without first obtaining written authorization from an SFPD officer. Any articles removed for any reason shall be noted by the authorizing SFPD officer. The Franchisee shall maintain a record of the identity of all persons who have entered a stored vehicle for the purpose of accessing unattached personal property. The record shall also include the date of entry and a description of any property removed. Unattached personal property may be removed for safekeeping by garage employees, but only from available for release and statutorily held vehicles. When the Franchisee's personnel removes unattached personal property for safekeeping from a vehicle, the following shall occur:

1. Record a description of the removed property on the corresponding copy of a garage impound report.
2. Implement controls to inform Franchisee's office personnel responding to public inquiries that personal property has been removed from a vehicle.
3. Cause the property to be individually packaged and identified.
4. Provide a secure location for the storage of the property to preclude loss, theft or damage.
5. Inform properly interested persons that property has been removed and how they may obtain possession of that property.

H. PROTECTION AND HANDLING OF VEHICLES

It is the responsibility of the Franchisee to protect all vehicles, vehicle parts and/or attached accessories impounded by peace officers or City law enforcement personnel until such time the vehicles have either been released to properly interested persons or have been disposed of through legal process.

Vehicle parts and/or attached accessories shall not be removed from an impounded vehicle with a criminalistic/evidentiary hold on the vehicle without the prior approval of the

concerned law enforcement personnel. The Franchisee's garage employees from other impounded vehicles may remove vehicle parts and/or attached accessories for safekeeping. When the Franchisee's employee removes vehicle parts and/or attached accessories for safekeeping from a vehicle it shall:

1. Record a description of the removed vehicle parts and/or attached accessories on the corresponding copy of the garage impound report.
2. Implement controls to inform the Franchisee's office personnel responding to public inquiries that vehicle parts and/or attached accessories have been removed from a vehicle.
3. Cause the vehicle parts and/or attached accessories to be individually packaged and identified.
4. Provide a secure location for the storage of the vehicle parts and/or attached accessories to preclude loss, theft or damage.
5. Inform properly interested persons that parts and/or attached accessories have been removed and how they may obtain possession of that property.

The release of impounded vehicles that are available for release shall be the responsibility of the Franchisee. Criminalistic/evidentiary or statutorily held vehicles shall not be available for release until SFPD personnel has given written authorization to the Franchisee.

The Franchisee, at its Primary Storage Facility, shall prepare, maintain, and post in a conspicuous place, clearly visible to the public, a notice outlining procedures and the required documentation necessary for properly interested persons to obtain possession or remove unattached personal property from a stored vehicle and/or to view or photograph a stored vehicle within twenty-four (24) hours of making such a request.

Vehicle inventories, when conducted by Franchisee employees, shall only be conducted within the confines of a storage facility and in the presence of a witnessing employee.

I. RELEASE OF VEHICLES

A dispatcher shall be responsible for releasing vehicles between the hours of 7 a.m. and 7 p.m., seven (7) days a week, every day of the year and may, at his or her discretion, release vehicles between the hours of 7 p.m. and 7 a.m. Any vehicle impounded in connection with a special event, as designated by the Chief of Police or his or her designee, shall be available for release for a minimum period of four (4) hours following the conclusion of the special event. For the purposes of this provision, "special event" shall include DUI checkpoints, parades, et cetera.

J. REGULATION

Franchisee shall comply with all federal, state and local laws, ordinances, rules and regulations and shall make all reports required by the State of California Vehicle Code and shall follow all reasonable rules or regulations that the SFPD may, from time to time, prescribe governing the conduct of the Franchisee's operations under the Franchise Agreement.

K. FRANCHISEE REQUEST TO CHANGE RATES AND CHARGES

Franchisee may submit to the Chief of Police a written request for a change of rates. All requests for rate adjustment shall set forth Franchisee's current rate charges and the proposed charges. Verifiable profit or loss information may be required prior to any rate adjustment. If the City of San Fernando, in its sole discretion, decides to amend the rates for towing and storage of vehicles to a different rate than the OPGLA rates, it shall give Franchisee written notice of its intention to adopt an amended schedule and negotiate with Franchisee for a period of no less than 60 days before a new schedule is enacted. Any amended schedule of rates shall be approved by the City Council.

IV. STAFFING PROVISION

A. SUFFICIENT PERSONNEL

Franchisee shall have sufficient personnel on duty at all times to:

1. Receive calls from the SFPD communications center;
2. Dispatch tow units;
3. Provide security at all storage sites; and,
4. Provide such services as may be required under the Franchise Agreement

B. DISPATCHER

A dispatcher shall be on duty in Franchisee's office seven (7) days a week, twenty-four (24) hours a day, every day of the year. A dispatcher shall receive calls from SFPD and its communications center, dispatch tow units, provide security for stored vehicles, and perform such other tow related services as may be required by the Chief of Police or his or her designee. A dispatcher shall be responsible for releasing vehicles between the hours of 7 a.m. and 7 p.m., seven (7) days a week, every day of the year and may, at his or her discretion, release vehicles between the hours of 7 p.m. and 7 a.m. Any vehicle impounded in connection with a special event, as designated by the Chief of Police or his or her designee, shall be available for release for a minimum period of four (4) hours following the conclusion of the special event, regardless of the time of day the special event concludes. A dispatcher and/or other Franchisee employees providing service to the public shall wear a nametag/badge with their name and/or have their first name conspicuously imprinted on their uniform. Franchisee shall be responsible to provide the nametag.

C. TIMEKEEPING AND DELAYS

Franchisee shall record the following times pertaining to law enforcement and City agency tow service request by means of a time clock:

1. The time that the request for tow service is received;
2. Time that a tow unit is assigned the call for service and given the location of the requested service;
3. The time that a tow unit arrives at the location of requested service; and,
4. The time that a tow unit returns to Franchisee Facility with the vehicle.

Franchisee shall ensure that a sufficient number of tow units and tow unit operators are available at all times to meet the needs of all SFPD personnel, other law enforcement agencies, and City departments that rely upon it for tow service. Within ten (10) minutes of the receipt of a request for tow service from SFPD or its communications center, an available, unassigned tow unit and operator shall be dispatched and shall immediately proceed to the location of the requested service. Franchisee shall advise the communications center when a tow unit cannot be dispatched within ten (10) minutes and shall give the reason why the tow unit cannot be dispatched and an estimated time of dispatch. Once dispatched, a tow unit operator shall respond to an assigned call by the most direct and expeditious route.

EXCEPTION: Orders to remove abated vehicles or vehicle parts from private property shall be executed by the ordered Franchisee within forty-eight (48) hours of receiving such notification.

D. OPERATORS

Franchisee shall employ no person as a tow unit operator until he or she possesses the appropriate class of California driver's license and medical certificate, if required, for the type of tow unit being operated. Tow unit operators shall wear a uniform approved by the Chief of Police or his or her designee whenever they are performing services in response to a call from the City of San Fernando. A nametag/badge identifying the operator by first name shall be worn on the operator's outer most shirt or jacket.

V. VEHICLES AND EQUIPMENT PROVISIONS

A. TOW UNITS RADIO EQUIPMENT

Franchisee may equip tow units and facilities with radio equipment capable of receiving police calls, police frequency and/or local government frequencies. On those trucks that primarily operate after normal business hours, Franchisee may also have transmitting capabilities on local government frequencies for emergency contact with SFPD communications center.

B. DISPATCHER'S OFFICE RADIO COMMUNICATIONS

Franchisee dispatcher's office shall be equipped to receive "police calls." Priority shall be given to calls from SFPD or its communications center. In the event that multiple agency requests for services are received at the same proximate time, the Franchisee dispatcher shall assign response priority to the request of the most urgent nature based upon information the dispatcher has received. Franchisee tow units may be equipped to monitor "police calls" while acting within the course and scope of their designated responsibilities after obtaining a permit from the Chief of Police or his or her designee.

1. Tow Trucks.

- a. Franchisee shall maintain a minimum of two (2) with a minimum 19,500 Gross Vehicle Weight (GVW) manufacturer rated tow trucks with wheel

lift capabilities. The main winch(es) shall be either mechanically or hydraulically driven and shall have a single or combined capacity of at least four (4) tons at bare drum or one (1) wrap of cable with a minimum of one hundred feet (100') of cable. Wheel lifts shall be rated at a minimum of 4,000 pounds lift capacity.

Each such tow truck shall be equipped with a snatch block, dollies, one (1) ton floor jack and J/T hook chain assemblies.

Franchisee shall maintain a minimum of two (2) 19,500 – 26,000 GVW manufacturer rated car carrier. The main winch(es) shall be either mechanically or hydraulically driven and shall have a single or combined capacity of at least four (4) tons at bare drum or one (1) wrap of cable with a minimum of fifty feet (50') of cable.

- b. Official heavy-duty tow units will be requested by SFPD or its communication center when the vehicle to be towed possesses one or more of the following: three or more axles; a gross weight, laden or unladen, in excess of 10,000 pounds; or a combination of commercial trailers. Franchisee may subcontract for heavy-duty tow services. The subcontractor shall meet the standards set forth in the Franchise Agreement.
- c. Franchisee shall equip and maintain all tow trucks and other vehicles owned by Franchisee in full compliance with the California Vehicle Code and the California Administrative Code, as the same now require and as they may from time to time be amended in the future, and the Service Provisions, and to obtain and pass an inspection by the California Highway Patrol, Motor Carrier Division for each tow truck.
- d. All trucks used in performing towing services under the Franchise Agreement shall conform to all requirements of the State of California Vehicle Code and shall comply with the following:
 - i. Truck bodies shall be painted and kept clean and in good repair, free of dents;
 - ii. The cab interior shall be kept clean;
 - iii. The tow truck bed shall be kept clean and equipment shall be properly mounted and maintained;
 - iv. Tail lamps, stop lamps and turn signal lamps with electrical extension cord shall be operable and shall be used on all towed vehicles; and,

- v. Each tow vehicle shall carry the following equipment:
 - (a) State approved air tank or air transfer system
 - (b) Flashlight or portable light
 - (c) Floor jack - 1-ton minimum capacity
 - (d) Gasoline container – 2 ½ gallon minimum capacity
 - (e) Lug wrench – 4-way and wrench for foreign cars
 - (f) Water container – 3-gallon minimum capacity
 - (g) Battery booster and cables
 - (h) Axe
 - (i) Sledge
 - (j) Flares
 - (k) Bolt cutters
 - (l) Pry bar
 - (m) 25 foot recovery chain
 - (n) Trash can and absorbent.

C. TOW TRUCK PARKING

Franchisee shall at all times provide sufficient off-street parking spaces for the parking and storage of vehicles and other equipment used in the performance of the Franchise Agreement.

D. TOW UNIT MARKINGS

Each tow unit shall be marked as required by California Vehicle Code section 27907. Lettering shall be at least two and one-half (2 ½) inches, but not in excess of four (4) inches, in height. Tow units may be marked with an official seal of the City of San Fernando in a conspicuous place as reviewed and approved by the Chief of Police or his or her designee.

EXHIBIT B

TOWING PROGRAM FRANCHISE FEE

**BLACK & WHITE GARAGE, INC.
QUARTERLY STATEMENT**

CITY OF SAN FERNANDO TOWING PROGRAM**FRANCHISE FEE QUARTERLY STATEMENT****BLACK & WHITE GARAGE, INC.**

REPORTING PERIOD _____

FEE COMPUTATION

Based on Customers within City of San Fernando

1. TOTAL NUMBER OF VEHICLES TOWED THIS QUARTER _____
2. Franchise Fee (\$45.00 X line 1) \$ _____

READ CAREFULLY BEFORE SIGNING

I hereby certify under penalty of perjury under the laws of the State of California that the above information is correct and the fee calculations are true to the best of my knowledge.

Signature_____
Title_____
Date

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EXHIBIT A

**VEHICLE TOWING AND SECURE STORAGE
SERVICE PROVISIONS**

I. GENERAL PROVISIONS

A. SERVICES TO BE PERFORMED

The Franchisee shall furnish towing and storage services for vehicles seized, impounded or otherwise caused to be removed from the highways or from public or private property by the San Fernando Police Department (SFPD). Towing services shall include, but not be limited to, removal of wrecked vehicles and debris resulting from accidents, preliminary work necessary to towing, including removal of vehicles from ditches or separation of entangled vehicles, removal of vehicles for criminalistics and/or evidentiary purposes as directed by SFPD personnel, other impoundment of vehicles as directed by SFPD, and necessary service to heavy duty vehicles on the highways.

B. CONDUCT

The Franchisee shall conduct business in an ethical, lawful and orderly manner so as to maintain the confidence of the community. While Franchisee is an independent contractor, each contact it has with the public may reflect upon the City. For that reason, and the inherent potential for conflict in vehicle removal and storage, Franchisee and its employees must maintain a fair, impartial, and reasonable attitude, and perform its duties in a courteous manner. Statements and actions of the Franchisee and its employees must be the result of considered judgment and absent of personal opinion or bias.

The Franchisee, when notified by the Chief of Police or his or her designee of any complaint of discourtesy by the Franchisee's employee(s), shall investigate and respond in writing to the Chief of Police or his or her designee within ten (10) calendar days of receipt of notification of the complaint. Franchisee's response shall include the results of its investigation and, if the complaint is found to be true, what measures the Franchisee took to address said complaint and prevent future complaints on the same issue.

C. REGULATION

The Franchisee shall comply with all applicable, federal, state and local laws, ordinances, rules and regulations, shall make all reports required by the State of California Vehicle Code, and shall follow all rules or regulations which the SFPD may prescribe governing the conduct of Franchisee's operations under the Franchise Agreement.

D. COOPERATION

Tow unit operators shall abide by the lawful decisions of all peace officers and law enforcement employees of the City of San Fernando and shall cooperate in removing and/or in impounding vehicles.

E. SUPERVISION

The Franchisee shall comply with all reasonable regulations imposed by the City on the Franchisee's performance pursuant to the Franchise Agreement. The Franchisee shall further make all records, equipment and storage facilities related to Franchisee's performance under the Franchise Agreement available for periodic inspection by the Chief of Police or his or her designee to determine if the garage is in compliance with the rules and regulations of the City. Inspections may occur at any time and Franchisee shall in good faith cooperate with any City inspection of its facilities or equipment to assist the City in verifying compliance with this Agreement, the Service Requirements, other related documents and all state laws governing the performance of tow services.

F. PRIORITY AND RESPONSE TIME

The Franchisee shall furnish such services as requested by the SFPD and noted in the Franchise Agreement at any time during the day or night and shall:

1. Give priority to City calls when requested;
2. Maintain sufficient personnel and equipment to provide for a maximum response time of fifteen (15) minutes, except as otherwise provided herein;
3. Notify the SFPD upon receipt of request for tow when a tow unit cannot respond immediately and give an estimated time of arrival;
4. If the Franchisee is unable to respond within the maximum response time and/or there is a potential public safety issue determined by SFPD at the site of the incident that requires immediate removal and/or relocation of a vehicle(s), then the Franchisee's identified subcontractor will be contacted by the Franchisee to immediately assist SFPD and ensure the subject vehicle(s) removal and/or relocation; and
5. The Franchisee shall provide immediate response whenever requested to respond to the scene where a child is locked in a car or other emergency of such type.

G. ADMINISTRATION

The SFPD shall administer the Franchise Agreement on behalf of the City and the Franchisee shall abide by the directions and decisions of Police Department personnel at the scene of a call.

H. SETTLEMENT OF DISPUTES

Should there be any dispute between the Franchisee and owner of the vehicle over charges made for services rendered under the Franchise Agreement, such dispute shall be decided by the SFPD Chief of Police or his or her designee and the Franchisee shall make no

demands upon the owner of the vehicle for a sum in excess of the amount determined to be reasonable by the Chief of Police or his or her designee. The Chief of Police or his or her designee may hold an administrative hearing if any party to the dispute so requests.

I. CITY NOT LIABLE

Neither the City nor the SFPD shall be responsible to the Franchisee for payment of towing, removal, or storage charges. The Franchisee shall look to the owner of the vehicle for payment of applicable fees.

J. REPORTS TO BE MADE TO CITY

The Franchisee shall provide the SFPD on the fifteenth (15th) day of each month with a written list of all vehicles removed or impounded during the past month pursuant to the Franchise Agreement. This list shall include vehicle owner's name and address (if known), vehicle make, license and motor number, and Police DR number. The Franchisee shall also provide at the same time, a list of all vehicles currently on the Franchisee's premises that were removed from a traffic accident site handled by the SFPD. This list shall also include vehicle license number, date of storage, reason for storage, and Police DR number, if applicable. An explanation of each tow requiring an excess of one hour shall be provided. The report shall also contain a list of the tow unit operators that were employed by the Franchisee during any period of that reporting month, the list shall contain the tow unit operator's name, operator's license number, classification, and its expiration date.

Franchisee or his/her designee shall sign the monthly report.

Franchisee shall notify the Chief of Police or his or her designee in writing of any sale or disposal of a formerly stored vehicle or vehicle part to an individual known to the Franchisee designee or his employees as a City employee.

K. INSURANCE AND INDEMNITY REQUIREMENTS

1. **Insurance:** The Franchisee shall produce and maintain for the duration of the Franchise Agreement the insurance as required in this section. Franchisee shall not commence work under this Agreement until proof of all required insurance has been provided to and accepted by the City. The Franchisee shall file with the SFPD Chief of Police a policy or duly authorized certificate of public liability insurance insuring the City of San Fernando, its officers, agents and employees, against liability. Franchisee shall maintain limits no less than:

- a. **Workers' Compensation Insurance:** as required by the State of California, and Franchisee's liability insurance, with limits not less than \$1,000,000 each accident. The workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of the City for all work performed by the Franchisee under this Agreement.

- b. Garage Liability Insurance: at least as broad as Insurance Services Office (ISO) occurrence Form CA 00 05 with Broadened Coverage - Garage Endorsement (CA 25 14). Such insurance shall include coverage for liability arising out of garage operations with limits not less than \$1,000,000 each accident and \$2,000,000 in aggregate, and automobile liability coverage for owned, hired and non-owned automobiles with limits not less than \$1,000,000 each accident. The insurance shall also include Garagekeepers Liability coverage for each location the Franchisee may utilize to provide service under this contract with limits of not less than \$1,000,000 per location.
- c. As an alternative to the requirements in paragraph b above, Franchisee may provide a combination of Insurance Services Office (ISO) Commercial General Liability coverage (occurrence Form CG 00 01), including coverage for bodily injury, property damage, and personal and advertising injury with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate and Insurance Services Office (ISO) Form CA 00 01 covering Automobile Liability, code 1 (any auto, owned, hired and non-owned automobiles or other licensed vehicles) with limits of \$1,000,000 per accident for bodily injury and property damage. The insurance shall also include Garagekeepers Liability coverage for each location the Franchisee may utilize to provide service under this contract with limits of not less than \$1,000,000 per location.
- d. On Hook Physical Damage Liability Insurance with limits not less than \$500,000 per vehicle.
- e. Deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (b) the Franchisee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- f. Other insurance provisions: The policies are to contain, or be endorsed to contain, the following provisions:
 - i. The Commercial General Liability policy shall be endorsed to provide that the City of San Fernando, its officers, officials, employees, and volunteers are covered as additional insureds with respect to liability arising out of work or operations performed by

or on behalf of the Franchisee under the Franchise Agreement. Proof of this coverage must be in the form of an additional insured endorsement to the Franchisee's insurance using ISO CG 20 10 11 85 or its equivalent language. If coverage is provided in the form of a Garage Liability Policy, such policy shall be endorsed to include equivalent additional insured status to the City of San Fernando, its officers, officials, employees and volunteers.

- ii. For any claims related to this project, the Franchisee's insurance coverage shall be primary insurance as respects the City of San Fernando, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Franchisee's insurance and shall not contribute with it.
 - iii. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, reduced in coverage or in limits, or cancelled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City of San Fernando.
- g. Subcontractors: Franchisee shall include all subcontractors as insureds under its policies or require and verify that all subcontractors maintain insurance meeting all the requirements of this Agreement.
- h. Verification of Coverage
- i. Franchisee shall furnish the City with original certificates and endorsements, including amendatory endorsements, affecting coverage required herein. All certificates and endorsements must be received and approved by the City of San Fernando before work commences under the Franchise Agreement. The City reserves the right to require complete, certified copies of all required insurance policies and endorsements required by these specifications at any time during the term of this contract. Neither the failure of the Franchisee to supply required proof of coverage, nor the failure of the City to approve same shall alter or invalidate the provisions of this contract.
 - ii. The Franchisee shall submit evidence of appropriate replacement or renewal coverage for all required insurance that expires or is cancelled during the term of the Contract. Such evidence shall be provided to the City no later than 15 calendar days prior to the expiration or termination of coverage. If operator fails to maintain the required insurance in full force and effect, all work under this Contract shall be discontinued immediately, and all payments due

or that become due to Franchisee shall be withheld until City receives required evidence that coverage has been restored.

- iii. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.
- iv. All policies required pursuant to this section shall be submitted to the San Fernando City Attorney for approval as to form.

2. Indemnification.

- a. Franchisee agrees to indemnify, defend and hold harmless the City, its elected officials, officers, agents and employees ("Indemnities"), at Franchisee's sole expense, from and against any and all loss, liability, penalties, forfeitures, claims, actions, suits or other legal proceedings of any kind asserted against the City, its elected officials, officers, agents, and employees arising out of the performance of Franchisee, its employees, representatives, agents, and sub operators under this agreement, excepting only such claims or actions which may arise out of sole or active negligence of the City, its elected officials, officers, agents and employees. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Franchisee, its employees, and/or authorized sub operators, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents, and employees based upon the work performed by the Franchisee, its employees, and/or authorized sub operators specifically named or otherwise asserted to be liable. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Franchisee's proposal, which shall be of no force and effect.
- b. The Franchisee's obligation to defend, hold harmless, and indemnify shall not be excused because of the Franchisee's inability to evaluate liability or because the Franchisee evaluates liability and determines that the Franchisee is not liable to the claimant. The Franchisee must respond within thirty (30) days to the tender of a claim for defense and indemnity by the City, unless this time has been extended by the City. If the Franchisee fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, as much of the money due the Franchisee by virtue of the Franchise Agreement as shall reasonably be considered necessary by the City may be retained by the City until final disposition has been made or the claim or suit for damages, or until the Franchisee accepts or rejects the tender of defense, whichever occurs first.

- c. With respect to third party claims against the Franchisee, the Franchisee waives any and all rights of any type to express or implied indemnity against the Indemnities.
- d. Separate Counsel: City may elect to have separate legal counsel from Franchisee at any time at its sole discretion, and in such case Franchisee will pay one-half (1/2) of all fees and costs and charges for such separate legal counsel.
- e. Subcontractors: Franchisee shall require all subcontractors to enter into an Agreement containing the provisions set forth in this subsection K(2) in which Agreement the subcontractor fully indemnifies the City in accordance with this Agreement.
- f. Exception: Notwithstanding Subsections K(2)(a)-(b) above, Franchisee's obligation to indemnify, hold harmless and defend the City, its officers and employees shall not extend to any loss, liability, penalty, claim, damage, action or suit arising or resulting solely from acts or omissions constituting willful misconduct or sole negligence on the part of the City, its officers or employees.
- g. Damage by Franchisee: If Franchisee's employees or subcontractors cause any injury, damage or loss to City property, including by not limited to City streets or curbs, Franchisee shall reimburse City for City's cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of the City to be indemnified by Franchisee for any such injury, damage or loss. With the prior written approval of City, Franchisee may repair the damage at Franchisee's sole cost and expense.
- h. Tort Claims Act: This Agreement shall in no way act to abrogate or waive any immunities available to the City under the Tort Claims Act of the State of California.

L. FRANCHISEE'S RECORDS AND BOOKS; INSPECTIONS AND AUDITS

Franchisee shall maintain the books and records of each tow or storage as required by Vehicle Code section 10650 and any other state law or regulation and this Agreement. All records, equipment, and storage facilities shall be open to periodic inspection by the SFPD personnel or its designated representative. Any deficiencies shall be corrected as soon as practicable upon request of the SFPD. Franchisee shall permit and facilitate any inspections or audits that City may require.

Franchisee acknowledges, understands and agrees that any and all records provided to the City or otherwise maintained in compliance with Vehicle Code section 10650 may be subject to production to third-parties under the California Public Records Act (Government Code section

6250 et seq) and City reserves right to produce such records to the extent City, in its discretion, determines that such records are subject to disclosure.

M. IMPOUND REPORTS

A Franchisee tow unit operator shall sign and complete the necessary portions of the impounding employee's Impound Report. The impounding employee shall retain the original copy of the Impound Report. Franchisee shall retain a copy of the Impound Report for two years. The garage's copy of the Impound Report shall be used to record the vehicle release information in the appropriate space provided in the Impound Report.

N. NOTIFICATIONS

The Franchisee's employees while acting within the course of their employment shall cause the appropriate law enforcement agency to be notified without delay whenever they become aware of a possible crime or other activity requiring action by law enforcement personnel. The Franchisee shall notify SFPD in writing on a weekly basis of the following:

1. All vehicles originally impounded by a public agency but that have remained in storage beyond seven calendar days.
2. All vehicles originally impounded with a criminalistics/evidentiary hold, but that have remained in storage with a hold beyond seven calendar days, Franchisee shall notify SFPD on a weekly basis of all vehicles sold during the preceding week in accordance with statutorily established lien procedures.

O. STORAGE

Storage shall commence at the time the vehicle arrives at the Franchisee's storage facility. Charges for vehicle storage shall be based on the rates established pursuant to section II(C) below. The daily rate extends from midnight to midnight of the following day.

Exceptions:

1. When a release request is made within the first "hour of storage", the storage fee shall be waived.
2. Per SB 887 (1992, Lockyer), when a release request is made within 24 hours, only one day's storage shall be charged regardless of the calendar date.
3. When a release request is made between 7 p.m. and 12 a.m. (midnight), one day's storage fee shall be waived providing such release occurs within the mandatory release hours (7 a.m. to 7 p.m.,) of the following day.

P. LIEN ON STORED VEHICLES

The SFPD personnel who is requesting the impound shall be responsible for establishing that "probable cause" exists to impound the vehicle in question. When "probable cause" is lost prior to a vehicle being removed to a Franchisee facility, no lien shall be attached and no fee shall be charged for the field release of a vehicle to a properly interested person.

Q. DISPUTES AND INJURIES

The Chief of Police or his or her designee has the authority to settle all disputes arising from actions by the Franchisee. The decision of the Chief of Police or his or her designee shall be binding on all parties involved. Inquiries pertaining to the conduct, practices, and regulation of the Franchisee may be referred to the City of San Fernando Police Department, 910 First Street, San Fernando, California, 91340; (818) 898-1267.

R. CITY VEHICLES

The Franchisee shall provide, at no cost to City, routine roadside service, including but not limited to towing service, to all vehicles owned by the City of San Fernando up to and including one (1) ton rated vehicles at the request of the Chief of Police Chief or his or her designee whenever such vehicles require such service within the City of San Fernando or within five (5) road miles of the corporate limits of the City.

S. TRAFFIC ACCIDENT SCENE CLEANUP

At the request of the SFPD, the Franchisee shall dispatch a tow unit to the scene of a traffic accident and shall remove all glass and debris deposited upon the roadway. Franchisee shall provide traffic accident scene cleanup services to City free of charge.

T. FAX MACHINE

The Franchisee shall maintain a fax machine or similar transmittal device at all times during the term of the Franchise Agreement.

U. TOXIC MATERIALS

City will not knowingly require the Franchisee to pick up, store or dispose of any toxic or hazardous materials, except for those normal fluids associated with motor vehicles.

V. COST TO CITY

Unless otherwise provided in the Franchise Agreement, any towing and storage expenses for which the City is financially responsible pursuant to the Franchise Agreement, including

towing or storage of City-owned vehicles, shall be billed to the City at no more than 50% of the rate authorized by the Franchise Agreement.

W. COLLECTION OF FEES

The Franchisee shall collect all fees (including the Vehicle Release Fee) imposed by the City upon vehicles that the City causes to be towed, stored, or impounded. This money shall be paid to the City on a monthly basis.

X. PERMITS AND CERTIFICATES

The Franchisee shall secure and maintain any licenses, permits, or certificates required by federal, state and local law. The Franchisee shall secure and maintain such City business license as required by the San Fernando City Code. In addition, Franchisee shall keep informed of and comply with the requirements of all federal, state, county and City laws, ordinances, and regulations applicable to the work performed under the Franchise Agreement.

Y. BACKGROUND INVESTIGATION AND FEE REQUIRED

Prior to the award of the Franchise Agreement, the SFPD shall conduct or have conducted a background investigation of the business, its principals, and its tow truck drivers. The Franchisee awarded the Franchise Agreement shall be responsible to notify the SFPD whenever a new driver is assigned to tow requests from SFPD. All new tow drivers shall be subject to background investigation. Franchisee shall provide the names, birth dates and other necessary information on all employees of Franchisee who are performing services under this Agreement sufficient to permit the City to make background checks as required herein. Franchisee shall pay a fee of \$25.00 to the City, as set by City Council Resolution No. 7553, for each tow truck driver's background check. Franchisee shall ensure that all other fees required by any supporting agencies to complete each tow truck driver's background check

Z. FRANCHISE FEES

The Franchisee shall pay to the City on a quarterly basis the Franchise Fee authorized by City Council, pursuant to San Fernando City Code Section 90-911 and all resolutions authorized thereby. Pursuant to Resolution No. 7302, adopted by the City Council on March 30, 2009, the Franchise Fee in effect as of the date of this Agreement is \$45.00 per vehicle towed.

The Franchise Fee payment of \$45.00 per vehicle towed shall be paid on a quarterly basis with payments received no later than April 15, July 15, October 15, and January 15 of each year. Failure to make Franchise Fee and business license tax payments may be cause for termination of the Franchise Agreement.

II. TOWING PROVISIONS

A. PLACE TO WHICH VEHICLES SHALL BE TOWED

Any vehicle towed pursuant to the Franchise Agreement shall be taken to such place as the owner or driver of the vehicle directs. When impounded by the SFPD it shall be taken to the storage lot designated by SFPD. If neither the owner nor the driver nor SFPD specifies a destination, is unable to do so, or is not at the scene of removal, the Franchisee shall tow the vehicle to Franchisee's Primary Storage Facility. In no case shall Franchisee use coercion or pressure of any kind upon the owner or driver of a vehicle to have the vehicle towed to Franchisee's own storage yard or garage.

B. EVIDENCE TO BE SAFEGUARDED

The Franchisee shall take all reasonable precautions required by the SFPD to avoid damage to any evidence or impounded vehicles such as fingerprints or stains. Vehicles taken into custody that involve such evidence shall be stored in the Investigative Hold Area, as defined hereinafter, and shall be secured from access by unauthorized persons. Vehicles stored for prints shall be protected from dust and dirt or deterioration of evidence by the sun or other elements.

C. TOWING AND STORAGE CHARGES; BILLING

Franchisee shall charge the rates established by Official Police Garages Los Angeles ("OPGLA") for Towing and Storage, as those rates may be amended from time to time. Upon the effective date of any increase in OPGLA's rates for Towing and Storage, Franchisee's rates shall increase to match OPGLA's rates. Such an increase shall not require approval of the City Council and shall occur automatically upon the effective date of the OPGLA rate increase. The foregoing notwithstanding, Franchisee shall provide City with written notice of any increase in the OPGLA rates within seven (7) calendar days from the effective date of such increase. The most up-to-date schedule of rates shall be clearly and conspicuously posted at all of Franchisee's facilities so that members of the public are made aware of such rates. The schedule shall also indicate the effective date of such rates and a copy of the schedule shall be provided to any member of the public, including any official or employee of the City upon demand either verbally or in writing.

Towing charges commence at the time a tow unit actually proceeds to a call for service and terminate at the time the tow unit returns to the Primary Storage Facility.

Except as provided by the approved rates herein, no additional charges shall be made for special equipment or service necessary to prepare vehicles for towing.

All bills for towing and storage shall be itemized.

III. STORAGE PROVISIONS

The Franchisee shall provide a total storage capability of not less than 60 vehicles including five (5) vehicles within an enclosed investigative hold area. Based on future needs of the SFPD, the Franchisee shall ensure that they are able to expand total storage capability to 85 vehicles including the five (5) vehicles within an enclosed investigative hold area. The increased vehicle storage capacity can be addressed entirely on a Primary Storage Lot or through the use of Primary Storage Lot and a Secondary Storage Lot.

A. PRIMARY STORAGE LOT

The Franchisee shall at all times provide and maintain a Primary Storage Facility with a minimum storage capacity of 65 vehicles including an investigative hold area for 5 vehicles dedicated to the storage of vehicles from SFPD pursuant to the Franchise Agreement. The Primary Storage Facility shall be no more than five (5) miles from the San Fernando Police Department's office building.

The storage lot, or Primary Storage Facility if more than one such lot is maintained, shall be:

1. Immediately adjacent to or contain office facilities.
2. Adequate in size to accommodate all:
 - a. "Hold" vehicles;
 - b. Late model vehicles;
 - c. Specially equipped vehicles; and
 - d. Vehicles to be released immediately to owners.
3. Entirely surfaced with either concrete or asphalt material.
4. Free of holes or areas that are decomposed or broken.
5. Clean and free of litter, debris, or weeds.
6. Include on-site lighting that provides easy visibility to all areas of the lot while eliminating spill over onto neighboring properties.
7. Sized and dimensioned to afford safe access to all vehicles.

B. INVESTIGATIVE HOLD AREA AND VEHICLES

The Franchisee shall maintain an area at its Primary Storage Facility for vehicles held for criminalistic and/or evidentiary examinations, which has a minimum vehicle storage capacity of five (5) vehicles. This Investigation Hold Area shall:

1. Have a fully enclosed structure and be capable of providing protection from the natural elements.
2. Be fenced and gated (so as to prohibit entry by unauthorized persons as prescribed by the Chief of Police or his or her designee) with remote access controlled by the dispatcher.
3. All entries shall be documented to identify the vehicle seen, the person entering, and the date and time the person entered the Investigative Hold Area.
4. The Investigative Hold Area's storage capacity shall be capable of holding ten (10) vehicles at any one time.
5. The only persons authorized to enter an Investigative Hold Area are the Franchisee employees and concerned law enforcement employees.
6. Garage employees shall not remove property from vehicles being held for criminalistic and/or evidentiary purposes.
7. Vehicles stored in an Investigative Hold Area shall not be removed from the area until authorized by the responsible SFPD personnel/investigator.
8. Once an investigative hold has been released on a vehicle it shall be immediately removed from the Investigative Hold Area.
9. The date and time of removal and the removing employee's identity shall be recorded on the Franchisee records.

Vehicles being held for Vehicle Code (VC) 22651 (0) (No Current Registration); VC 22651 (P) (Unlicensed Driver); VC 22651 (i) Unpaid Parking Citations); or VC 10751 (Altered Identification Number) (hereafter referred to as "statutory holds") need not be stored in the Investigative Hold Area but shall be stored in the same manner as vehicles available for release, unless there is an additional hold for criminalistic or evidentiary examinations. Garage employees may remove unattached personal property for safekeeping when a vehicle is being held exclusively for statutory hold. Any statutorily held vehicle shall not be available for release until authorized by the concerned governmental agency employee or the Area Vehicle Coordinator.

ATTACHMENT "C"**POLICE DEPARTMENT****MEMORANDUM**

TO: Mayor Sylvia Ballin and Councilmembers

FROM: Fred Ramirez, Interim City Manager
By: Robert Parks, Acting Police Chief
Nichole Hanchett, Acting Police Lieutenant

DATE: March 24, 2014

SUBJECT: Consideration of Award of Franchise Agreement for the City Vehicle Towing and Storage Services

RECOMMENDATION:

It is recommended that the City Council:

- a. Award the Franchise Agreement for Vehicle Towing and Storage Services (Exhibit "A" of Attachment "A" – Contract No. 1740) to Black & White Garage, Incorporated;
- b. Adopt Resolution No. 7594 (Attachment "A") approving the Franchise Agreement for Vehicle Towing and Storage Services between the City and Black & White Garage, Incorporated and adopting a fee schedule for the payment of franchise fees.

BACKGROUND:

1. On March 30, 2009, the City of San Fernando and Black and White Garage, Incorporated entered into a new Franchise Agreement for Vehicle Towing and Storage Services (City Contract No. 1608), which gave Black and White Garage, Incorporated exclusive rights for vehicle towing services to the City. The initial term of this agreement was for five (5) years, which is set to expire on March 29, 2014, unless the agreement was renewed by the City for an additional five (5) year term. (See Attachment "A".)
2. On November 26, 2013, Black and White Garage, Incorporated submitted a letter requesting that the Acting Police Chief extend the current contract with Black and White Garage, Incorporated for an additional five (5) year term as allowed under the current franchise agreement.
3. On December 2, 2013, the City Council held a study session to discuss the current Franchise Agreement for City vehicle towing and storage services and to provide City staff with direction on the pending Request For Proposal (RFP) process to consider a new franchise

Consideration of Award of Franchise Agreement for the City Vehicle Towing and Storage Services
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agreement for City vehicle towing and storage services. As part of the discussion, the City Council directed City staff to bring back a draft of the RFP for Vehicle Towing and Storage Services Contract on January 6, 2014, prior to proceeding with the RFP process to solicit proposals from prospective towing contractors.

4. On December 9, 2013, Acting Chief Parks notified Black and White Garage, Incorporated in writing that based on City Council direction to City staff at their December 2, 2013 meeting, the City would not be extending the current franchise agreement an additional five (5) years. Furthermore, the Chief informed them that the City would begin the RFP process to solicit proposals from qualified vendors to provide the City with vehicle towing and storage services under a new contract. In addition, Black and White Garage, Incorporated was also encouraged to participate in the upcoming RFP process.
5. On January 23, 2014, the Police Department issued a RFP to solicit proposals for the Franchisee Agreement for the City Vehicle towing and Storage Services.
6. On February 20, 2013, the City Clerk received proposals in response to the RFP from the following four (4) vendors:
 - Black & White Garage, Incorporated
 - Jon's Towing
 - Larry's Towing
 - Mid Valley Towing

(See Attachment E; All RFPs were provided to the City Council under separate cover on Monday, March 17, 2014.)

ANALYSIS:

Police Department staff reviewed the proposals and subsequently conducted on-site inspections with the assistance of City of San Fernando Planning Commissioner Theale Haupt. Based on the physical inspections in conjunction with answers provided by the owners present during the inspections, the following represents the findings to support the recommendation to award the contract to Black & White Garage, Incorporated.

General Provisions

All of the vendors met the requirements for general provisions with the exception of Mid Valley Towing who did not possess a City of Los Angeles business license as of March 11, 2014.

Storage Provisions

Black & White Garage, Incorporated met and in some instances exceeded the storage provisions as listed in the RFP.

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Storage Capacity, Primary Storage Lot, Storage Enclosures

- Black & White Garage, Incorporated met and exceeded the required storage capacity in both their primary and secondary lots with a combined total storage capacity of 650 vehicles. In 2011, the San Fernando Police Department (SFPD) impounded a total of 1206 vehicles, which yielded an average of 100 vehicles per month. In 2012, the yearly impounds were 724, which yielded a monthly average of 60. In 2013, the impound totals were 401, which yielded a monthly average of 33. As of March 2014, the SFPD impounded 41 vehicles in January and 45 in February. Using the average of 43 vehicles per month, it is anticipated that the Department will impound at least 516 in 2014.

Both the primary and secondary storage lots at Black & White Garage, Incorporated are well maintained with state of the art video surveillance and physical security measures; including eight feet tall block walls, concertina wire, wrought iron gates and solid electric gates, to prevent theft, unauthorized entry, damage or accidents. The office contains a recordable video surveillance system in addition to a Computer Aided Dispatch (CAD) system. The CAD system utilizes GPS, which enables the dispatcher to assign tow units based on geographic proximity to the call for service. The CAD system also allows for tow unit accountability, documented response, arrival and clearance times, in addition to generated reports with that information. Black & White Garage, Incorporated also utilizes a software program titled Vehicle Impound Information Center (VIIC) at no cost to the City. VIIC is a web based system that contains up to date information regarding impounded vehicles that allows for easy tracking, inventory, and reporting.

- Jon's Towing provided a capacity of 100 vehicles and the primary storage lot is a mixture of both dirt and asphalt that is in overall poor condition. Asphalt in disrepair can present a liability with respect to vehicle damage and the risk of personal injury to customers who need to access their vehicle while it is stored on the lot. Some of the surveillance cameras were not working at the time of inspection. The perimeter enclosure consists of chain link and corrugated steel siding, which can be easily breached and does not provide for sufficient security. Jon's Towing currently has a secondary lot located near the downtown area of Los Angeles that holds 25 vehicles. The owner also stated he could secure property on First Street in San Fernando upon award of contract. It is important to note that City of San Fernando Zoning Code Section 106-613(2), requires approval of Conditional Use Permit for the operation of towing and storage facility (automotive impound yard) within the City's M-2 (Light Industrial) zone. Therefore, final approval to operate a new towing and storage facility on First Street within the City of San Fernando requires discretionary approval, which is not guaranteed.
- Larry's Towing provided a capacity of 58 vehicles in addition to his fleet of trucks parked within the lot. In order to meet this stated capacity, Larry's Towing made the commitment to remove a storage shed and purchase car stackers. As is, the lot does not appear to be capable of storing that number of vehicles without removing the company's tow trucks from the lot. The lot is both concrete and asphalt with the asphalt portion in fair condition. The lot has video surveillance, lighting and a very secure perimeter block wall and solid fence. Larry's Towing currently has an entitlement to operate a vehicle and towing facility from the primary

Consideration of Award of Franchise Agreement for the City Vehicle Towing and Storage Services
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storage lot that existing on First Street (Planning Commission Resolution No. 1193; CUP 1993-02). However, per City zoning code, any proposed modification to the existing layout to include among other things, vehicle lifts would require modification of the existing Conditional Use Permit, which is subject to review and approval by the City's Planning and Preservation Commission.

- Mid Valley Towing provided a storage capacity of 130 vehicles which was self-described by the owner as "tight." The asphalt portion of the lot is in poor condition and the owner does not have a secondary storage facility. The primary lot has video surveillance and lighting in addition to cinder block walls and a solid steel gate. The owner stated he could secure property within the City of San Fernando within 90 days of award of contract that meets the specifications of the RFP. It is important to note that City of San Fernando Zoning Code Section 106-613(2), requires approval of Conditional Use Permit for the operation of towing and storage facility (automotive impound yard) within the City's M-2 (Light Industrial) zone. Therefore, final approval to operate a new towing and storage facility on First Street within the City of San Fernando requires discretionary approval, which is not guaranteed.

Investigative Hold Area

- Black & White Garage, Incorporated has a separate and self-contained investigative hold area within their primary storage facility. It exceeds the City's capacity requirement, meets law enforcement standards for chain of custody and contains exceptional security measures to prevent unauthorized entry. Persons are only granted entry via the dispatch control center and the door is directly monitored via video surveillance. The floor of the facility consists of smooth concrete and there is ample space for complete access to the vehicle for inspection and evidence recovery. It is well lit and air conditioned and contains a separate secure area that can house a mid-size vehicle and or any vehicle parts. In addition to the investigative hold area, the primary storage lot contains evidence lockers that permit high value items left within vehicles to be inventoried and secured. This additional measure reduces the potential for theft and or damage of personal property.
- Jon's Towing did not have an investigative hold area and the owner proposed to secure property on First Street in San Fernando that would meet the specifications. As previously noted in the prior section, new vehicle and towing facilities on First Street in the City of San Fernando are subject to City review and approval of a conditional use permit by the City's Planning and Preservation Commission.
- The investigative hold area at Larry's Towing does not meet the specifications in the RFP. The area is contained within the main building and is secured by two exterior roll up doors and an interior 6 foot sliding steel door. During inspection, the area appeared to be the main ingress and egress to the tow yard from the office facility. The top of the steel door is unsecured to the roof of the building, which could permit unauthorized access to the area. The area is monitored by video surveillance cameras.
- Mid Valley Towing's current investigative hold area does not meet the specifications in the RFP as it is chain link, open at the top, not monitored by video and is exposed to the

Consideration of Award of Franchise Agreement for the City Vehicle Towing and Storage Services
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elements. Upon award of contract, the owners proposed to use two additional areas within their primary storage yard that have roll up and securing doors and could accommodate the five vehicle capacity. At present, neither of the two areas have video surveillance or a means to ensure a record of entry.

Method of Vehicle Storage

- Black & White Garage, Incorporated, employs a method of vehicle storage based on value, condition, and anticipated length of time within storage. Vehicles that are stored pursuant to California Vehicle Code 14602.6, which requires a 30 day hold, are parked in the rear portion of the lot. High value vehicles and motorcycles are parked within two separate portions of the lot that are distinguished from the other vehicles by a block wall. Wrecked and damaged vehicles are parked within a separate area so as to prevent debris or fluid from damaging other non-wrecked vehicles. Substantially wrecked vehicles that require further inspection by law enforcement or insurance investigators are parked under a large carport to facilitate easy and unrestricted access and visibility. The primary storage yard can also accommodate water craft and trailers. Upon arrival to the storage facility, vehicles are physically inventoried by employees and photographed to memorialize their condition. High value items are secured in the storage lockers and can only be released to the registered owner of the vehicle.
- Jon's Towing had no stated method for storage and vehicles of all types were parked next to one another. This lack of systematic storage has the potential to expose the City to liability. Vehicles that have preexisting damage or are of high value should be separated in order to maintain the integrity of each. A clearly identified storage method also ensures that vehicles can be located and or accessed in a timely manner by staff thereby minimizing any inconvenience to customers.
- Larry's Towing stated that vehicles are separated by value and anticipated length of storage. Newer vehicles are parked along the wall of the business while vehicles stored for long time periods would be stored on the top rack of the car stackers when purchased. Wrecked vehicles were stored in one area of the yard so as to prevent damage to non-wrecked vehicles.
- Mid Valley Towing employs a method of vehicle storage that consists of separation by value and duration. Long term vehicles are parked on the top of the car stackers and "high value" vehicles are parked along the wall of the property. Upon inspection, it appeared that vehicles of varying value and condition were parked adjacent to one another that was contrary to the stated storage method.

Distance from SFPD

- Black & White Garage, Incorporated is located 1.49 miles from the SFPD via a straight route down San Fernando Road. The short distance from the City is a very important factor with regard to work flow and customer convenience. Tow units can arrive on scene within 10-15 minutes from the time of call. This permits officers to expeditiously complete their

Consideration of Award of Franchise Agreement for the City Vehicle Towing and Storage Services

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assignment and be available for other calls for service. In addition, the short distance affords customers, who may not have subsequent transportation, a direct route to the yard via San Fernando Road.

- Jon's Towing is 7.85 miles from the SFPD. The significant distance from the SFPD is accessed via the freeway. As a result, Jon's Towing would be inconvenient for customers to access in a timely manner. In addition, the time to dispatch units at the request of SFPD would most likely not meet the 10-15 minute time frame and could take longer depending upon traffic conditions.
- Larry's Towing is the only prospective vendor located within the City of San Fernando at a distance of .6 miles from the SFPD via a direct route down First Street.
- Mid Valley Towing is located 8.12 miles from the SFPD. The significant distance from the SFPD is accessed via the freeway. As a result, Mid Valley Towing would be inconvenient for customers to access in a timely manner. In addition, the time to dispatch units at the request of SFPD would most likely not meet the 10-15 minute time frame and could take longer depending upon traffic conditions.

Office Facility

- The office facility for Black & White Garage, Incorporated is well maintained and contained many customer amenities including a customer waiting area with seating, a vending machine and a unisex restroom accessible without the assistance of an employee. A customer-accessed restroom is important because it reduces the need of staff to halt work activities to provide access. The waiting area is video monitored in order to memorialize the exchange between staff and customers. This ensures that all customers are treated with courtesy and professionalism. In addition, the property contains off-street customer parking immediately adjacent to the office that is well lit and video monitored. This provides for additional customer safety and convenience.
- Jon's Towing had a very small customer waiting area with no seating, amenities or video surveillance. Customers may access the restroom facilities with the assistance of an employee. The primary storage lot does not house any off-street customer parking and is located within an industrial compound. This geographic location and set up can create a concern for customer safety and comfort. At the time of inspection, there was limited parking on the street adjacent to the facility.
- Larry's Towing has a very clean office that has a secure waiting area with no video surveillance or seating. Customers may access a restroom and seating when assisted by an employee. Larry's Towing does not house any off-street customer parking and is located within an industrial area where there is limited on-street parking available during normal business hours.
- The office at Mid Valley Towing is clean and in good condition. The waiting area has seating and a pay phone adjacent to the customer service window. There is no video surveillance

Consideration of Award of Franchise Agreement for the City Vehicle Towing and Storage Services

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and customers may use the restroom facility when escorted by an employee. At the time of inspection, there was limited parking in front of the office as the company had a heavy duty tow truck parked in front and there is no off-street customer parking.

Staffing ProvisionsSufficient Personnel, Dispatchers and Tow Unit Operators:

- Black & White Garage, Incorporated, employs (18) individuals, including (6) dispatchers and (11) drivers. All undergo a background investigation, including fingerprint check. All staff members were wearing uniform shirts that clearly displayed their name, rank and the Black & White Garage, Incorporated shoulder patch at the time of inspection. The office is staffed 24 hours per day, 7 days per week, 365 days per year. Vehicles are released during normal business hours of 7 a.m. to 7 p.m. The dispatch center staffs two dispatchers who are available to address the customer service window, as well as requests for service from municipalities and tow unit operators. The availability of multiple drivers is important as it can reduce the possibility of time delays in response to calls for service.
- Jon's Towing employs (6) tow unit operators and (1) dispatcher. During our inspection, there was no one monitoring the customer service window. After a minute, the tow unit operator that came to the window was not wearing his uniform. While inside, we saw that other employees inside of the office within view through the customer service window were also not wearing their uniform shirts, but had them on at the conclusion of the inspection. All employees undergo a background check that includes a fingerprint check. Staff is available 24 hours per day, 6 days per week, and the owner works from home on Sunday. Having only one dispatcher has the potential to cause service delays when the need arises to address both the customer service window, in addition to telephonic requests for service.
- Larry's Towing employs (5) persons including the owner who is also the sole dispatcher, and driver (3) lightweight drivers and (2) heavy tow unit operators. All of their employees undergo a background investigation including a fingerprint check that meets the standards for the CHP. During our inspection, the owner and (1) driver present were wearing uniform shirts that displayed their names and the name of the business. Larry's Towing will modify their current operating hours to conform to the RFP.
- Mid Valley Towing employs (10) individuals, which include the (2) owners, (1) dispatcher and (7) tow unit operators. All employees undergo a background check, including fingerprint check that meets the specifications for the CHP. Most employees were wearing uniform shirts with name tags during the inspection. Presently, calls for service received when the business is closed are forwarded to the owner and or the on-call tow unit operator who also functions as the on-call dispatcher. Upon award of contract, Mid Valley Towing would extend their current operating hours from 8 a.m. to 5 p.m. hours to meet the RFP requirement.

Consideration of Award of Franchise Agreement for the City Vehicle Towing and Storage Services

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Vehicles and Equipment

- Black & White Garage, Incorporated, maintains a fleet of (16) vehicles, which includes (2) wheel lift tow vehicles, (9) flatbeds, and (5) forklifts. Black & White Garage, Incorporated, does not own a heavy duty tow vehicle that would be used to secure a large vehicle such as an 18 wheeler, but sub-contracts for that service with both OPG certified vendors, Ross Baker Towing and Keystone Towing.
- Jon's Towing maintains a fleet of (2) tow units and (1) flatbed which does not meet the requirements per the RFP.
- Larry's Towing maintains a fleet of (1) tow unit, (2) flatbeds, (2) heavy duty vehicles and (1) tractor trailer that are all inspected annually by the CHP. During inspection, the owner stated that an additional tow unit is "on order" to meet the specifications of RFP.
- Mid Valley Towing maintains a fleet of (2) tow units and (2) flatbeds that are sufficiently equipped and inspected annually by the CHP.

Insurance Provisions

- Black & White Garage, Incorporated exceeded the required insurance mandates.
- Jon's Towing did not meet both the Garage Keepers and On-Hook Liability requirements.
- Larry's Towing did not meet both the Garage Keepers and On-Hook Liability requirements; however, the owner did acknowledge the insurance deficit within their proposal and stated that he would provide additional coverage subject to being selected as the City's contractor for vehicle storage and towing services.
- Mid Valley Towing did not meet both the Garage Keepers and On-Hook Liability requirements.

CONCLUSION:

Although all potential vendors agreed to conform to the RFP requirements in various categories including hours of operation and towing and storage rates, Black & White Garage, Incorporated was the only proposed vendor to meet and in some cases exceed all the requirements. Black & White Garage, Incorporated has distinguished itself through their state of the art facilities that are well maintained and secured so as to provide excellent customer amenities in addition to reducing damage, injury and liability in the handling and storage of towed vehicles. In addition Black & White Garage, Incorporated has ample equipment and staff to professionally address all customer needs in addition to the current and future needs of the City of San Fernando. To date, there have been no lawsuits or other liability issues associated with Black & White Garage, Incorporated. The SFPD has not received any complaints from the general public or from staff regarding Black & White Garage, Incorporated.

Consideration of Award of Franchise Agreement for the City Vehicle Towing and Storage Services
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In addition, Black & White Garage, Incorporated, is the only proposed vendor who is a certified Official Police Garage (OPG) with the City of Los Angeles. As described on the City of Los Angeles Official Police Garage webpage, OPGs are highly regulated tow providers whose practices are controlled by the City of Los Angeles Police Commission (CID). The strict regulations include internal policies and procedures, administrative requirements, insurance requirements that indemnify the City, customer service decorum, facility and equipment requirements and rates. More specifically, OPGs must comply with 25 separate City of Los Angeles regulations, as well as additional State and Federal laws pertaining to conduct, performance and appearance.

Because of their current ability to meet all of the requirements in the RFP as demonstrated during the onsite inspections, in addition to the augmented oversight and regulatory compliance facilitated by the Los Angeles Police Commission, Black & White Garage, Incorporated has demonstrated the ability to professionally and competently address the current and future needs of the City of San Fernando. As a result, it is the recommendation of the Police Department to award the Vehicle Towing and Storage Contract to Black & White Garage, Incorporated.

BUDGET IMPACT:

Based on the fact that the current franchise fee of \$45.00 has not changed and the recommended vendor is the current Franchisee, the forecasted revenue will be based on the number of actual vehicle's towed. The revenue for Vehicle Towing and Storage Services for Fiscal Years 2011-2012 and 2012-2013 was \$38,025 and \$27,990, respectively. The current year-to-date revenue for FY 2013-2014 is \$13,095. Based on the monthly average number of vehicles towed, it can be estimated that the Police Department will impound approximately 516 vehicles during Fiscal Year 2014-2015 and produce approximately \$23,220 in revenue.

ATTACHMENTS:

- A. Resolution No. 7594 and Exhibit A: Franchise Agreement for City Vehicle Towing and Storage Services (Contract No. 1740)
- B. Current Franchise Agreement (Contract No. 1608)
- C. Comparison Summary
- D. Photographs
- E. RFPs for City Vehicle Towing and Storage Services (provided under separate cover the City Council on March 17, 2014)

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, Interim City Manager

Date: February 19, 2019

Subject: Consideration to Approve a Memorandum of Understanding (MOU) with the San Fernando Management

RECOMMENDATION:

It is recommended that the City Council:

- a. Approve a Memorandum of Understanding (Attachment "A" – Contract No. 1905) between the City of San Fernando and the San Fernando Management Group for a three-year term (July 1, 2018 through June 30, 2021);
- b. Authorize the City Manager to make non-substantive corrections and execute all related documents.

BACKGROUND:

1. On September 21, 2015, the City and San Fernando Management Group (SFMG) executed a three-year Memorandum of Understanding (MOU) for the term of July 1, 2015 through June 30, 2018 (Contract No. 1796).
2. In April 2018, the City and SFMG met to begin negotiations for a new MOU. The City and SFMG met regularly between April 2018 and January 2019.
3. In January 2019, the two parties reached a tentative agreement for a successor MOU (Attachment "A").

ANALYSIS:

After meeting on multiple occasions over a number of months, the City and SFMG have tentatively agreed to a new MOU (Attachment "A") that addresses some of the City's long-term issues (i.e., limits the City's exposure to increased health costs with a 4% annual cap, decreases

Consideration to Approve a Memorandum of Understanding (MOU) with the San Fernando Management Group

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the amount paid to employees that opt-out of health benefits, and eliminates longevity pay for new employees) while providing modest compensation to employees.

The most significant terms are highlighted below:

1. Three-year MOU covering the period July 1, 2018 through June 30, 2021.
2. Salary Adjustments:
 - Year 1: 2.0%, retroactive to September 1, 2018
 - Year 2: 2.5%
 - Year 3: 2.5%
3. Continues the full flex cafeteria plan for all active unit employees. The amount paid to employees that opt out of the City's health benefits will be reduced by \$635 per month and the flex dollar amount will be adjusted each January 1st based on the average change from the prior year's monthly premiums, not to exceed 4%. The monthly flex dollar amounts for 2018 and 2019 are as follows:

	January 1, 2018	January 1, 2019
Opt Out:	\$ 845	\$ 210
Employee only:	\$ 845	\$ 870
Employee + 1:	\$ 1,463	\$ 1,507
Family:	\$ 1,969	\$ 2,028

4. Employees hired after July 1, 2018 will not be eligible to receive longevity pay based on years of service.

BUDGET IMPACT:

The total annual net additional cost of the proposed MOU is outlined in the table below:

Fiscal Year	General Fund	Retirement Fund
2018-2019	\$ 6,975	\$ 1,128
2019-2020 Additional Cost	\$ 10,671	\$ 1,723
2020-2021 Additional Cost	\$ 10,938	\$ 1,767

Sufficient contingency funds have been included in the Fiscal Year 2018-2019 Adopted Budget to cover the additional cost.

Consideration to Approve a Memorandum of Understanding (MOU) with the San Fernando Management GroupPage 3 of 3

CONCLUSION:

Staff believes the proposed MOU between the City and SFMG represents a balanced agreement that provides fair compensation to SFMG employees in exchange for concessions that will limit the City's long-term health care exposure and improve the City's long-term stability.

ATTACHMENT:

A. Contract No. 1905

MEMORANDUM OF UNDERSTANDING (MOU)

**San Fernando
Management Group
(SFMG)**

**City of San Fernando
(City)**

SFMG REPRESENTATION

Service Employees International
Union, Local 721

MOU TERM

July 1, 2018 – June 30, 2021

CITY CONTRACT NO.

1905

ADOPTION DATE

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ARTICLE 1 INTRODUCTION**1.01 PREAMBLE**

This "Memorandum of Understanding" ("MOU") is entered into by and between the Service Employees International Union Local 721 ("SEIU 721"), the San Fernando Management Group ("SFMG") (collectively referred to as SFMG/SEIU 721) and the City of San Fernando ("City"). This MOU has, as its purpose, the promotion of fair and harmonious relations between the City and SFMG/SEIU 721 and the employees it represents, the establishment of a fair, equitable, and peaceful procedure for the resolution of misunderstandings or differences which may arise under this MOU, and the establishment of wages, hours and terms and conditions of employment that significantly and adversely affect the employees covered by this MOU.

1.02 RECOGNITION

The City recognizes "SFMG/SEIU 721" as the exclusive bargaining representative of the employees in this unit, subject to the right of an employee to self-representation, however, any decision resulting from a grievance filed by an individual employee without the Union's involvement at any stage of the grievance procedure shall not: (1) be binding upon the Union, (2) set a precedent for future decisions, or (3) change the terms of this MOU which has been collectively bargained by the Union on behalf of the represented employees. The term "employee" or "employees" is used to refer to those employees in the following classifications: Administrative Analyst, Management Analyst, Personnel Manager, Senior Accountant, and Treasury Manager, and such other classifications as may, from time to time, be added to the unit by the City.

1.03 IMPLEMENTATION OF THE MEMORANDUM OF UNDERSTANDING (MOU)

This MOU constitutes an agreement and joint recommendation for ratification by the general membership of SFMG/SEIU 721, and approval and adoption in its entirety by the City Council of the City of San Fernando.

Whenever any ordinance, rule, regulation, resolution or other action is required for the implementation of this MOU, the effective date of that ordinance, rule, regulation, etc. will be the same as the effective date provided for in this MOU, unless otherwise specified to become effective at a different date.

Except as specifically provided herein, the parties do not waive their rights to meet and confer in good faith during the term of this MOU with respect to any other matters within the scope of representation.

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ARTICLE 2 TERM**2.01 TERM**

This MOU shall be effective beginning 12:00 A.M. on July 1, 2018, and shall terminate at 11:59 P.M. on June 30, 2021.

Either party to this MOU wishing to negotiate a successor MOU shall deliver to the other party by the end of April of the final year of the MOU, a formal request to reopen negotiations along with a list of negotiable working conditions proposed for meeting and conferring.

ARTICLE 3 CITY RIGHTS**3.01 CITY RIGHTS**

The City's rights include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions, and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action for cause; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the method, means, and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and technology of performing its work, unless and only to the extent that the provisions of this MOU specifically curtail or limit such rights, powers, and authority.

ARTICLE 4 EMPLOYEE RIGHTS**4.01 EMPLOYEE RIGHTS**

Employees of the City shall have the right to form, join, and participate in the activities of the employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations including but not limited to wages, hours, and other terms and conditions of employment. Employees of the City also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the City. No employee shall be interfered with, intimidated, restrained, coerced, or discriminated against by the City or by any employee organization because of the exercise of these rights.

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ARTICLE 5 SALARY**5.01 COST OF LIVING ADJUSTMENT/EQUITY ADJUSTMENTS**

The base salary for each represented unit classification shall be adjusted as follows:

- Effective on the first day of the first full pay period following September 1, 2018, the base salary for each represented unit classification shall be increased by two percent (2%).
- Effective on the first day of the first pay period beginning after July 1, 2019, the base salary for each represented unit classification shall be increased by two and one-half percent (2.5%).
- Effective on the first day of the first pay period beginning after July 1, 2020, the base salary for each represented unit classification shall be increased by two and one-half percent (2.5%).

5.02 DEFINITIONS

As used in this MOU, "Base Salary" means the salary classification, range, and step to which an employee is assigned. It excludes any additional allowances, special pays and non-cash benefits. As used in this MOU, "Regular Rate of Pay" shall be as defined in the Fair Labor Standards Act.

5.03 CALCULATION OF BENEFITS

If applicable, benefits that are percentage of base salary will be applied to the employee's base salary only. If an employee is entitled to multiple percentage based benefits, each benefit will be calculated against base salary independently (i.e., benefits will not be compounded).

ARTICLE 6 LONGEVITY PAY**6.01 LONGEVITY**

Employees hired by the City on or before July 1, 2018 are eligible for Longevity Pay under the following terms:

1. Employees that have completed 10 years of continuous service with the City from date of hire, will receive an additional 3% above the base salary step.
2. Employees that have completed 20 years of continuous service with the City from date of hire, will receive an additional 1% above the previous first longevity step, for a total of 4% above the base salary.
3. Employees that have completed 30 years of continuous service with the City from date

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of hire, will receive an additional 1% above the previous second longevity step, for a total of 5% above the base salary.

An-employee on a leave of absence without pay, with the exception of federal or state family medical leave, and/or military leave under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and/or the California Military and Veterans Code, shall not have such leave time credited as service time for purposes of calculating the years of service.

Employees whose original or rehire date is after July 1, 2018 are ineligible for Longevity Pay.

ARTICLE 7 BILINGUAL PAY**7.01 BILINGUAL**

The City shall provide Bilingual Pay in the amount of \$100 per month to employees that satisfy the following conditions:

1. The employee has satisfactorily demonstrated to the City his/her fluency in the Spanish language, based on a bi-annual written and/or oral testing procedures as selected by the City; and
2. The employee is required, in the normal course of his/her duties, to communicate in Spanish with members of the public, as determined by the Department Head and approved in writing by the City Manager.

ARTICLE 8 EMPLOYEE AND RETIREE INSURANCE BENEFITS**8.01 MEDICAL, DENTAL, AND VISION INSURANCE FOR ACTIVE EMPLOYEES**

The City contracts with the California Public Employees' Retirement System (CalPERS) for medical insurance coverage. Eligible new hires are covered under the program on the first day of the month following enrollment. The City will contribute the Public Employee's Medical and Hospital Care Act (PEMHCA) statutory minimum on behalf of each participant in the program. A participant is defined as:

1. An enrolled employee and eligible dependents;
2. An enrolled retiree and eligible dependents; and
3. A surviving annuitant.

Employees shall receive a monthly flex dollar allowance to purchase medical, dental and vision benefits offered through the City's insurance plans.

MOU: SFMG (2018-2021)

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For 2018 and 2019, the monthly flex dollar allowances, inclusive of the statutory PEMHCA minimum, are as follows:

	January 1, 2018	January 1, 2019
Opt Out:	\$845	\$210
Employee only:	\$845	\$870
Employee + 1:	\$1,463	\$1,507
Family:	\$1,969	\$2,028

Beginning January 1, 2020, and each January 1 thereafter, the monthly dollar allowance, inclusive of the statutory PEMHCA minimum, will be adjusted based on the average change from the prior year's monthly premium from CalPERS contracting agencies in the Los Angeles Area Region for all plans. The adjustment will not be less than 0.0% and will not exceed 4.0%.

The monthly flex dollar allowance may be used in accordance with the terms of the cafeteria plan to purchase benefits offered under the cafeteria plan and other supplementary products. After enrolling in a mandatory medical insurance plan, or opting out under the "Opt Out" provision below, ~~the~~ if the premiums and/or costs for the selected benefits are less than the monthly flex dollar allowance, employees shall have the following options to:

1. Purchase other benefits (i.e., dental and/or vision) or supplemental products, and have any excess flex dollars, up to the opt-out amount, currently \$210, converted to taxable income; or
2. Waive the other benefits (i.e., dental and/or vision) and supplemental products and have the excess flex dollars, up to the opt-out amount, currently \$210, converted to taxable income.

In the event that premiums and/or costs for the selected benefits exceed the monthly flex dollar allowance, the balance will be paid by the employee through automatic pre-tax payroll deduction, as permitted under IRS Code Section 125.

If any other bargaining unit negotiates or a Department Head receives a flex dollar allowance that exceeds the amounts identified above, the City will adjust the flex dollar allowance for SFMG to match the higher flex dollar amount.

Opt Out

Employees may elect to discontinue participation in the CalPERS Health Plan medical insurance coverage ("Opt Out"), subject to the provisions set forth below. The intent of this provision is to share premium savings that the City will incur as a result of a unit employee canceling City coverage.

- A. The employee electing to waive City medical insurance coverage for themselves and all

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eligible family members must annually provide the City with proof of other health/medical insurance coverage that meets the minimum essential coverage requirements, as established by the Affordable Care Act, through another source (other than coverage in the individual market, whether or not obtained through Covered California).

- B. Upon proof of other coverage as set forth in section A above, the employee may elect to waive the City's medical insurance coverage, and receive the sum of the most expensive dental and vision premiums, currently \$210, toward other items in the full flex cafeteria plan or convert it to taxable income.
- C. The employee must waive any liability to the City for their decision to cease coverage under the City's medical insurance plan.
- D. After electing to Opt Out, an employee who later requests to re-enroll under the City plan can only do so during the open enrollment period or after a qualifying event as permitted by the insurance carrier and Cafeteria Plan regulations.
- E. For medical insurance plans, when a unit employee is the spouse of another benefited City employee, the affected employees shall have the option of:
 - a. Each employee may elect a flex dollar amount of a single employee; or
 - b. One (1) employee may select a plan and list the spouse as a dependent under the two-party or family coverage, as applicable, and the remaining employee may opt-out as outlined above.

8.02 MEDICAL INSURANCE FOR RETIREES

The City provides retiree medical benefits as follows:

1. Retiree Medical Tier I: Employees retired on or before June 30, 2015:
 - a. If retired on or before December 31, 2012, 100% paid medical insurance benefits for employee and eligible dependents.
 - b. If retired on or after January 1, 2013, 100% paid medical insurance for employee and eligible dependents, excluding PERS Care plan, if the most expensive.
2. Retiree Medical Tier II: Employees hired on or before June 30, 2015 and retire on or after July 1, 2015:
 - a. If the employee meets the vesting schedule set forth in California Government Code Section 22893, 100% paid medical insurance benefits for whatever plan the employee selects for himself/herself and eligible dependents, except PERS Care plan,

MOU: SFMG (2018-2021)Page 7 of 14

if the most expensive.

3. Retiree Medical Tier III: Employees hired on or after July 1, 2015, and subsequently retire from the City:
 - a. If the employee meets the vesting schedule set forth in California Government Code Section 22893, they will receive the PEMHCA.
 - b. The City shall contribute \$100 per month into the Retiree Health Savings (RHS) Plan, as designated by the City.

8.04 LIFE INSURANCE

The City shall provide all employees with a \$50,000 Basic Life and Accidental Death & Dismemberment insurance policy at no cost to the employee.

ARTICLE 9 RETIREMENT BENEFITS**9.01 RETIREMENT BENEFITS**

The City shall provide retirement benefits to eligible employees through CalPERS as set forth below. The definitions of "new" member and "classic" member are set forth in the Public Employee Pension Reform Act of 2013 (PEPRA).

First Tier: "Classic" members hired on or prior to November 12, 2005 receive 3% at 60 of the highest twelve (12) consecutive months' compensation retirement calculation, as determined by CalPERS.

Second Tier: "Classic" members hired after November 12, 2005 receive 2% at 55 of the highest twelve (12) consecutive months' compensation retirement calculation, as determined by CalPERS.

Third Tier: "New" members hired on or after January 1, 2013 receive the 2% at 62, of the highest thirty-six (36) consecutive months' compensation retirement calculation as determined by CalPERS.

In accordance with the existing contracts with CalPERS, the City also provides the following retirement benefits to employees:

- a. Fourth Level of 1959 Survivor Benefits (Government Code Section 21574).
- b. 5% Annual Cost of Living Allowance (COLA) for employees hired on or before November 12, 2005; and annual 3% COLA for employees hired after November 12, 2005 (Government Code Section 21335).

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- c. Credit for unused sick leave for employees as per CalPERS guidelines (Government Code Section 20965).

9.02 EMPLOYER PAID MEMBER CONTRIBUTIONS

The City shall pay 8.0% of the member contribution for First Tier "classic" members and 7.0% of the member contribution for Second Tier "classic" members.

The City's payments, above, shall be treated as a "pick up" of employee contributions pursuant to IRC 414(h)(2).

The City shall report the monetary value of the Employer Paid Member Contribution ("EPMC") to CalPERS as special compensation earnable on behalf of each employee, pursuant to California Government Code Section 20636(c)(4).

In accordance with PEPR, "new" members shall pay the full employee contribution of 50% of the total normal cost.

Contributions are pursuant to Government Code Section 20691, and are paid on a Pre-Tax basis.

ARTICLE 10 MANAGEMENT LEAVE**10.01 MANAGEMENT LEAVE**

Management leave provides a means of compensation for hours worked by exempt employees beyond their normal work schedule. The City shall provide eighty (80) hours Management Leave per year credited each January 1. Management Leave must be used in the year earned and cannot be carried over from one calendar year to the next. Unused management leave hours will be cashed out in December of each year at the employee's current hourly rate of pay. At the time of separation, any unused management leave hours will be paid at the employee's current hourly rate of pay, on a pro-rated basis.

ARTICLE 11 ANNUAL LEAVE**11.01 ANNUAL LEAVE**

Employees earn Annual Leave in lieu of vacation and sick leave. Annual Leave is intended to provide time for an employee to be away from the work environment and to enable such employee to return to work mentally and physically refreshed.

The City shall provide for Annual Leave to accrue on a payroll to payroll basis prorated in accordance with the following rates.

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- 0 — 4 years of City service: 6.15 hours per pay period (160/year)
- 5 — 9 years of City service: 7.69 hours per pay period (200/year)
- 10 or more years of City service: 9.23 hours per pay period (240/year)

Employees who have pre-existing sick leave and/or vacation accrual balance shall convert sick leave to annual leave at the rate of one hour of sick leave to 0.5 hours of annual leave; and convert vacation to annual leave at the rate of one hour of vacation to one hour of annual leave.

Employees may, at the employee's discretion, accrue up to eight hundred (800) hours of Annual Leave. Upon the employee's separation from City service, the employee shall be compensated for any unused Annual Leave at his or her regular rate of pay.

ARTICLE 12 HOLIDAY LEAVE**12.01 HOLIDAY LEAVE**

Each unit employee shall be entitled to the following holidays with pay (8 hours per holiday):

- | | |
|--------------------------------------|-----------------------------|
| (1) New Year's Day | (7) Labor Day |
| (2) Martin Luther King, Jr. Birthday | (8) Veteran's Day |
| (3) President's Day | (9) Thanksgiving Day |
| (4) Cesar Chavez's Birthday | (10) Day after Thanksgiving |
| (5) Memorial Day | (11) Christmas Day |
| (6) Independence Day | (12) Floating Holiday |

Floating holiday hours are credited each January 1 and must be used before December 30. Unused floating holiday hours are not carried forward.

ARTICLE 13 WORK SCHEDULE**13.01 REGULAR WORK SCHEDULE**

City Hall business hours are from 7:30 a.m. to 5:30 p.m. (Monday through Thursday) and 8:00 a.m. to 5:00 p.m. (Fridays). Employees assigned to a regular work schedule shall work eight (8) hours per day, five (5) days a week, for a total of at least 40 hours per work week.

13.02 MODIFIED WORK SCHEDULE

Under a modified work schedule, employees work at least forty (40) hours during a work week, depending on their chosen work schedule, with various starting and ending times based upon the City's needs. Employees shall not be required to charge their accrued leave time hours for payroll computation, provided at least forty (40) hours have been worked in that week.

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The City shall include both the 5/8 and 9/80 work schedules for the duration of this MOU. Employees under the 9/80 work schedule shall have the option of either working Shift A or B only, with opposite Fridays off, as consistent with current City policy and with Department Head's approval.

ARTICLE 14 TUITION REIMBURSEMENT**14.01 TUITION REIMBURSEMENT**

The City shall reimburse employees for pre-approved courses to a maximum of \$3,000 per fiscal year. Approval must be obtained from the City Manager prior to enrolling in the course. Requests for reimbursement and approval must be in accordance with the City's policy on tuition reimbursement.

Tuition reimbursement shall be contingent upon employee satisfactorily completing course(s) with a minimum of a "B" grade and commit to continued service (employment) with the City for the equivalent of the school units, not to exceed two (2) years.

ARTICLE 15 MILEAGE REIMBURSEMENT**15.01 MILEAGE REIMBURSEMENT**

Employees who are required by the City to use their private vehicles for City business shall be reimbursed for mileage at the prevailing IRS rate.

ARTICLE 16 ACTING PAY**16.01 ACTING PAY**

Employees who, by written assignment, perform the duties of a position with a higher salary classification than that in which they are regularly employed, shall receive the compensation specified for the position to which assigned, if performing the duties thereof for a period of fifteen (15) or more consecutive work days. The increased compensation shall be retroactive to the first day of said assignment, and at the step within the higher classification as will accord the employee an increase of at least 5% of his or her current regular compensation.

ARTICLE 17 DISCIPLINARY PROCEDURES**17.01 DISCIPLINARY PROCEDURES**

Those unit employees who are a part of the competitive service can only be disciplined under the disciplinary procedures set forth in the City of San Fernando Personnel Rules and

MOU: SFMG (2018-2021)Page 11 of 14

Regulations. Final disciplinary decisions shall be subject to judicial review in accordance with Code of Civil Procedure section 1094.5.

ARTICLE 18 LAYOFFS**18.01 LAYOFFS**

Layoff of unit employees shall be done in compliance with City of San Fernando Personnel Rules and Regulations.

ARTICLE 19 BEREAVEMENT LEAVE**19.01 BEREAVEMENT LEAVE**

Employees shall be permitted to use up to five (5) paid days of bereavement leave following the death of an immediate family member and one (1) paid day following the death of an extended family member.

For the purposes of implementing this benefit, the term "Immediate Family" shall mean grandparent, parent, parent-in-law, child, spouse, sibling (including step or half), or registered domestic partner as permitted by California law, or any person living in the employee's household. Proof of residence may be required. "Parent" shall mean biological, foster, or adoptive parent, stepparent, legal guardian or person who has parental rights to employee. "Child" shall mean a biological, adopted, or foster child, stepchild, legal ward or a child of an employee who has parental rights.

For the purpose of implementing this benefit, the term "Extended Family" shall mean: Aunts, Uncles, and Cousins, godparents or godparent equivalent.

The City Manager may authorize additional days of unpaid leave for bereavement purposes on an as-needed basis. The unit member may utilize accrued annual leave for extended bereavement purposes.

ARTICLE 20 OTHER PROVISIONS**20.01 PROMOTIONAL DIFFERENTIAL**

Employees who receive a promotion shall be moved to the salary step that provides a minimum five percent 5% increase over the rate received in the former position. Any regularly-assigned bonus or premium compensation amounts shall be included in calculating the step rate of the former position and added to the new salary, if applicable, after determining the appropriate salary step rate for the new position.

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20.02 TECHNOLOGY

The City will provide the necessary technology (i.e. cell phone, laptop, tablet computer, etc.) to those employees who, subject to Department Head approval, require the use of such technology outside of their regular working hours in order to complete their duties.

ARTICLE 21 DEDUCTIONS**21.01 DEDUCTIONS**

The City agrees that if individual members of the bargaining unit authorize in writing the deduction from their pay checks of dues to SEIU Local 721, the monies deducted will be remitted to SEIU Local 721.

21.02 MAINTENANCE OF DUES PAYROLL DEDUCTIONS

Any employees who has authorized Union dues deductions on the effective date of this MOU or at any time subsequent to the effective date of this MOU shall continue to have such dues deduction taken by the City during the term of this MOU, subject to the following requirements:

1. Any employee may terminate such dues deductions each year during the period of February 10 through February 28 ("window period"), by notifying the Union that he/she wishes to terminate the deduction of his/her Union dues.
2. Such notification shall be sent by email and contain the following information:
 - a. employee name;
 - b. employee ID number;
 - c. job classification;
 - d. department name;
 - e. and identify SEIU Local 721 at City of San Fernando as the Union from which dues deductions are to be cancelled.
3. Email notification shall be sent to dues@seiu721.org.
4. Notwithstanding the window period set forth in section 1 above, any employee may terminate Union dues at any time during the term of this MOU if the employee becomes a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee organizations. Any employee seeking to terminate union dues under this provision must submit supporting documentation to SEIU Local 721.

The Union will provide the City with the appropriate documentation to process these dues cancellations within ten (10) business days after the close of the withdrawal period.

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SFMG/SEIU Local 721 jointly and separately agree to fund any and all costs of defense and/or to indemnify the City should implementation or compliance with any portion of this Article result in a challenge by litigation and/or in a settlement or judgment. In such case, the City shall be authorized to select legal counsel of its sole choice in defending its interests in any said litigation.

ARTICLE 22 PROVISIONS OF LAW AND SEVERABILITY**22.01 PROVISIONS OF LAW AND SEVERABILITY**

The parties agree that this MOU is subject to all current and future applicable federal, state, and local laws.

If any article, part, or provision of this MOU is in conflict with or inconsistent with applicable provisions of federal, state or local law or is otherwise held to be invalid or unenforceable by a court of competent jurisdiction, such article, part, or provision shall be suspended or superseded by such applicable law or regulation, and shall be of no force or effect, and the remainder of the MOU shall not be affected thereby. The parties shall, upon request, meet and confer over such suspension or supersession.

ARTICLE 23 GRIEVANCE PROCEDURES**23.01 GRIEVANCE PROCEDURES**

The City will process grievances in accordance with the City's established Personnel Rules. Final decisions shall be subject to judicial review in accordance with Code of Civil Procedure Section 1094.5.

MOU: SFMG (2018-2021)

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ARTICLE 24 **SIGNATURE PAGE**

CITY OF SAN FERNANDO

Nick Kimball
Deputy City Manager/Director of Finance

Alexander P. Meyerhoff	Date
City Manager	

**SAN FERNANDO MANAGEMENT GROUP
(SFMG)**

Margarita Solis SFMG Member	Date
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Kenneth Jones SFMG Member	Date
------------------------------	------

Sonia Garcia	Date
SFMG Member	

Approved as to form:

Jody Klipple
SEIU Local 721

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, Interim City Manager
By: Michael E. Okafor, Personnel Manager

Date: February 19, 2019

Subject: Consideration to Adopt a Resolution Amending the Fiscal Year 2018-2019 Salary Schedule to Include the Police Reserve Program Stipends and the Negotiated Wage Adjustments for the San Fernando Management Group

RECOMMENDATION:

It is recommended that the City Council:

- a. Adopt Resolution No. 7904 (Attachment "A") amending the Fiscal Year (FY) 2018-2019 Salary Schedule to include the Police Reserve Program stipends and the negotiated wage adjustments for certain job classifications in the San Fernando Management Group (SFMG);
- b. Approve the implementation of the updated and negotiated wages for all applicable employees; and
- c. Authorize the City Manager to make non-substantive corrections and execute all related documents.

BACKGROUND:

Police Reserve Officer Stipends.

1. In or around 1956, the Police Department started the Police Reserve Program. Reserve Officers are appointed by the Police Chief upon successful completion of certain department requirements, pursuant to the State of California Government Code Sections 1029 and 1031, as well as the Peace Officers Standards and Training (POST) rules and regulations.
2. Reserve Officers must be eligible for appointment as peace officers under California law, including meeting all requirements established by POST, such as completion of a POST-certified instruction at an approved academy.

Consideration to Adopt a Resolution Amending the Fiscal Year 2018-2019 Salary Schedule to Include the Police Reserve Program Stipends and the Negotiated Wage Adjustments for San Fernando Management Group

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3. Upon appointment, the Police Department issues the standard police equipment to the Reserve Officer. The Reserve Officer is required to maintain all uniforms and equipment, and keep them clean and in a serviceable condition to be ready for immediate use at all times.
4. All Reserve Officers are members of the California Reserve Peace Officers' Association (CRPOA), and are required to pay membership dues.
5. Each Reserve Officer shall work a minimum of 20 hours per month.

SFMG Wage Adjustments.

1. On September 21, 2015, the City and San Fernando Management Group (SFMG) executed a three-year Memorandum of Understanding (MOU) for the term of July 1, 2015 through June 30, 2018 (Contract No. 1796).
2. In April 2018, the City and SFMG met to begin negotiations for a new MOU. The City and SFMG met regularly between April 2018 and January 2019.
3. In January 2019, the two parties reached a tentative agreement for a successor MOU, which is scheduled for City Council adoption on February 19, 2019.

ANALYSIS:

Police Reserve Officer Stipends.

The Police Reserve Program is a volunteer program with no salary paid for volunteer hours. However, pursuant to the general provisions of the Police Department Manual, each Reserve Officer who works a minimum of 20 hours in a given month shall be paid an equipment maintenance allowance or stipend, which is paid on a quarterly basis. Currently, \$100 is paid as monthly stipend to eligible Reserve Officers. This payment needs to be reflected in the FY 2018-2019 Salary Schedule, effective July 1, 2018.

SFMG Wage Adjustments.

The agreement for a successor MOU includes, amongst other things, the following wage related items that necessitate an amendment to the FY 2018-2019 Salary Schedule: a) 2% salary adjustment in year one, retroactive to the first day of the first full pay period following September 1, 2018; and b) Employees originally hired or rehired after July 1, 2018 will not be eligible to receive longevity pay based on years of service.

Consideration to Adopt a Resolution Amending the Fiscal Year 2018-2019 Salary Schedule to Include the Police Reserve Program Stipends and the Negotiated Wage Adjustments for San Fernando Management Group

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BUDGET IMPACT:

The Reserve Officer stipends are included in the FY 2018-2019 Adopted Budget. The proposed amendment is simply to codify existing practice in the salary schedule.

Sufficient contingency funds have been included in the FY 2018-2019 Adopted Budget to cover the costs for the SFMG wage adjustments.

CONCLUSION:

Adoption of Resolution No. 7904 to amend the FY 2018-2019 Salary Schedule is necessary to reflect and implement the Reserve Officer stipends, as well as the negotiated MOU provisions for wage adjustments and benefits for certain job classifications.

ATTACHMENT:

A. Resolution No. 7904

ATTACHMENT "A"

RESOLUTION NO. 7904

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, AMENDING PORTIONS OF SECTIONS 1, 2 AND 3 OF RESOLUTION NO. 7866, ADOPTED JUNE 18, 2018

THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1: That that portion of Section 2 of Resolution No. 7866, adopted June 18, 2018, as amended, be further amended by adding the following subsection (F) "Compensation for Police Reserve Officers" on page 8, effective July 1, 2018:

(F) COMPENSATION FOR POLICE RESERVE OFFICERS

Each Police Reserve Officer who works a minimum of twenty hours in a given month shall be paid One Hundred Dollars (\$100.00) monthly stipend as equipment maintenance allowance, which shall be paid on a quarterly basis.

SECTION 2: That that portion of Section 1 of Resolution No. 7866, adopted June 18, 2018, as amended, be further amended by deleting "Schedule M for Department Heads & Non-Sworn Management" on page 4, and replacing it with the following, effective the first day of the first full pay period following September 1, 2018:

**SCHEDULE M
FOR
DEPARTMENT HEADS & NON-SWORN MANAGEMENT**

SALARY RANGE NUMBER	STEP A	STEP B	STEP C	STEP D	STEP E
55	5647	5929	6227	6539	6867
64	6955	7302	7667	8052	8454
68	7640	8021	8423	8843	9286
75	9130	9587	10066	10569	11098
79	10079	10583	11111	11668	12249

SECTION 3: That that portion of subsection (A) of Section 2 of Resolution No. 7866, adopted June 18, 2018, as amended, be further amended by deleting the following, effective the first day of the first full pay period following September 1, 2018:

<u>CLASSIFICATION</u>	<u>SALARY RANGE NUMBER/ SCHEDULE</u>	<u>STEP A</u>	<u>STEP B</u>	<u>STEP C</u>	<u>STEP D</u>	<u>STEP E</u>
Management Analyst	55M	5536	5813	6105	6411	6732
Personnel Manager	68M	7490	7864	8258	8670	9104
Senior Accountant	64M	6819	7159	7517	7894	8288
Treasury Manager	55M	5536	5813	6105	6411	6732

SECTION 4: That that portion of subsection (A) of Section 2 of Resolution No. 7866, adopted June 18, 2018, as amended, be further amended by adding the following, effective the first day of the first full pay period following September 1, 2018:

<u>CLASSIFICATION</u>	<u>SALARY RANGE NUMBER/ SCHEDULE</u>	<u>STEP A</u>	<u>STEP B</u>	<u>STEP C</u>	<u>STEP D</u>	<u>STEP E</u>
Management Analyst	55M	5647	5929	6227	6539	6867
Personnel Manager	68M	7640	8021	8423	8843	9286
Senior Accountant	64M	6955	7302	7667	8052	8454
Treasury Manager	55M	5647	5929	6227	6539	6867

SECTION 5: That that portion of subsection (G) of Section 3 of Resolution No. 7866, adopted June 18, 2018, as amended, be further amended by adding the following to Section (3) (G) (6) on “Longevity Pay”:

“Non-sworn management employees originally hired or rehired after July 1, 2018 will not be eligible to receive longevity pay based on years of service.”

SECTION 6: Except as amended herein, all other provisions of Resolution No. 7866, adopted June 18, 2018, remains unchanged and in full force and effect.

SECTION 7: The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and her certification to be filed in the office of the City Clerk.

ADOPTED AND APPROVED this 19th day of February, 2019.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chavez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I, Elena G. Chavez, City Clerk of the City of San Fernando, do hereby certify that the foregoing Resolution was duly adopted by the City Council held on the 19th day of February, 2019, and that the same was passed by the following vote, to wit:

AYES:

NOES:

ABSENT:

Elena G. Chavez, City Clerk

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AGENDA REPORT

To: Vice Mayor Sylvia Ballin and Councilmembers

From: Mayor Joel Fajardo

Date: February 19, 2019

Subject: Discussion Regarding San Fernando Credit Downgrade, Financial Stability and Use of Measure A Funds

RECOMMENDATION:

I have placed this item on the agenda to discuss the credit downgrade of the City's 2016 Measure R debt issue, financial stability, use of Measure A funds, and to provide staff with direction.

BACKGROUND:

In early January, Standard & Poor's Financial Services LLC (S&P) downgraded the rating for the City's Measure R bond from A to BBB+ (refer to Attachment "A"). The downgrade was a result of a change in S&P's rating methodology for municipal bonds, which triggered S&P to review all of their outstanding municipal bond ratings. Prior to the change in methodology, S&P would rate the credit worthiness of a municipal bond based solely on the funding source being leveraged. The City's overall financial position was not considered. In this case, a countywide sales tax (Measure R) is considered a very stable revenue stream because it is so diversified. The new rating guidelines require S&P to also consider the City's overall creditworthiness. Although the report recognizes the positive financial gains the City has made over the last few years, it also highlights the fact that the General Fund has been in a negative fund balance for more than five years, which was the basis for the downgrade.

This downgrade does not impact the City's Measure R financing as the bonds have already been sold and the debt service payments are fixed. It does, however, provide some insight into how future bonds may be rated. A BBB+ is still investment grade, but a lower rating increases borrowing costs and ultimately decreases the net amount of available proceeds.

Discussion Regarding San Fernando Credit Downgrade, Financial Stability and Use of Measure A Funds

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S&P rating chart:

	Moody's	S&P	Fitch	Meaning
Investment Grade	Aaa	AAA	AAA	Prime
	Aa1	AA+	AA+	High Grade
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	A1	A+	A+	Upper Medium Grade
	A2	A	A	
	A3	A-	A-	
	Baa1	BBB+	BBB+	Lower Medium Grade
	Baa2	BBB	BBB	
	Baa3	BBB-	BBB-	
Junk	Ba1	BB+	BB+	Non Investment Grade Speculative
	Ba2	BB	BB	
	Ba3	BB-	BB-	
	B1	B+	B+	Highly Speculative
	B2	B	B	
	B3	B-	B-	
	Caa1	CCC+	CCC+	Substantial Risks
	Caa2	CCC	CCC	Extremely Speculative
	Caa3	CCC-	CCC-	In Default w/ Little Prospect for Recovery
	Ca	CC	CC+	
		C	CC	
			CC-	In Default
	D	D	DDD	

BUDGET IMPACT:

There is no impact to the budget by discussing this item. Additional future costs to be determined based on City Council direction.

ATTACHMENT:

A. S&P Rating Report



RatingsDirect®

Summary:

California Statewide Communities Development Authority San Fernando Azusa; Sales Tax

Primary Credit Analyst:

Dan A Kaplan, San Francisco + 1(415) 371-5038; dan.kaplan@spglobal.com

Secondary Contact:

Benjamin P Geare, San Francisco + 1 (415) 371 5047; benjamin.geare@spglobal.com

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Rationale

Outlook

Summary:

California Statewide Communities Development Authority

San Fernando

Azusa; Sales Tax

Credit Profile**California Statewide Communities Dev Auth, California**

Azusa, California

San Fernando, California

California Statewide Communities Dev Auth (Azusa) certs of part TRIP Total Rd Imp Prog (Azusa) (San Fernando) ser 2016 (AGM)

Unenhanced Rating

BBB+(SPUR)/Positive

Downgraded

Many issues are enhanced by bond insurance.

Rationale

S&P Global Ratings has lowered its underlying rating (SPUR) to 'BBB+' from 'A' on the California Statewide Communities Development Authority's series 2016 local Measure R sales tax revenue certificates of participation (COPs), issued on behalf of the cities of San Fernando and Azusa. The outlook is positive.

The rating action reflects the application of our priority-lien tax revenue debt criteria, published Oct. 22, 2018, on RatingsDirect, which factors in both the strength and stability of the pledged revenue, as well as the general credit quality of the cities as obligors (the obligors' creditworthiness, or OC). The priority-lien rating on the series 2016 COPs is limited by our view of the City of San Fernando's general creditworthiness, and is constrained from going higher unless our view of San Fernando's general creditworthiness improves. In our opinion, the pledged revenue has exposure to the city's operating risk, and the city does not benefit from a limited scope of operations or extraordinary expenditures flexibility; accordingly, the priority-lien rating on the series 2016 COPs has a close relationship to our view of the OC.

Security

The COPs represent an interest in separate installment payments made by each city to the authority. Each city will make the payments from a first lien on sales tax receipts allocable to each city from the Los Angeles County Measure R 0.5% retail transactions and use tax (a form of sales tax) collected within Los Angeles County. The obligation to make installment payments is not subject to appropriation or abatement. Separate debt service reserve accounts are kept for each city and will be funded at the least of maximum annual debt service (MADS), 1.25x average annual debt service, or 10% of principal. The collective payments from both cities equal the debt service on the COPs and each city is solely responsible for its own payments, such that neither city is responsible for the other city's portion of the debt service. As such, our rating is determined based on a weak-link analysis, which, in our view, is San Fernando's pledge.

Summary: California Statewide Communities Development Authority San Fernando Azusa; Sales Tax

Credit fundamentals

Key credit considerations include:

- A very strong economic base for the Measure R sales taxes—Los Angeles County—which is the core of the broad and diverse Los Angeles-Long Beach-Anaheim metropolitan statistical areas and has a population of 10.2 million;
- Our view that pledged sales taxes tend to have low volatility;
- Adequate to strong MADS coverage for the COPs, based on their additional bonds test (ABT) of 1.5x MADS; and
- Relationship to the city of San Fernando, which bears operating risks associated with its prolonged period of negative fund balances, although the city projects to post a positive fund balance by the end of fiscal 2019.

Economic fundamentals: Very strong

Measure R revenue is collected across Los Angeles County and distributed to each city based on the share of population that lives within the city. So while the city's population is a determining factor in share of revenue received, we view the county overall, rather than the individual cities, as the taxing base for the COPs. Los Angeles County is the largest county in the nation by population, and its estimated 2017 gross county product of roughly \$670 billion represents nearly one-third of California's gross state product and is larger than the economic output of 44 U.S. states and all but 21 countries in the world. The county's economic strengths include hosting the preeminent global hub of the entertainment industry and a large and growing technology hub known as Silicon Beach; the county has traditionally also benefited from two major ports, although we believe that rising international trade tensions could reduce trade flows through these ports.

The county's per capita effective buying income (EBI) was 94.6% of the national level in 2017, and its unemployment rate was 4.7%—slightly higher than the national level. While San Fernando's per capita EBI is significantly lower—58% of the national level—the city's population has been a stable 0.2% of the county total since 2009, which, in our view, mitigates the risk that the city's allocation of Measure R sales tax revenue will decline due to economic fundamentals. As Measure R pledged revenue has a countywide taxing base of over 10 million people, with the cities' share of receipts relatively stable, we view the economic base of the pledged revenue as very strong.

Volatility: Low

We assess the volatility of revenue to determine the likelihood of the availability of revenue during different economic cycles. We have two levels of volatility assessment: macro and micro.

On a macro level, we consider sales and use tax revenue to have low historical volatility, based on total retail food and service sales data from the U.S. Census Bureau over the past two decades. Our macro volatility assessment begins with an assessment of the historical volatility of the economic activity being taxed, and includes an analysis of societal, demographic, political, and other factors that could affect these activities. Nationwide retail and food service sales have historically fluctuated moderately throughout severe economic downturns and price fluctuations, as sales of nonessential goods is relatively cyclical. However, we expect overall collections to remain relatively stable nationwide, given the relative inelasticity of demand for certain taxable goods and services. On the micro level, we also consider the county's sales tax revenue to have low historical volatility, reflecting the county's very large size and importance to the national economy. Taxable sales within the county declined by 18.2% cumulatively from 2007 to 2009, and have subsequently grown by 4.2% annually through 2016 (latest data).

Summary: California Statewide Communities Development Authority San Fernando Azusa; Sales Tax

Coverage and liquidity: Adequate-to-strong

San Fernando's Measure R sales tax allocations have shown strong growth in recent years, increasing by 10% cumulatively from fiscal 2016 to 2018. In fiscal 2018 (unaudited), the city's Measure R allocations were roughly \$285,000, providing coverage of 1.54x MADS on the city's share of the series 2016 COPs. We expect that MADS coverage on the city's share of payments to the series 2016 COPs will remain adequate-to-strong, given that they benefit from an ABT of 1.50x MADS and that the city's coverage has historically been higher than 1.5x debt service.

Measure R sales tax revenue is collected by the state, and then transferred to LACMTA on a monthly basis after deducting an administrative fee. LACMTA then allocates a portion of the Measure R revenue (15%) among the cities within the county and transfers to each city its respective share on a monthly basis. For the series 2016 COPs, San Fernando then immediately deposits its Measure R allocation into a Measure R account for purposes of making lease payments to the respective trustees 15 days before they are due.

Liquidity for the series 2016 COPs is provided through a debt service reserve sized at the lowest of MADS, 10% of principal, or 125% of average annual debt service. With adequate to strong coverage and a low volatility assessment based on our view of the dependability of sales taxes, we do not make a downward adjustment to the coverage score for these obligations due to potential liquidity pressures. San Fernando and Azusa maintain separate debt service reserves for their own payments; each city's debt service reserves are not pledged as security for the other's installment agreement payments.

Obligor linkage: Close

We believe the priority lien on pledged revenue provides some protection from operating risk; however, because pledged revenue is collected by the state, administered by LACMTA, and distributed monthly to each city--which are then responsible for transferring the pledged funds to the trustees--we consider the flow of pledged revenue to be within the cities' direct control. We also do not view the cities as benefiting from a limited scope of operations or extraordinary expenditure flexibility. We note that the San Fernando is using excess revenue in the Measure R account to support some operations expenses. Under our criteria, this narrows the linkage between the priority lien pledge and the OC, as we believe pledged revenue has some degree of exposure to operating risk.

Rating linkage to San Fernando

We assess the city's general operations because we view overall creditworthiness as a key determinant of an obligor's ability to pay all of its obligations, including obligations secured by a special tax. Despite recent improvement, we view the city's recent history of financial struggle, including its strained budgetary flexibility, as a limiting factor that constrains the city's credit quality as well as the rating on the 2016 COPs. After experiencing over five consecutive years of negative fund balances--driven by the mandated repayment of \$4.5 million in misused pension funds, the deficit operations of a regional pool, and the loss of revenue associated with the cessation of redevelopment agencies--the city projects that it will end with a positive fund balance by the close of fiscal 2019. This projection is supported by four consecutive years of surpluses, plus changes to the city's operations, such as transferring operations of the pool to the county. We also note that the city's participation in the broad and diverse Los Angeles MSA adds stability, and that a planned extension of a rail line into the City of San Fernando should support the city's continued financial recovery.

Summary: California Statewide Communities Development Authority San Fernando Azusa; Sales Tax

Outlook

The positive outlook reflects our view that there is at least a one-in-three chance that we could raise our rating on the 2016 COPs within the next two years. Under our criteria, there is a link between the attributes of the priority lien pledge and the OC. Thus, in some cases movement in the OC could dictate or limit movement in the priority lien rating. We could raise the rating if the City of San Fernando ends with positive operations in fiscal 2019, culminating in a positive general fund balance, thereby improving San Fernando's OC. We could return the outlook to stable if San Fernando's fund balance remains negative or we view the city as operationally imbalanced.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Vice Mayor Sylvia Ballin

Date: February 19, 2019

Subject: Discussion Regarding Overview of Legal Authority and Other Considerations Relevant to the Implementation of a Local Minimum Wage Ordinance

RECOMMENDATION:

I have placed this item on the agenda for discussion.

BUDGET IMPACT:

There is no impact to the budget by discussing this item. Additional future costs to be determined based on City Council direction.

ATTACHMENT:

- A. Agenda Report re Overview of Legal Authority and Other Considerations Relevant to the Implementation of a Local Minimum Wage Ordinance (8/6/2018)



AGENDA REPORT

To: Mayor Sylvia Ballin and Councilmembers

From: Alexander P. Meyerhoff, City Manager
By: Richard Padilla, Assistant City Attorney
Martin de los Angeles, Deputy City Attorney

Date: August 6, 2018

Subject: Overview of Legal Authority and Other Considerations Relevant to the Implementation of a Local Minimum Wage Ordinance

RECOMMENDATION:

It is recommended that the City Council:

- a. Receive and file a presentation from staff on the recent state and local minimum wage laws; and
- b. Provide staff direction.

BACKGROUND:

1. Effective July 24, 2009, the federal minimum wage for non-exempt employees was set at \$7.25 per hour.
2. On September 25, 2013, the California Legislature enacted legislation, signed by the Governor, raising the minimum wage for all industries. Accordingly, effective July 1, 2014, the minimum wage in California was increased to \$9.00 per hour. As of January 1, 2018, the minimum wage in California is \$11.00 per hour.
3. On May 19, 2015, the City of Los Angeles City Council approved a plan to increase the City's minimum wage to \$15.00 per hour by July 1, 2020.
4. On June 1, 2015, City staff provided the City Council with a presentation on the City of Los Angeles' plan and received direction to continue staff review of the cost-of-doing-business study and analysis.
5. On July 21, 2015, the Los Angeles County Board of Supervisors voted to increase the minimum wage in unincorporated areas of Los Angeles County to \$15.00 per hour by July 1, 2020.

Overview of Legal Authority and Other Considerations Relevant to the Implementation of a Local Minimum Wage Ordinance

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6. On April 4, 2016, the California Legislature enacted legislation, signed by the Governor (SB 3, Leno), which will increase California's minimum wage to \$15.00 per hour by January 1, 2022. After January 1, 2023, future wage increases are tied to inflation.

ANALYSIS:

A. Authority to Enact a Local Minimum Wage Ordinance.

The Federal Fair Labor Standards Act of 1938 ("FLSA") establishes a national minimum wage, which is currently \$7.25 per hour.¹ The FLSA expressly permits state and municipal governments to establish a minimum wage higher than the federal minimum wage.² California has exercised this authority, adopting a separate statewide minimum wage that is currently \$11.00 per hour and will increase incrementally to \$15.00 per hour by January 1, 2022 (see Table).³

Although the authority of general law cities is largely untested, there is no indication that state or federal law prohibits general law cities (like the City of San Fernando) from establishing local minimum wage requirements. Initially, the majority of California cities adopting local minimum wage ordinances were charter cities. While there has been speculation as to whether or not a general law city may enact a local minimum wage, it appears that general law and charter cities have the same authority to adopt local minimum wage ordinances. The California Constitution gives both general law and charter cities the power to "make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws of the state."⁴ It is also well established that regulation of the employment relationship is an exercise of police power.⁵ This includes the establishment of a minimum wage.⁶ The power to regulate wages and employment conditions appears to lie within a state's or a municipality's police power. States also possess broad authority under their police powers to regulate the employment relationship to protect workers within the state. In turn, the California Labor Code further that "[n]othing in [the Labor Code] shall be deemed to restrict the exercise of local police powers in a more stringent manner."⁷

B. City of Los Angeles and County of Los Angeles Minimum Wage Ordinance.

The City of Los Angeles enacted a minimum wage increase within its city limits to \$13.25 per hour as of July 1, 2018, which will increase incrementally to \$15 per hour in 2020 (see Table).

¹ 29 U.S.C. § 206.

² 29 U.S.C. § 218.

³ See Labor Code § 1182.12.

⁴ Cal. Const., art. XI, § 7.

⁵ *Metro. Life Ins. Co. v. Massachusetts* (1985) 471 U.S. 724, 756; *Salas v. Sierra Chem. Co.* (2014) 59 Cal. 4th 407, 423.

⁶ *Metro Life Ins. Co.*, 471 U.S. at 756.

⁷ Labor Code § 1205(b).

Overview of Legal Authority and Other Considerations Relevant to the Implementation of a Local Minimum Wage Ordinance

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The County of Los Angeles enacted a minimum wage increase similar to the City of Los Angeles' plan (see Table), applicable only to unincorporated areas of the County.

The comparison of the three plans for large businesses (26 or more employees) is set forth below:

Effective Date	Min. Wage City of LA	Min. Wage County of LA	Min. Wage State of CA
July 1, 2014	\$9.00	\$9.00	\$9.00
January 1, 2016			\$10.00
July 1, 2016	\$10.50	\$10.50	
January 1, 2017			\$10.50
July 1, 2017	\$12.00	\$12.00	
January 1, 2018			\$11.00
July 1, 2018	\$13.25	\$13.25	
January 1, 2019			\$12.00
July 1, 2019	\$14.25	\$14.25	
January 1, 2020			\$13.00
July 1, 2020	\$15.00	\$15.00	
January 1, 2021			\$14.00
January 1, 2022			\$15.00

For all three minimum wage plans, small employers (i.e., 25 or fewer employees) are afforded one additional year to implement the prescribed increase.

C. Other Minimum Wage Efforts in California.

Approximately twenty-two (22) California cities and one (1) county (see Attachment "A") have adopted minimum wage ordinances that exceed the state minimum wage rate. The majority of cities that have adopted minimum wage ordinances are in Northern California. The Southern California cities include Los Angeles, Pasadena, San Diego, and Santa Monica. All of the 2018 local minimum wages are higher than the state minimum wage. Five cities have reached the \$15.00 rate ahead of the statewide increase: Berkeley, Emeryville, Mountain View, San Francisco, and Sunnyvale.

D. Considerations to be Made in Fashioning a Local Minimum Wage Ordinance.

There are many important considerations to analyze before making a decision to increase minimum wage. As provided in the June 1, 2015 Agenda Report, the City of San Fernando is in a relatively unique position as the City is completely surrounded by the City of Los Angeles with the nearest incorporated cities—Santa Clarita, Glendale, Simi Valley and La Cañada Flintridge—more than ten (10) miles away. Therefore, businesses in San Fernando compete directly with businesses in Los Angeles for both employees and customers. Businesses also weigh the total

Overview of Legal Authority and Other Considerations Relevant to the Implementation of a Local Minimum Wage Ordinance

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cost of doing business when deciding where to locate. Cost of business decisions typically consider local permit costs, business license fees, other taxes, and wage requirements.

The June 1, 2015 Agenda Report referenced an economic study (“Study”) which concluded that there is a net positive economic impact to increasing the minimum wage. While specific to the City of Los Angeles, the Study explored the impact of increasing the minimum wage to three industries—1) Restaurant, 2) Retail, and 3) Manufacturing—all of which are prominent industries in San Fernando and account for approximately thirty percent (30%) of the City’s sales tax base.

Even so, estimating the impact of a minimum wage increase based on this Study may prove difficult given the business operating costs specific to San Fernando. Bearing this in mind, the following factors should also be considered in determining whether to adopt a local minimum wage ordinance for the City:

1. Timing of Increases and Affected Employers.

Phase-in Schedule: Cities should take into account existing and potentially new state laws regulating the minimum wage as well as neighboring jurisdictions’ regulations to assess potential administrative complications for the city, employers, and employees. Since California’s minimum wage automatically increases by an amount equal to the rate of inflation or 3.5% (whichever is less) beginning in January 2024, cities must also consider whether the minimum wage should increase automatically every year after the final established wage rate is reached.

Small Business Exceptions: Because large employers generally have a greater ability to absorb the costs of an increased minimum wage, cities adopting a local minimum wage ordinance may consider establishing a separate minimum wage for small and large employers. Depending on the city’s economic circumstances, however, treating small employers differently might result in the benefits of an increased minimum wage not reaching a portion of the city’s low wage workers.

2. Exceptions and Special Considerations.

Adoption of State Formula: Adopting state wage formulas, but requiring the local minimum wage to be used, allows a city to take advantage of the state’s existing set of detailed regulations, while also ensuring the local minimum wage applies to the maximum extent possible.

Collective Bargaining Agreements: A city may exempt employees subject to a collective bargaining agreement from the city’s minimum wage requirement provided such agreement complies with all federal and state labor laws. If a city wants to exempt collective bargaining agreements from the wage ordinance, the city may consider incorporating standards for

Overview of Legal Authority and Other Considerations Relevant to the Implementation of a Local Minimum Wage Ordinance

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agreements to follow in order to be exempt from the local minimum wage. Such a requirement would help ensure that employees are aware of the rights they are agreeing to waive.

Treatment of Tips and Commissions: California law prohibits an employer from counting the tips received by an employee toward the payment of the California minimum wage.⁸ In contrast, an employer is generally allowed to count commission payments toward the payment of minimum wage.⁹ A local minimum wage ordinance allowing tips to be counted toward the payment of minimum wage would decrease the impact of a minimum wage increase on some employers, perhaps increasing support for the ordinance.

Service Charges: Cities adopting local minimum wage rates may also consider mandatory disbursement of hospitality service charges (e.g., delivery fees and room service charges at a hotel) to employees. Requiring employees to receive the revenue from any hospitality service charges ensures that the employee performing the service receives the fee for that service.

3. Enforcement.

The City should also give consideration to its capacity to oversee and enforce a local minimum wage ordinance. To that end, some cities require an employer to certify that it complies with the requirements of the ordinance whenever it applies for a license renewal. Additionally, failure to pay all employees the local minimum wage could be grounds for revocation of a business license.

An ordinance could include authority to utilize the full range of enforcement tools provided to cities, such as imposing administrative citations and pursuing civil enforcement. Cities may also consider including within the minimum wage ordinance a private right of action for employees, which would help ensure employees receive the full protection of the ordinance.

4. Pooling Investigation and Enforcement with Other Local Government Agencies.

A smaller city such as San Fernando may not have the resources, or the need, to dedicate significant staff time to enforcement. If neighboring cities work together, they can share expertise and expenses, such as sharing the cost of a consultant to investigate possible violations. Accordingly, the City may want to explore whether the City of Los Angeles might be amenable to collaborating with San Fernando in the enforcement of its ordinance.

5. Sick Days

Cities may also consider adopting minimum sick leave benefits at the same time they adopt a local minimum wage ordinance. Advocates of such minimum benefits argue that the lack of sick

⁸ Labor Code § 351.

⁹ Labor Code § 200.

Overview of Legal Authority and Other Considerations Relevant to the Implementation of a Local Minimum Wage Ordinance

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leave can have significant financial consequences for low-wage workers if they are forced to take time off due to sickness or to care for a family member.

BUDGET IMPACT:

The specific budget impact is contingent on the direction given by City Council and may range from little to no budget impact to a very significant budget impact.

CONCLUSION:

Staff is seeking City Council direction related to further discussion and community outreach related to a potential minimum wage increase in San Fernando. Potential direction includes, but is not limited to, the following:

1. Do not pursue increasing the minimum wage at this time (no budget impact);
2. Continue to pursue increasing the minimum wage and direct staff to conduct the related analysis (Cost of Attorney and staff time with a few months turnaround);
3. Continue to pursue increasing the minimum wage and engage an economic consultant to calculate the specific impact on San Fernando (significant budget impact and potentially significant turnaround).

ATTACHMENTS:

- A. Summary of Local Minimum Wages in California
- B. June 1, 2015 Agenda Report with Attachments

ATTACHMENT "A"**Summary of Local Minimum Wages California****Berkeley City Minimum Wage**

Oct. 1, 2016: \$12.53 per hour

Oct. 1, 2017: \$13.75 per hour

Oct. 1, 2018: \$15.00 per hour

From July 1, 2019 Berkeley will peg its annual increases to match inflation rates.

Cupertino City Minimum Wage

Jan. 1, 2017: \$12.00 per hour

Jan. 1, 2018: \$13.50 per hour

Jan. 1, 2019: \$15.00 per hour

Jan. 1, 2020: \$15.35 (estimated based on CPI)

El Cerrito City Minimum Wage

July 1, 2016: \$11.60 per hour

Jan. 1, 2017: \$12.25 per hour

Jan. 1, 2018: \$13.60 per hour

Jan. 1, 2019: \$15.00 per hour

Beginning January 1, 2020 and each year thereafter the wage will increase based on the local consumer price index (CPI).

Emeryville City Minimum Wage

Effective date	Minimum Wage businesses with 55 or fewer employees	Minimum Wage businesses with 65 or more employees
July 2, 2015	\$12.25	\$14.44
July 1, 2016	\$13.00	\$14.82 (CPI)
July 1, 2017	\$14.00	\$15.20 (CPI)
July 1, 2018	\$15.00	\$15.60 (CPI)
July 1, 2019	\$16.00 (CPI)	\$16.00 (CPI)
July 1, 2020	\$16.42 (CPI)	\$16.42 (CPI)

Long Beach City Minimum Wage

The minimum wage in Long Beach was originally scheduled to rise to \$13 by 2019. However, only months after the originally passing the new ordinance, the City Council decided to slow the minimum wage increases to match the state's new minimum wage law.

Los Altos City and Town Minimum Wage

Jan. 1, 2017: \$12.00 per hour

Jan. 1, 2018: \$13.50 per hour

Jan. 1, 2019: \$15.00 per hour

Adjustment of the minimum wage will be announced by October and shall become effective as the new minimum wage on Jan. 1 of each year.

Los Angeles City and County Minimum Wage

Effective date:	Minimum Wage businesses with 26 or more employees	Minimum Wage businesses with 25 or fewer employees
July 1, 2016	\$10.50	\$10.00
July 1, 2017	\$12.00	\$10.50
July 1, 2018	\$13.25	\$12.00
July 1, 2019	\$14.25	\$13.25
July 1, 2020	\$15.00	\$14.25
July 1, 2021	Increase by CPI	\$15.00

Malibu City Minimum Wage

Effective date:	Minimum Wage businesses with 26 or more employees	Minimum Wage businesses with 25 or fewer employees
July 1, 2016	\$10.50	Federal Minimum
July 1, 2017	\$12.00	\$10.50
July 1, 2018	\$13.25	\$12.00
July 1, 2019	\$14.25	\$13.25
July 1, 2020	\$15.00	\$14.25
July 1, 2021	Increase by CPI	\$15.00

Milpitas Minimum Wage

July 1, 2017: \$11.00 per hour
Jan. 1, 2018: \$12.00 per hour
July 1, 2018: \$13.50 per hour
July 1, 2019: \$15.00 per hour
July 1, 2020: Based on CPI

Mountain View City Minimum Wage

Jan. 1, 2017: \$13.00 per hour
Jan. 1, 2018: \$15.00 per hour
Jan. 1, 2019: Based on CPI

Oakland City Minimum Wage

Jan. 1, 2017: \$12.86 per hour
Jan. 1, 2018: \$13.23 per hour Based on CPI

Palo Alto City Minimum Wage

Jan. 1, 2017: \$12.00 per hour
Jan. 1, 2018: \$13.50 per hour
Jan. 1, 2019: \$15.00 per hour

Adjustment of the minimum wage will be announced by October and shall become effective as the new minimum wage on Jan. 1 of each year.

Pasadena City Minimum Wage

July 1, 2017: \$10.50 per hour
July 1, 2017: \$12.00 per hour
July 1, 2018: \$13.25 per hour
July 1, 2019: \$14.25 per hour
July 1, 2020: \$15.00 per hour

For companies with 25 or fewer employees, the same schedule is delayed by one year.

Richmond City Minimum Wage

Effective date:	Employee Benefits	No Employee Benefits
July 1, 2016	\$10.02	\$11.52
July 1, 2017	\$10.08	\$12.30
July 1, 2018	\$11.91	\$13.41
July 1, 2019	\$13.50	\$15.00

San Diego Minimum Wage

Jan. 1, 2017: \$11.50 per hour

Beginning in 2019, the minimum wage increases on an annual basis as determined by CPI.

San Francisco Minimum Wage

July 1, 2016: \$13.00 per hour

July 1, 2017: \$14.00 per hour

July 1, 2018: \$15.00 per hour

Beginning in 2019, the minimum wage increases on an annual basis as determined by CPI.

San Jose Minimum Wage

Jan. 1, 2017: \$10.50 per hour

July 1, 2017: \$12.00 per hour

Jan. 1, 2018: \$13.50 per hour

Jan. 1, 2019: \$15.00 per hour

San Leandro Minimum Wage

July 1, 2017: \$12.00 per hour

July 1, 2018: \$13.00 per hour

July 1, 2019: \$14.00 per hour

July 1, 2020: \$15.00 per hour

San Mateo Minimum Wage

<u>Year</u>	<u>Citywide</u>	<u>501(c)(3) tax exempt non profits</u>
2016	\$10.00	\$10.00
Jan. 1, 2017	\$12.00	\$10.50
Jan. 1, 2018	\$13.50	\$12.00
Jan. 1, 2019	\$15.00	\$13.50
Jan. 1, 2020	\$15.00 + CPI	\$15.00
Jan. 1, 2021	CPI	CPI

Santa Clara City Minimum Wage

Jan. 1, 2017: \$11.10 per hour
 Jan. 1, 2018: \$13.00
 Jan. 1, 2019: \$15.00
 Jan. 1, 2020: Based on the CPI

Santa Monica Minimum Wage

Year	Businesses with 26 or more employees	Businesses with 25 or less employees	All Hotels
2016	\$10.50	\$10.00	\$13.25
2017	\$12.00	\$10.50	\$15.66
2018	\$13.25	\$12.00	Inc. by CPI
2019	\$14.25	\$13.25	Inc. by CPI
2020	\$15.00	\$14.25	Inc. by CPI
2021	\$15.00	\$15.00	Inc. by CPI

Sunnyvale City Minimum Wage

Jan. 1, 2017: \$13.00 per hour
 Jan. 1, 2018: \$15.00 per hour

Following years: adjustment of the minimum wage based on regional CPI increase

Citations:

WageIndicator 2018, Paywizard.org, Minimum Wage California
<http://www.paywizard.org/main/salary/minimum-wage/California>

California Minimum Wage Across Cities and Towns 2018 Guide for Employers
<https://www3.swipeclock.com/blog/california-minimum-wage-across-cities-towns-2018-guide-employers/>

ATTACHMENT "B"



AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Brian Saeki, City Manager
By: Nick Kimball, Finance Director

Date: June 1, 2015

Subject: Update of City of Los Angeles Recent Action to Increase Minimum Wage

RECOMMENDATION:

It is recommended that the City Council:

- a. Receive and file a staff presentation on the City of Los Angeles' increase of minimum wage; and
- b. Provide staff with direction.

BACKGROUND:

1. On May 19, 2015, the City of Los Angeles City Council voted to approve a plan to increase the City's minimum wage to \$15 per hour by July 1, 2020.
2. Beginning in 2016, the minimum wage in the City of Los Angeles will increase as follows:
 - a. July 1, 2016: \$10.50
 - b. July 1, 2017: \$12.00
 - c. July 1, 2018: \$13.25
 - d. July 1, 2019: \$14.25
 - e. July 1, 2020: \$15.00
3. Beginning in 2017, a modified minimum wage schedule for businesses with 25 or fewer employees will increase as follows:
 - a. July 1, 2017: \$10.50
 - b. July 1, 2018: \$12.00
 - c. July 1, 2019: \$13.25
 - d. July 1, 2020: \$14.25
 - e. July 1, 2021: \$15.00

Update of City of Los Angeles Recent Action to Increase Minimum WagePage 2 of 4

4. Non-profit organizations with 25 or fewer employees may apply with a waiver if they meet certain criteria set forth by the City of Los Angeles.
5. Beginning July 1, 2022, the minimum wage will increase annually based on the average Consumer Price Index over the previous 20 years.
6. On September 25, 2013, the California Legislature enacted legislation, signed by the Governor, raising the minimum wage for all industries. Accordingly, effective July 1, 2014, the minimum wage in California was increased to \$9.00 per hour. Additionally, effective January 1, 2016, the minimum wage in California is \$10.00 per hour.

ANALYSIS:

Minimum wage is the minimum hourly wage an employer can pay an employee for work. Minimum wage may be set by federal, state, or local governments, but cannot be less than the federal minimum wage, which is currently \$7.25 per hour. The State of California has enacted a higher minimum wage that is currently \$9.00 per hour and will increase to \$10.00 per hour on January 1, 2016. The City of Los Angeles recently approved raising the minimum wage within their City limits to \$10.50 per hour on July 1, 2016 with incremental increases thereafter until the City's minimum wage reaches \$15 per hour in 2020.

To support their decision, the City of Los Angeles retained numerous consultants and commissioned an economic study from the Institute for Research on Labor and Employment's Center on Wage and Employment Dynamics at the University of California, Berkeley (Attachment "A"). The study concluded, the proposed minimum wage increase would provide significant gains in income to Los Angeles' low-wage workers and their families. Most businesses would be able to absorb the increased costs, and consumers would see a small one-time increase in restaurant prices. The increases impact on overall employment is not likely to be significant.¹

There are many important considerations to analyze before making a decision to increase minimum wage. The City of San Fernando is in a relatively unique position as the City is completely surrounded by the City of Los Angeles with the nearest incorporated cities – Santa Clarita, Glendale, Simi Valley and La Cañada – Flintridge – more than ten (10) miles away. Therefore, businesses in San Fernando compete directly with businesses in Los Angeles for both employees and customers. Businesses also weigh the total cost of doing business when deciding where to locate. Cost of business decisions typically consider local permit costs, business license fees, other taxes, and wage requirements.

¹ M. Reich, K. Jacobs, A. Bernhardt, and I. Perry (2014); *The Mayor of Los Angeles' Proposed City Minimum Wage Policy: A Prospective Impact Study*; Center on Wage and Employment Dynamics Study, University of California, Berkeley

Update of City of Los Angeles Recent Action to Increase Minimum WagePage 3 of 4

In accordance with state law, San Fernando's minimum wage will increase to \$10.00 per hour effective January 1, 2016. Further increasing the City's minimum wage to match Los Angeles' minimum wage schedule would increase the cost of doing business in San Fernando, which may, in turn, put upward pricing pressure on local goods and services. Conversely, failing to increase the minimum wage may keep the cost of doing business in San Fernando lower relative to City of Los Angeles, but may put the City's businesses at a competitive disadvantage in the labor pool due to lower wages. It is important to note, if local businesses are having trouble with hiring staff that meets their needs due to low wages, they may make the business decision to increase wages above the minimum wage to better compete in the labor pool.

The economic study included as Attachment "A" ("Study") provides information specific to the City of Los Angeles. However, using the demographic and economic data provided in the report for the City of Los Angeles as well as demographic and economic data available for the City of San Fernando, staff can extrapolate an estimated impact on the effect of a minimum wage increase on workers in San Fernando.

Estimating the impact of a minimum wage increase on business operating costs specific to San Fernando will be a little more difficult. However, the Study explores the impact to three industries – 1) Restaurant, 2) Retail, and 3) Manufacturing – which are all prominent industries in San Fernando. Together, those three industries account for approximately thirty percent (30%) of the City's sales tax base.

Overall, the Study concludes there is a net positive economic impact to increasing the minimum wage. It should be noted that there are also studies that conclude there is a net negative economic impact to increasing the minimum wage. This particular Study has been highlighted because it formed the basis for the City of Los Angeles' decision to increase minimum wage.

BUDGET IMPACT:

The specific budget impact is contingent on the direction given by City Council and may range from little to no budget impact to a very significant budget impact. See options in the Conclusion of this report for a brief identification of potential budget impact.

CONCLUSION:

Staff is seeking City Council direction related to further discussion and community outreach related to a potential minimum wage increase in San Fernando. Potential direction include, but is not limit to, the following:

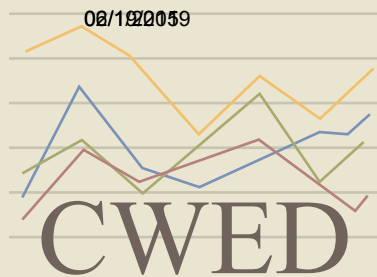
1. Do not pursue increasing the minimum wage at this time (no budget impact);

Update of City of Los Angeles Recent Action to Increase Minimum WagePage 4 of 4

2. Continue to pursue increasing the minimum wage and direct staff to conduct the related analysis (minimal budget impact with a few month turnaround);
3. Continue to pursue increasing the minimum wage and engage an economic consultant to calculate the specific impact on San Fernando (significant budget impact and potentially significant turnaround).

ATTACHMENT:

- A. M. Reich, K. Jacobs, A. Bernhardt, and I. Perry (2014); *The Mayor of Los Angeles' Proposed City Minimum Wage Policy: A Prospective Impact Study*; Center on Wage and Employment Dynamics Study, University of California, Berkeley



Center on Wage and Employment Dynamics

Institute for Research on Labor and Employment
University of California, Berkeley

The Mayor of Los Angeles' Proposed City Minimum Wage Policy: A Prospective Impact Study

by Michael Reich, Ken Jacobs, Annette Bernhardt and Ian Perry

This report was prepared at the request of the Mayor of Los Angeles

Michael Reich is a Professor at UC Berkeley and Director of the UC Berkeley Institute for Research on Labor and Employment; Ken Jacobs is the Chair of the UC Berkeley Center for Labor Research and Education; Annette Bernhardt is a visiting professor of sociology and visiting researcher, Institute for Research on Labor and Employment; Ian Perry is a researcher at the UC Berkeley Center for Labor Research and Education.

This report draws on material in Reich, Jacobs and Bernhardt (2014) and Reich, Jacobs, Bernhardt and Perry (2014), as part of a continuing series of policy briefs that the Center on Wage and Employment Dynamics is issuing on local minimum wage policies.

Acknowledgments: We thank staff of the California Employment Development Department as well as Jennifer Bair, Laurel Lucia, Peter Olney and Goetz Wolff for their helpful assistance.

Executive Summary

The Mayor of Los Angeles has requested that UC Berkeley's Institute for Research on Labor and Employment conduct an impact study of his proposal to establish a city-wide minimum wage of \$13.25 an hour by 2017, phased in over three steps. This report therefore examines the effects of the minimum wage policy on Los Angeles workers, businesses and the overall economy. Drawing on a variety of government data sources, we find the following:

About 567,000 workers – or 37 percent of workers covered by the policy – would receive a pay raise under the proposed law by 2017.

- 39 percent of female workers and 35 percent of male workers would receive pay increases.

Workers' hourly wages and annual incomes would rise, resulting in a total increase in aggregate earnings of \$1.8 billion (in 2014 dollars) by 2017.

- Hourly wages of affected workers would rise by an average of \$1.89 per hour.
- Average annual earnings would increase by 21 percent, or about \$3,200 per year.

Adults, workers of color, and working poor families would see significant benefits from the proposed policy.

- 97 percent of affected workers are in their twenties or older, and 59 percent of the workers receiving raises are in their thirties or older.
- The average worker who would benefit from the law contributes 51 percent of his or her family's income.
- Workers of color (black, Hispanic, Asian and other) will disproportionately benefit from the law, representing about 83 percent of affected workers.
- The affected workers have a wide range of educational backgrounds—46 percent have at least some college and 14 percent have a bachelor's degree or higher.
- Over 80 percent of Los Angeles workers who are in low-income families will receive an increase in income from the proposed law.
- The current median annual earnings of affected workers is about \$16,000, or 44 percent of the median annual earnings in Los Angeles (\$36,000).

Previous economic research on federal, state and local minimum wage increases has found little to no measurable effect on employment or hours from minimum wage policies.

- Instead, research evidence indicates that the costs of minimum wage increases are absorbed through reduced worker turnover, improved worker performance and small one-time increases in restaurant prices. Increased costs may also be offset by the additional spending by low-wage workers and their families, acting as an economic stimulus in local economies.

The proposed minimum wage law would have a modest impact on business operating costs and consumer prices.

- About half of all affected workers are employed in four industries: restaurants (17.4 percent); retail trade (13.9 percent); health services (11.7 percent); and administrative and waste management services (9.5 percent).
- Operating costs would increase by 0.6 percent for retailers, by 4.7 percent for restaurants, and by 0.4 percent in the manufacturing sector by the time the proposed law is fully implemented in 2017.
- Restaurant prices would increase by 4.1 percent by the time the law is fully implemented. A \$10 meal would increase by 41 cents, to a total of \$10.41. For retail and the local economy as a whole, price increases would be negligible.
- We cannot rule out the possibility that the restaurant industry might experience small reductions in growth (about 560 fewer jobs a year) over the three year phase-in of the proposed law, and that some apparel manufacturing jobs might relocate outside the city.

The percentage increase in the proposed minimum wage policy is above the average of existing local minimum wage laws, but within their range.

- The proposal would raise Los Angeles' minimum wage by 47.2 percent over 3 years in nominal dollars (adjusted for inflation, the percentage increase is 36.7 percent). The 14 existing local minimum wage laws in the U.S. have mandated an average total increase of 41.3 percent, with a range of 13.3 percent to 84.5 percent.
- The proposed policy would increase the minimum wage to 59 percent of the Los Angeles median wage for full-time workers. This ratio is similar to the ratio for Seattle, and somewhat above the 55 percent historical peak for the ratio of the federal minimum wage to the national median wage.

In sum, the proposed policy would provide significant gains in income to Los Angeles' low-wage workers and their families. Most businesses would be able to absorb the increased costs, and consumers would see a small one-time increase in restaurant prices. The policy's impact on overall employment is not likely to be significant.

Introduction

The Mayor of Los Angeles has requested that UC Berkeley's Institute for Research on Labor and Employment conduct an impact study of his proposed minimum wage law for the city of Los Angeles. The proposal under consideration would establish a minimum wage of \$13.25 an hour for businesses operating in the city by 2017. The minimum wage would be raised to \$10.25 an hour in 2015; to \$11.75 in 2016; and to \$13.25 in 2017 (see Table 1). It would then be indexed to inflation in subsequent years. The proposed law would cover everyone who works in Los Angeles (except state and federal government employees and the self-employed).

In this report, we first estimate the number of workers that would be affected by the law and describe their demographic and job characteristics. We next estimate the resulting increase in wages and analyze their likely impacts on business costs, prices and employment, drawing in part on previous research. We then compare the magnitude of the proposed increase to those in existing local minimum wage laws.

Table 1. The Mayor of Los Angeles' Proposed Minimum Wage Policy

Year	Nominal Dollars	Constant 2014 Dollars
2015	\$10.25	\$10.00
2016	\$11.75	\$11.18
2017	\$13.25	\$12.30

Notes: Constant dollar values are calculated using the average annual change for the past ten years of the Los Angeles-Anaheim-Riverside Consumer Price Index for All Urban Consumers (CPI-U).

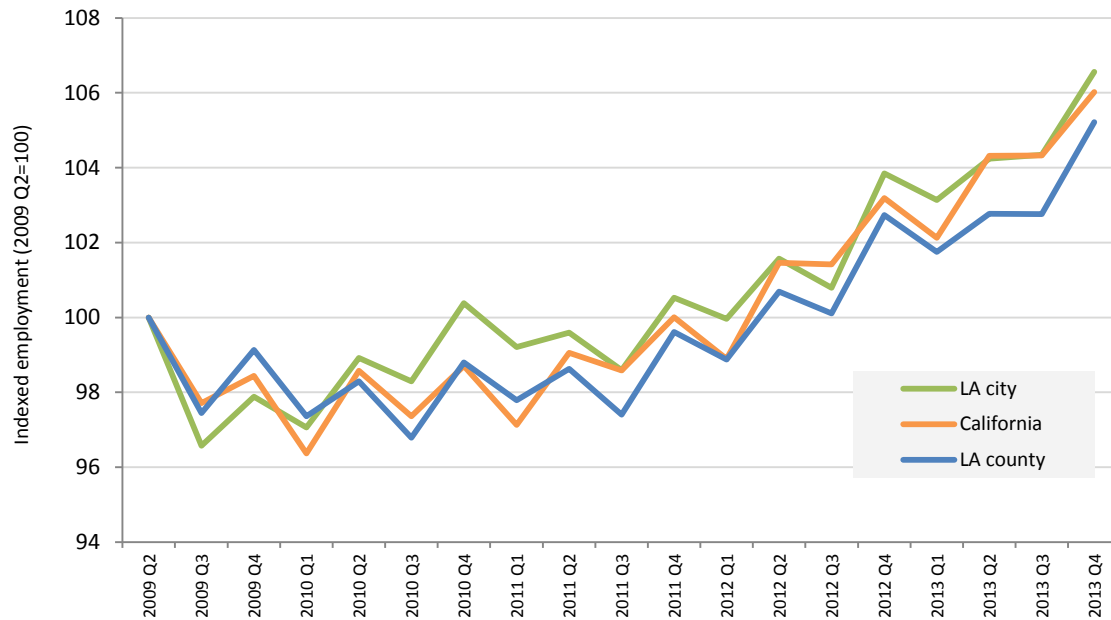
Background

Although Los Angeles experienced significant job losses and unemployment during the Great Recession, its recovery is well on track. Employment growth during the recovery has matched that of California and Los Angeles County (see Figure 1). During the past year (July 2013 to July 2014), the city's employment growth rate of 2.7 percent has outpaced California's of 1.6 percent.¹ And while the city's current unemployment rate of 9.1 percent is higher than California's (7.4 percent), it has been declining at about the same rate as the state's.² In particular, analysts point to the recent rebound of the construction sector in projecting continued economic growth in the coming years (Beacon Economics 2014; Kleinhenz 2014).

By contrast, workers' wages have not recovered. Between 2007 and 2012, median annual earnings (adjusted for inflation) fell by 11.3 percent for those who work in the city of Los Angeles.³ And according to a recent Brookings Institution report, household income inequality in Los Angeles ranks ninth among U.S. cities and has increased since the start of the recession (Berube 2014).

Los Angeles is one of many localities looking to set their minimum wages at levels that reflect local economic conditions and living costs. To date, 14 cities and counties have approved local minimum wage laws, with Seattle capturing national attention this spring when it approved a minimum wage of \$15 an hour, to be phased in over several years. In California, San Jose voters approved a minimum wage initiative in 2012, and San Diego, Berkeley and Richmond all adopted city minimum wage laws this summer. Oakland will vote on a \$12.25 minimum wage in November, and San Francisco will vote on a \$15 minimum wage.

Figure 1. Change in Employment Since Start of Recovery
(Indexed to 2009 Q2)



Source: Quarterly Census of Employment and Wages and UCLA Anderson Forecast (2014). Data are not seasonally adjusted.

Impacts on Workers

Estimated Number of Affected Workers

To estimate the number of workers affected by the proposed minimum wage increase, we obtain the wage distribution of workers in Los Angeles County using the 2012 American Community Survey (ACS), scaled to approximate employment counts for the city of Los Angeles.⁴ This step is necessary because the ACS does not allow us to identify individuals who work in the city of Los Angeles; the smallest geographic area for measuring place of work is the county. (Using place of work data is critical for analyzing wages because 54.4 percent of those who work in the city of Los Angeles live outside the city).⁵ Our analysis suggests that the Los Angeles County wage distribution serves as a good proxy for the city of Los Angeles wage distribution. For example, 2012 median annual earnings were \$31,754 for workers employed in Los Angeles County and \$31,746 for workers employed in the city of Los Angeles.⁶ We do not include self-employed workers or federal or state government employees in our sample, since these groups of workers are not covered by the proposed Los Angeles law (the latter because of limits on city authority to regulate state and federal employers).

After simulating the wage distribution in the city of Los Angeles just before the proposed minimum wage law would go into effect in 2015, we estimate, for each yearly phase-in step, the number of workers that would be affected by the increase and the additional wages they would receive as a result. We also project

the wage distribution if the proposed law is not adopted; our impact estimates are therefore a comparison of wages under the proposed minimum wage law to wages under the state minimum wage law. In constructing these estimates, we also adjust for expected employment growth and wage growth (see Welsh-Loveman, Perry and Bernhardt (2014) for more details).

Our model produces a low and a high estimate to account for measurement error. Both estimates include a directly affected group (workers who make less than the proposed minimum wage) and an indirectly affected group (workers who make slightly more than the proposed minimum wage, but who are also likely to receive a small raise via what is known as the “ripple effect”). The two estimates differ in their assumptions about the size of the ripple effect and the number of very low-wage earners (workers making less than the minimum wage). More information on our methodology is available in the online technical appendix (Welsh-Loveman, Perry and Bernhardt 2014). In this report we present the average of the two estimates, unless otherwise noted.

Table 2 shows the estimated number and percent of workers affected by Los Angeles’ proposed minimum wage increase.⁷ By 2017, 36.9 percent of covered workers will receive pay raises, or about 567,000 workers. The majority of the affected workers are directly affected workers – that is, those earning less than \$13.25 when the law is fully implemented in 2017.

Table 2. Number of Workers Affected by Los Angeles’ Proposed Minimum Wage Increase

Year	Average Estimate		Low Estimate		High Estimate	
	Number of Workers	Percent of Covered Workers*	Number of Workers	Percent of Covered Workers*	Number of Workers	Percent of Covered Workers*
2015	413,000	27.7	390,505	26.1	436,389	29.2
2016	510,000	33.7	489,823	32.3	530,944	35.0
2017	567,000	36.9	544,500	35.4	589,900	38.4

Source: Authors’ analysis of ACS, OES, and QCEW data.

* The proposal does not cover self-employed and state and federal workers.

Note: The average estimate is the average of the low and high estimates.

Estimated Size of Wage Increases

We also estimate the additional earnings that affected workers would receive as a result of the proposed city minimum wage law, relative to their earnings under the state’s minimum wage law. Table 3 presents four measures: the average increase in hourly wages, the average increase in annual earnings, the average percentage increase in annual earnings, and the total projected increase in earnings. By full implementation in 2017, we estimate that hourly wages of affected workers will have risen by about \$1.89 and that their annual earnings will have risen by about \$3,200, an increase of about 21.4 percent. In total, workers will earn about \$1.8 billion more in the first year of full implementation as a result of the higher wage rate. All estimates are expressed in 2014 dollars.⁸

Table 3. Cumulative Pay Increases for Workers Affected by Los Angeles' Proposed Minimum Wage Law (in 2014 dollars)

	2015	2016	2017
Average Hourly Wage Increase	\$0.72	\$1.08	\$1.89
Average Annual Earnings Increase	\$1,100	\$1,800	\$3,200
Average Percent Annual Earnings Increase	8.1	12.3	21.4
Total Increase In Earnings (millions)	\$442	\$936	\$1,831

Source: Authors' analysis of ACS, OES, QCEW, and BLS data.

Notes: Results are cumulative across the phase-in years. Estimates are the average of low and high estimates.

Demographics of Affected Workers

Table 4 profiles key demographic characteristics of the workers affected (both directly and indirectly through the ripple effect) by the proposed Los Angeles minimum wage law.

The first column of Table 4 displays the distribution of affected workers among demographic groups. For example, 50.7 percent of affected workers are women and 49.3 percent are men. Column 2 shows the same breakdown for all covered workers in Los Angeles. The last column shows the percentage of workers in each demographic group that will be affected by the proposed law. For example, 38.6 percent of female workers and 35.2 percent of male workers will receive a wage increase under the proposed law.

Contrary to the common perception that minimum wage workers are mainly teens, we estimate that 97 percent of affected workers are in their twenties or older, and that 59 percent of the workers receiving raises are in their thirties or older. Over one-third (36.4 percent) of affected workers have children and 35 percent are married. On average, affected workers contribute 51.0 percent of family income.

Workers of color will disproportionately benefit from the law, representing about 83 percent of affected workers. Over half of affected workers are immigrants (51.8 percent). The families of affected workers are disproportionately low-income (with 51.3 percent at or below 200 percent of the federal poverty level). Over four-fifths of working poor families will receive an increase in income from the proposed law. Compared to the overall workforce, affected workers are less likely to hold a Bachelor's degree.

Job Characteristics of Affected Workers

In Table 5, we profile the job characteristics of workers affected by the proposed minimum wage law. The median of annual earnings among the affected workers is less than half of the median for the Los Angeles workforce as a whole. Affected workers are also more likely to work part-time and part-year than the overall workforce, and are less likely to have health insurance provided by their employer.

The industry breakdown is also instructive. About half of all affected workers are employed in four industries: restaurants (17.4 percent); retail trade (13.9 percent); health services (11.7 percent); and administrative and waste management services (9.5 percent). (The latter set of industries includes building services contractors and employment agencies). Several smaller industries also have a disproportionate number of affected workers, such as accommodation, apparel manufacturing, social assistance and other services.

Table 4. Demographic Characteristics of Workers Affected by Los Angeles' Proposed Minimum Wage Increase
(all figures are percentages unless otherwise noted)

	% of All Affected Workers	% of All Covered Workers	% of Group Affected
Gender			
Male	49.3	51.6	35.2
Female	50.7	48.4	38.6
Median Age			
	33	39	
Age			
18-19	3.2	1.4	83.2
20-29	38.0	23.8	58.9
30-39	21.7	25.1	31.8
40-54	27.2	35.7	28.1
55-64	9.9	14.0	26.3
Race/Ethnicity			
White (Non-Hispanic)	17.2	29.0	21.9
Black (Non-Hispanic)	5.8	7.4	28.9
Hispanic	62.6	44.9	51.4
Asian (Non-Hispanic)	12.1	16.1	27.7
Other (Non-Hispanic)	2.2	2.6	32.2
Education			
Less than High School	27.8	14.6	70.0
High School or G.E.D.	26.0	18.5	51.8
Some College	26.1	23.5	41.0
Associate's Degree	5.7	7.8	27.0
Bachelor's Degree or Higher	14.5	35.6	15.0
Country of Birth			
U.S. Born	48.2	57.5	31.0
Foreign Born	51.8	42.5	44.9
Family Structure			
Married	35.0	46.6	27.7
Have Children	36.4	42.8	31.4
Family Income Relative to Poverty Level (FPL)			
Less than 100% of FPL	16.1	6.8	87.2
100% to 150% of FPL	18.6	8.4	81.3
150% to 200% of FPL	16.7	9.0	68.1
Greater than 200% of FPL	48.7	75.8	23.6
Average Worker Share of Family Income			
	51.0	62.4	

Source: Authors' analysis of ACS, OES, and QCEW data.

Notes: Estimates for affected workers are the average of low and high impact estimates.

Table 5. Job Characteristics of Workers Affected by Los Angeles' Proposed Minimum Wage Increase
(all figures are percentages unless otherwise noted)

	% of All Affected Workers	% of All Covered Workers	% of Group Getting a Raise
Median Individual Annual Earnings (in 2014 Dollars)	\$16,000	\$36,000	
Full-Time / Part-Time Worker			
Full-Time (35 or More Hours per Week)	67.4	80.3	31.0
Part-Time (Fewer than 35 Hours per Week)	32.6	19.7	61.0
Full-Year / Part-Year Worker			
Full-Year (50-52 Weeks per Year)	82.1	86.0	35.2
Part-Year (Fewer than 50 Weeks per Year)	17.9	14.0	47.1
Sector			
Private Sector Employer	87.6	78.2	41.3
Non-Profit Employer	5.8	7.9	27.2
Local Government	6.6	13.9	17.6
Health Insurance Provided by Employer			
Yes	42.0	66.4	23.3
No	58.0	33.6	63.7
Industry			
Agriculture, Forestry, Fishing, Hunting, and Mining	0.2	0.2	50.0
Construction	2.5	2.7	34.5
Manufacturing	7.2	6.6	39.9
Wholesale Trade	4.5	4.5	36.4
Retail Trade	13.9	9.3	54.9
Transportation, Warehousing, and Utilities	3.6	5.4	24.8
Information and Communications	1.9	3.8	18.3
Finance, Insurance, Real Estate, and Rental and Leasing	3.7	6.3	21.8
Professional, Scientific, and Management	3.8	9.4	15.0
Administrative and Waste Management Services	9.5	6.3	55.6
Educational Services	5.9	8.1	26.8
Health Services	11.7	14.5	29.8
Social Assistance	3.9	3.2	44.4
Arts, Entertainment, Recreation	2.2	2.2	37.0
Accommodation	1.6	1.3	46.4
Restaurants and food services	17.4	8.3	77.3
Other Services	5.8	3.7	57.9
Public Administration	0.7	4.2	6.5

Source: Authors' analysis of ACS, OES, and QCEW data.

Notes: Estimates for affected workers are the average of low and high impact estimates.

Impacts on Businesses

Impact on Costs for Business Owners

We next estimate the impact of Los Angeles' proposed minimum wage law on the operating costs of businesses. Our analysis compares the estimated increase in total labor costs resulting from the proposed law to the existing labor costs paid by employers, drawing on our estimates in Table 2 and Table 3 above.

Table 6. Cumulative Impact of Los Angeles' Proposed Minimum Wage Increase On Business Operating Costs

	2015	2016	2017
Restaurant Industry			
% Change in Payroll Costs	4.2	7.6	14.0
Labor Costs as % of Operating Costs*	31.0	31.9	33.5
% Change in Operating Costs	1.3	2.4	4.7
Retail Industry			
% Change in Payroll Costs	1.3	2.7	5.2
Labor Costs as % of Operating Costs*	11.0	11.1	11.4
% Change in Operating Costs	0.1	0.3	0.6
Manufacturing Sector			
% Change in Payroll Costs	0.8	1.6	3.0
Labor Costs as % of Operating Costs*	13.0	13.1	13.3
% Change in Operating Costs	0.1	0.2	0.4

Source: Authors' analysis of ACS, OES, QCEW, Economic Census, U.S. Census Monthly and Annual Retail Trade and BEA data.

* Labor costs exclude health insurance.

Table 6 shows our analysis of the estimated increase in business operating costs in three industries that play a key role in the Los Angeles economy and that have significant numbers of low-wage workers. By 2017, businesses' total payroll costs will increase by 14.0 percent in the restaurant industry, 5.2 percent in the retail industry, and 3.0 percent in the manufacturing sector, compared to payroll costs under state minimum wage law. However, operating costs will rise by a much smaller amount, since labor costs only make up a portion of total operating costs that businesses face. Labor costs excluding health benefits currently account for 31 percent of restaurant operating costs, 11 percent of retail operating costs and 13 percent of manufacturing operating costs (these percentages will increase over time as labor costs rise due the proposed minimum wage increase).⁹ We therefore estimate that by 2017, total operating costs will increase by 4.7 percent for restaurants, by 0.6 percent for retail and by 0.4 percent for manufacturing, as a result of the proposed minimum wage law.

Offsets to Increased Business Costs

As reviewed in detail by Reich, Jacobs and Bernhardt (2014), businesses absorb the costs of a higher minimum wage in a variety of ways. One mechanism, discussed next, involves increases in prices. Others

include improved worker performance and reduced turnover. We also summarize what the research evidence shows in terms of impacts on employment and hours, and briefly discuss possible responses in apparel manufacturing in particular. Finally, we review the potential benefits from increased spending by affected workers and their families.

Impact on Restaurant and Retail Prices

Firms may adjust to increased costs by passing on some or all of the increases to consumers through higher prices. Since the minimum wage applies to all employers, individual firms such as restaurants that serve the local market will be able to pass costs through to consumers without experiencing a competitive disadvantage within their industry.

Research by Aaronson, French and MacDonald (2008) has found that for every percentage point increase in the minimum wage, restaurant prices rise by 0.072 percent. Preliminary results from a study of San Jose's recent minimum wage increase (from \$8 to \$10 in March 2013) arrive at a similar estimate (Allegretto and Reich 2014). An earlier study (Lee et al. 2000) showed that restaurant operating costs increase by about 0.1 percent for each percentage increase in the minimum wage (see also Benner and Jayaraman 2012). These studies together thus suggest that 70 to 75 percent of cost increases are passed on as higher restaurant prices.

In Table 7 we provide our estimates of the impact on restaurant and retail prices under the proposed Los Angeles minimum wage law.¹⁰ (We do not estimate likely price adjustments for manufacturing because the minimum wage research literature does not offer guidance on how this sector will adjust.) For restaurants, we predict a cumulative increase in prices of 4.1 percent by 2017, which is very similar to the prediction from the research literature above. The price of a \$10 menu item would thus increase very modestly, to \$10.41. (Prices in the restaurant industry overall have increased about 2.1 percent per year in recent years.) For retail trade and the local economy as a whole, price increases would be negligible.

Table 7. Cumulative Percentage Increase of Restaurant and Retail Prices Under Los Angeles' Proposed Minimum Wage Law

	2015	2016	2017
Restaurant Industry	1.1	2.1	4.1
Retail Industry	0.1	0.3	0.5

Source: Authors' analysis of ACS, OES, QCEW, U.S. Census Monthly and Annual Retail Trade and BEA data.

Note: Estimates are the average of low and high estimates.

Impact on Turnover and Productivity

Increasing the minimum wage can also reduce the high levels of job churning that characterize low-wage labor markets. The National Restaurant Association estimates that annual employee turnover in restaurants approaches 75 percent in some restaurant classifications (National Restaurant Association 2010). Turnover levels are high because workers often leave to find a higher-wage job, or because they are unable to stay in their jobs due to poverty-related problems such as difficulties with transportation, child

care, or health. Dube, Naidu and Reich (2007) found that worker tenure increased substantially in San Francisco restaurants after the 2003 minimum wage law, especially in fast-food restaurants. Dube, Lester and Reich (2013) found that a 10 percent increase in the minimum wage results in a 2.1 percent reduction in turnover for restaurant workers. Turnover can be quite costly to firms, even for low-wage workers. Boushey and Glynn (2012) find that the median cost of replacement for a job paying \$30,000 a year or less is 16.1 percent of an employee's annual earnings. As a result, raising the minimum wages can reduce turnover and increase job stability. The associated reduction in employers' recruitment and retention costs offsets about 20 to 25 percent of the costs of minimum wage increases (Dube, Lester and Reich 2013).¹¹

Paying workers more can also affect morale, absenteeism, the number of grievances, customer service, and work effort among other metrics (Reich, Jacobs and Dietz 2014; Hirsch, Kaufman and Zelenska 2011).

Impact on Employment and Hours

The above research on prices, turnover, and work performance helps to explain why an extensive body of research has found few to no measurable impacts on employment or hours from minimum wage increases in the United States. Belman and Wolfson (2014) provide the most extensive recent summary of the minimum wage research literature. They conclude that minimum wage employment effects in the U.S. are "both vanishingly small and not statistically significant in even the most generous test" (p. 168). A separate review of minimum wage research by Schmitt (2013) similarly finds "the minimum wage has little or no discernible effect on the employment prospects of low-wage workers."

Allegretto, Dube, Reich and Zipperer (2013) looked at every state and federal minimum wage increase in the U.S. between 1990 and 2012 and identified several hundred pairs of adjacent counties that were located on different sides of a state border with a minimum wage difference. This research design compares the employment trends of the most affected groups – teens and restaurants – across adjacent counties with different minimum wage levels. The comparison across county borders provides a close proxy for what can be expected from local minimum wage laws. The study finds no statistically significant effects of minimum wage increases on either employment or hours in restaurants and other low-wage industries, controlling for a range of regional and local differences. Using the border county pair method, Aaronson, French and Sorkin (2013) obtained similar results.

Several rigorous studies have analyzed the impact of local minimum wage laws, with similar results. Dube, Naidu and Reich (2007) studied the impact of San Francisco's minimum wage law after it increased from \$6.75 to \$8.50 an hour in 2004. The authors surveyed a sample of restaurants before and after the wage increase. The sample included restaurants from San Francisco as well as neighboring East Bay cities that were not covered by the policy.

The authors found no statistically significant negative effects on either employment or the proportion of full-time jobs as a result of the San Francisco law. This finding holds for both full-service and fast-food restaurants (one might expect more sensitivity to a higher minimum wage in the latter). Figure 2 shows the results from their follow-up study (Reich, Jacobs, and Dietz 2014). Restaurant employment in San Francisco rose slightly faster than in surrounding counties after the minimum wage increase, and again after San Francisco implemented two additional policies (paid sick leave and a health spending requirement).

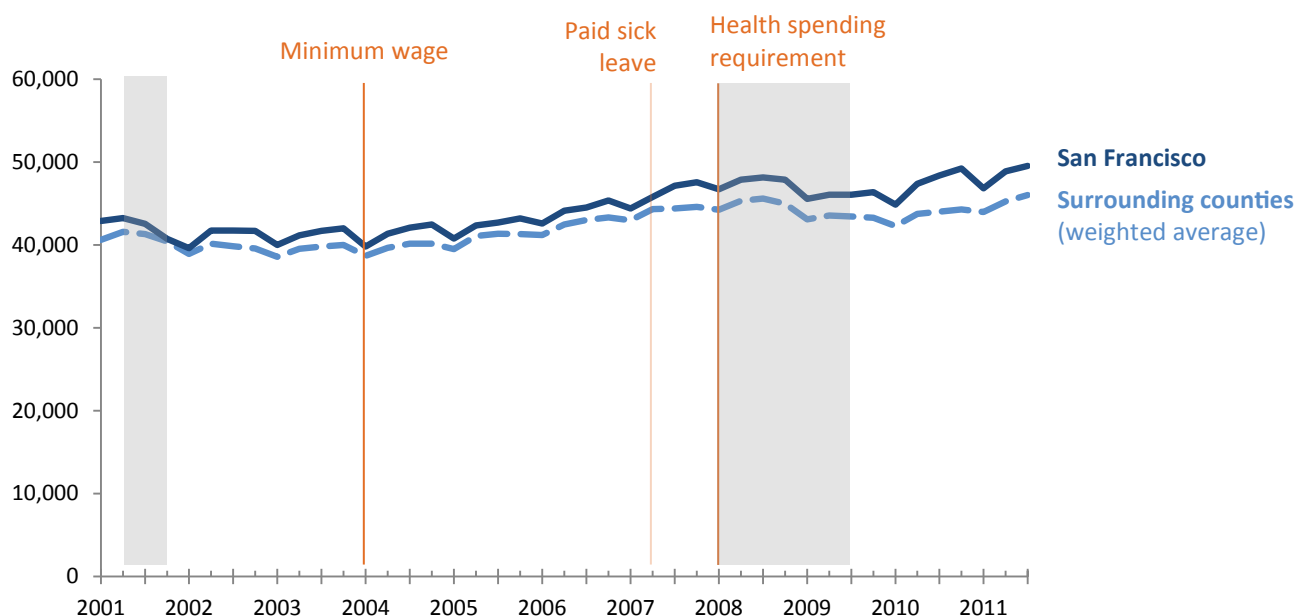
Potter (2006) studied the impact of Santa Fe's minimum wage law after it increased from \$5.15 to

\$8.50 in 2004, a substantial increase of 65 percent. Potter compares changes in employment at Santa Fe businesses before and after the ordinance went into effect, and to changes in employment in nearby Albuquerque over the same time period. (Albuquerque did not have a city minimum wage law at that time.) Potter found no statistically significant negative impact of Santa Fe's minimum wage increase on the city's employment. This finding also held for accommodation and food services, the industries with the highest proportion of minimum wage workers.

Schmitt and Rosnick (2011) studied the impact of city minimum wage laws in San Francisco and Santa Fe, comparing employment trends in these cities before and after their minimum wage increases to control groups of surrounding suburbs and nearby metropolitan areas. The authors focused on fast-food restaurants, food services, retail trade, and other low-wage industries, and found no discernible negative employment effects, even three years after the ordinances were implemented.¹²

In summary, the best research studies find that minimum wage mandates (in the range implemented to date) do not have a statistically significant negative effect on employment or hours. However, the minimum wage increase proposed for Los Angeles is higher than the range studied in existing research. We therefore cannot rule out limited disemployment effects in highly affected industries. The most affected industries are likely to be restaurants (and apparel manufacturing, to which we turn below). To illustrate the potential magnitudes involved, we have modeled a scenario that uses high-range estimates of restaurant employment losses due to minimum wage increases (Allegretto et al. 2013; Zipperer 2014). Under this scenario, the proposed law might reduce restaurant employment growth in the city of Los Angeles by about 560 jobs per year – or 0.5 percent of annual employment – over the next three years. To place this estimate in context, consider that the Los Angeles restaurant industry grew by 3.5 percent from February 2013 to February 2014 (Beacon Economics 2014). This estimate can also be compared to the large number of Los Angeles' restaurant workers – 77 percent – who will receive significant wage increases.

Figure 2. Bay Area Restaurant Employment



Source: Reich, Jacobs and Dietz (2014)

Notes: Shaded areas indicate recessions. Surrounding counties include San Mateo, Santa Clara, and Alameda Counties.

Impact on the Location of Apparel Manufacturing

Wages in the Los Angeles manufacturing sector range from very low in apparel manufacturing to much higher in aerospace and biotech manufacturing. As seen in Table 6, the impact on operating costs for the city's manufacturing sector as a whole is relatively small, but this estimate averages across very different industries. In particular, for apparel manufacturing, the impact of the proposed minimum wage law on operating costs by 2017 is larger, at 3.3 percent. Unfortunately, the existing research literature does not give guidance on how apparel firms are likely to adjust to minimum wage increases. We do know that employment in the Los Angeles apparel industry exhibits a long-term downward trend due to the globalization of production, and that the industry currently represents 1.7 percent of employment (28,000 jobs in the third quarter of 2013). Two scenarios are possible for the firms that remain.¹³ On the one hand, the apparel manufacturers that still operate in Los Angeles are there because of specific location advantages, serving just-in-time markets or specializing in higher-end segments of the industry – and those advantages might outweigh the impact of a minimum wage increase. If all manufacturers in the city fit this description, employment would not decline because of the proposed law, but prices might increase by as much as 3.3 percent. On the other hand, smaller garment contractors in particular are quite mobile and therefore might move from the city of Los Angeles to other locations within the county, where the minimum wage would remain lower. The actual effect is likely to be somewhere between these two scenarios.

Impact on Consumer Spending

Finally, a higher minimum wage will boost consumer spending by low- and moderate-income households whose workers receive pay increases, which in turn can act as a modest economic stimulus (Cooper and Hall 2012). Low-wage workers spend a greater share of their income than do other income groups. As with other forms of economic stimulus, the increased spending would have a multiplier effect resulting in additional benefits to economic growth (Aaronson and French 2013; Cooper and Hall 2012). The industries that would gain the most from increased consumer spending include those that are also more highly affected by the minimum wage increase – such as restaurants and retail.¹⁴ While not all of the increased spending would be captured in the city, it would have a positive impact on consumer demand in the economic region. A full estimation of the consumer spending impact in Los Angeles is beyond the scope of this paper. But this stimulus effect is likely one of the factors that explains the consistent finding in the literature of no significant net employment effects of minimum wage increases.

The Overall Impact on the Los Angeles Economy

Given the above analysis, how will the proposed minimum wage increase affect the Los Angeles economy as a whole? There will be both positive and negative effects, and a key question is which will be larger. On the positive side, as Table 3 reports, by the time the law is fully implemented, Los Angeles' low-wage workers would receive about \$1.8 billion more in pay, beyond what they would receive under scheduled increases in the state's minimum wage law. These workers and their families will in turn spend this amount, some of it in Los Angeles, some of it in the rest of the county, and some elsewhere. The spending that takes place in Los Angeles will increase the level of economic activity. Also on the positive side, employer turnover costs will fall and worker productivity will increase. On the negative side, there may be a small reduction in restaurant growth during the law's phase-in period, some apparel jobs may relocate outside the city, some companies may earn lower profits, and we can expect a modest one-time price

increase, mainly in the restaurant industry. For moderate minimum wage increases, the findings in the minimum wage research literature indicate that these positive and negative effects on the overall economy balance each other out, without measurable net effects either way.

Still, the economic research summarized above is necessarily limited to studying the minimum wage laws that have been implemented to date. While these studies are suggestive, they cannot tell us definitively what might occur when minimum wages are increased significantly beyond existing local, state, or federal mandates. It is therefore useful to ask how Los Angeles' proposed minimum wage increase compares to those that have been implemented in the past.

Comparison to Other Minimum Wage Increases

As shown in Table 8, at the point of full implementation in 2017, the proposed ordinance will have increased Los Angeles' minimum wage by 47.2 percent in nominal dollars (adjusting for inflation, the percentage increase is 36.7 percent).

This percentage increase in the minimum wage is within the range of other local minimum wage laws. The 14 other local minimum wage laws in the U.S. have mandated a total average increase of 41.3 percent in their minimum wage, with a range of 13.3 to 84.5 percent.¹⁵ A number of these laws were also phased in over time. Across all existing local laws, first-year increases ranged from 6.7 to 65.0 percent, with an average of 22.0 percent. The first-year increase in Los Angeles would be 13.9 percent, so again, Los Angeles' proposed increase falls within the range of other cities' laws.

Table 8. Proposed Los Angeles Minimum Wage Increase Compared to Existing Local Minimum Wage Increases

	Proposed Los Angeles Increase	Existing Local Minimum Wage Laws	
		Average Increase	Range of Increases
Overall Increase	47.2	41.3	13.3 – 84.5
First-Year Increase	13.9	22.0	6.7 – 65.0

Source: Authors' analysis of statutory increases in 14 existing local minimum wage laws.

Note: Increases calculated in nominal dollars

The ratio of the minimum wage to the median full-time wage provides another measure used by economists to determine the ability of an economy to absorb higher minimum wage levels. The proposed final 2017 wage of \$13.25 (converted to 2014 dollars) equals 59 percent of the 2014 median full-time wage in Los Angeles of \$20.81 an hour. This ratio is above the historical range of the federal minimum wage/median ratio, which reached 55 percent in 1968 (Dube 2013) and it is equal to the 59 percent ratio in the new Seattle law (Weissman 2014). New research by Zipperer (2014) shows that the overall effects of past minimum wage increases have been no greater at up to 55 percent of the median wage than at lower percentages. The Los Angeles proposal can also be compared to current California minimum wage law. The minimum wage/median wage ratio will increase to just under 50 percent when California's minimum wage increases to \$10 on January 1, 2016 (Allegretto, Reich and West 2014).

While these perspectives on past increases are instructive, the share of workers projected to receive wage increases under the proposed law (37 percent), is higher than found in research on other laws. Caution is therefore required. As we have mentioned in the context of the restaurant industry, Los Angeles' proposed minimum wage increase could increase restaurant prices by about 4.1 percent, which in turn might have a small effect on restaurant industry growth. We also cannot estimate how low-wage manufacturing industries such as apparel will be affected. Nonetheless, the effect on employment overall in Los Angeles is not likely to be significant. The phase-in period would provide additional information on this issue.

Conclusion

Drawing on a variety of government data sources, we estimate that 567,000 workers would benefit from the proposed minimum wage law, with the average worker earning an additional \$3,200 a year (once the law is fully implemented). Our analysis of the existing economic research literature suggests that most businesses will adjust to modest increases in operating costs through reduced employee turnover costs, improved work performance, and a small, one-time increase in restaurant prices. A few industries might experience slower growth or some relocation of jobs outside the city; these effects would be far outweighed by the income increases of the low-wage workforce as a whole.

The existing research evidence is based upon minimum wage increases between 1990 and 2012, which did not reach the levels now being proposed or enacted by Los Angeles, San Francisco, Seattle and other localities. Prudence therefore suggests that the actual effects of the law should be monitored.

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Endnotes

¹ Current Employment Statistics, retrieved from <http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1006>.

² Bureau of Labor Statistics, Local Area Unemployment Statistics and U.S. Census Bureau, Quarterly Workforce Indicators. Data are not seasonally adjusted.

³ U.S. Census Bureau, American Community Survey, 2007 and 2012, 1-Year Estimates, Table B08521. For 2007, earnings were adjusted to 2012 dollars using the average annual change for the past ten years of the Los Angeles-Anaheim-Riverside Consumer Price Index for All Urban Consumers (CPI-U).

⁴ According to the Quarterly Census of Employment and Wages, the city of Los Angeles accounted for 37.6 percent of Los Angeles County employment in the third quarter of 2013.

⁵ Inflow/Outflow Report, Los Angeles City, 2011, OnTheMap (<http://onthemap.ces.census.gov>). Accessed August 27, 2014.

⁶ U.S. Census Bureau; American Community Survey, 2012 1-Year Estimates, Table B08521; <<http://factfinder2.census.gov>>; accessed 26 August 2014.

⁷ The sampling margin of error for the percent of workforce affected is +/- 0.8 percent for the average estimate.

⁸ Constant dollar values are calculated using the average annual change for the past ten years of the Los Angeles-Anaheim-Riverside Consumer Price Index for All Urban Consumers (CPI-U)..

⁹ To determine the labor share of operating costs in retail trade, we use data from the [U.S. Census Monthly and Annual Retail Trade Reports](#), which provide data on retail sales, payroll costs, merchandise purchased for resale, and detailed operating expenses. We add operating expenses and purchases together to determine total operating costs. We add the costs of fringe benefits (minus health insurance) to annual payroll to estimate total labor costs. Health benefits are excluded since, unlike payroll taxes and workers' compensation insurance, the costs of the benefits will not change if wages are increased. Dividing labor costs by operating costs gives us the labor share in retail trade. For the restaurant industry, we use industry data on gross operating surplus available from the [Bureau of Economic Analysis Input-Output Account Data](#) (Use Table, 2012, Before Redefinitions, Producer Value). We subtract gross operating surplus from sales to get total restaurant operating costs, and then proceed as was done for retail. For manufacturing industries we use data from the [2012 Economic Census \(Table EC123111\)](#). To determine operating expenses we add together payroll costs and fringe benefits, total cost of materials, total capital expenditures, depreciation, rental or lease payments, and all other operating expenses. To determine labor costs we add together payroll costs and fringe benefits excluding health insurance.

¹⁰ The table shows the average of the low and high estimate. The low estimate uses the estimated increase in operating costs from Table 6, and assumes that 75 percent of those costs are passed through to consumers. The high estimate also uses the estimate for increases in operating costs, but assumes that 100 percent of the costs are passed through to consumers.

¹¹ An increased minimum wage may also lead to greater firm turnover in the time period immediately following the increase as well. A recent study at the Chicago Federal Reserve Board (Aaronson, French and Sorkin 2013) estimates that while a larger number of restaurants exit the industry after a minimum wage increase, they are replaced by an equal number of new and similarly-sized entrants, and that overall employment does not change.

¹² The restaurant industry-backed Employment Policies Institute has produced three studies of Santa Fe and San Francisco (Yelowitz 2005a; 2005b; 2012). In our assessment, these studies suffer from serious methodological

problems that make the results unreliable. They also offer contradictory results; see Reich, Jacobs and Bernhardt (2014) for details.

¹³ This discussion has benefited greatly from conversations with Goetz Wolff, Luskin School of Public Affairs, UCLA.

¹⁴ Based on author's analysis using IMPLAN 3.0, 2010.

¹⁵ These calculations include recent laws passed in Seattle, Richmond, Berkeley, San Diego and Las Cruces. We have confirmed that the average increase is similar when dropping very high and very low observations.

Center on Wage and Employment Dynamics

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, Interim City Manager
By: Richard Padilla, Assistant City Attorney
Martin de los Angeles, Deputy City Attorney

Date: February 19, 2019

Subject: Discussion Regarding Organizational Options for Municipalities; and Consideration and Approval of an Ordinance Preserving but Modifying the City's Existing City Manager Form of Government to Expand the List Executive Offices that are Subject to City Council Appointment and Dismissal Authority; or, in the Alternative an Ordinance Amending the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government with All Appointment and Dismissal Authority for Unrepresented City Executives Vested with the City Council

RECOMMENDATION:

It is recommended that the City Council:

- a. Receive the presentation from City staff;
- b. Pose follow-up questions to City staff;
- c. Depending on the collective desire of the City Council:
 - i. Pending public testimony, introduce for first reading, in title only, and waive further reading of one of the two ordinance alternatives as presented or subject to additional modifications;
1. Ordinance No. 1684 (Attachment "A") "An Ordinance of the City Council of the City of San Fernando, California, Amending Section 2-121 (Powers and Duties) of Division 2 (City Manager) of Article III (Officers and Employees) of Chapter 2 (Administration of the San Fernando Municipal Code Expanding the Authority of the City Council to Appoint, Remove, Promote, and Demote Executive Employees of the City, and Reaffirming the City Manager Form of Government."; or
2. Ordinance No. 1685 (Attachment "B") "An Ordinance of the City Council of the City of San Fernando, California, Amending Division 2 (City Manager) of Title III (Officers

Discussion Regarding Organizational Options for Municipalities; and Consideration and Approval of An Ordinance Preserving but Modifying The City's Existing City Manager form of government to expand the list executive offices that are subject to City Council Appointment and Dismissal Authority; or, in the alternative An Ordinance Amending the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government with all appointment and dismissal authority for unrepresented city executives vested with the City Council

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and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government.”; or

- ii. Take no action and provide direction to City staff.

BACKGROUND:

On July 15, 2013, the City Council adopted Ordinance No. 1627 amending the San Fernando Municipal Code to change the administrative structure of the City from a City Administrator form of government to a City Manager form of government. Members of the City Council have requested an overview of the different forms of government and asked that this matter be placed on the City Council agenda for discussion and possible action.

ANALYSIS:

City Manager Form of Government.

The City has operated under the city manager form of government as authorized under Government Code sections 34851-34859 since the adoption of Ordinance No. 1627 in 2013. As of 2016, the overwhelming majority of California cities (468 cities, 97%) employ the city manager form of government, where the executive responsibilities of municipal government are placed under the day-to-day supervision and control of a council-appointed city manager.¹

The structure of a municipality operating under the city manager form of government is similar to the structure of a corporation. In this regard, the municipality's citizens are viewed as shareholders that elect a city council to serve as their board of directors. The city council establishes the city's policies, while the city manager, hired by the city council, is charged with implementing the city council's policies. In this capacity, the city manager functions similarly to a corporation's chief executive officer, or CEO.

The city manager serves at the pleasure of the city council. If a majority of the council is displeased with the city manager's performance, the city manager can be dismissed, subject to applicable laws and ordinances, as well as the terms of the city manager's employment

¹ Nicolas Heidorn, *California Municipal Democracy Index* (December 2016), <https://www.commoncause.org/wp-content/uploads/legacy/states/california/research-and-reports/california-municipal.pdf>.

Discussion Regarding Organizational Options for Municipalities; and Consideration and Approval of An Ordinance Preserving but Modifying The City's Existing City Manager form of government to expand the list executive offices that are subject to City Council Appointment and Dismissal Authority; or, in the alternative An Ordinance Amending the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government with all appointment and dismissal authority for unrepresented city executives vested with the City Council

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agreement with the city. The city manager form of government is designed to free the council from the administration of daily operations, allowing it to instead devote attention to policy-making responsibilities.

Government Code section 34851 authorizes the city manager form of government through city council appointment of a city manager in which a city council vests administrative authority in a city manager under the parameters and scope specified by ordinance. The ordinance adopting the city manager form of government must define the powers and duties of the city manager. (Gov. Code, § 34852.) As such, a city council has discretion to vest *expansive* or *narrow* power in the city manager's office by ordinance.

Current Powers and Duties of the San Fernando City Manager.

Currently, the San Fernando City Manager is responsible for the efficient administration of all affairs of the City (SFMC, § 2-121). In addition to the general powers as administrative head of the City, SFMC Section 2-121 enumerates the following powers and duties of the City Manager:

- (1) *Enforce all laws and ordinances of the city and to see that all franchises, contracts, permits, and privileges granted by the city council are faithfully observed;*
- (2) *Appoint, remove, promote, and demote any and all officers and employees of the city (including city department heads) except elected officers, the city attorney, and the city clerk, subject to all applicable personnel rules and regulations which may be adopted by the city council;*
- (3) *Control, order, and give directions to all department heads who are subject to his or her appointment and removal authority and to subordinate officers and employees of the city under his or her jurisdiction through their department heads;*
- (4) *Conduct studies and effect such organization and reorganization of offices, positions, or units under his or her direction as may be indicated in the interest of efficient, effective, and economical conduct of the city's business;*
- (5) *Recommend to the city council for adoption such measures and ordinances as he or she deems necessary;*
- (6) *Attend all meetings of the city council unless excused therefrom by the mayor individually or the city council as a whole, except when his or her removal is under consideration;*

Discussion Regarding Organizational Options for Municipalities; and Consideration and Approval of An Ordinance Preserving but Modifying The City's Existing City Manager form of government to expand the list executive offices that are subject to City Council Appointment and Dismissal Authority; or, in the alternative An Ordinance Amending the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government with all appointment and dismissal authority for unrepresented city executives vested with the City Council

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- (7) *Prepare and submit the proposed annual budget and the proposed annual salary plan to the city council for its approval;*
- (8) *Keep the city council at all times fully advised as to the financial condition and needs of the city;*
- (9) *Make investigations into the affairs of the city and any department or division thereof and any contract or other obligation of the city; and further to investigate all complaints in relation to matters concerning the administration of the city government and in regard to the service maintained by public utilities in the city;*
- (10) *Exercise general supervision over all public buildings, public parks, and all other public properties which are under the control and jurisdiction of the city;*
- (11) *Have the same authority as the mayor, as the convenience of the parties may dictate, to sign documents specified in Government Code section 40602 whenever such documents have been approved by the city council for execution by resolution, motion, minute order, or other appropriate action; and*
- (12) *Perform such other responsibilities and exercise such other powers as may be delegated to him or her from time to time by ordinance or resolution or other official action of the city council.*

Appointment Authority of the City Manager.

As delineated above, SFMC section 2-121 vests the City Manager with certain appointment authority, which includes the appointment, removal, promotion, and demotion of any and all officers and employees of the city (including City department heads) except elected officers, the City Attorney, and the City Clerk (SFMC, § 2-121(2)).

By statute, the city manager *may* appoint and dismiss the chief of police and other subordinate appointive officers and employees except the city attorney (Gov. Code, § 34856). When the offices of city clerk and city treasurer are made appointive, appointments to such offices must be made by the city council unless the city council vests such appointing power in the city manager by ordinance (*Id*). Notwithstanding this provision, the authority to appoint the chief of police may also be vested in the city council (Gov. Code, § 36505).

Again, under the city manager form of government, the scope of city manager authority (from expansive to narrow), including any appointment authority, is determined by city council ordinance.

Discussion Regarding Organizational Options for Municipalities; and Consideration and Approval of An Ordinance Preserving but Modifying The City's Existing City Manager form of government to expand the list executive offices that are subject to City Council Appointment and Dismissal Authority; or, in the alternative An Ordinance Amending the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government with all appointment and dismissal authority for unrepresented city executives vested with the City Council

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City Administrator Form of Government.

The Government Code does not set forth any specific definition or organizational requirements for a so-called "city administrator" form of government. Essentially, a city administrator is a municipal executive who is not a "city manager" as described under Government Code sections 34851-34859. True city administrators with very narrow authority are typically found in charter cities, which tend to include large cities in which a strong elected mayor fills the role of city CEO (e.g., Oakland, San Francisco, Sacramento and Santa Barbara). More often than not, the person holding the title of "city administrator" in a general law city such as San Fernando is really simply a mislabeled city manager operating under the authority of Government Code sections 34851-34859.

Keeping in mind that the range of powers a city council may grant to a city manager can vary according to city council preference, the city administrator form of government bears great similarity to the city manager form. In its strongest variation, the city administrator form provides for an elected city council and an appointed city administrator. The city council adopts ordinances and resolutions, adopts the budget, and sets policy. The city administrator, appointed by the city council, has responsibility for budget development and implementation, the hiring and firing of department heads, and recommending policy to the board. In some cities, where a weaker version of the city administrator form is in place, the city administrator usually has less direct responsibility for overall city operations and less authority in hiring and firing, and may consult with the council on policy issues.

The general characteristics of a city manager and city administrator are identified below:

City Manager	City Administrator
<ul style="list-style-type: none"> • Administrative head of the city under the direction of the city council. • Duties typically include: <ul style="list-style-type: none"> ○ Appointment and removal of department heads pursuant to Government Code section 34856; ○ Preparing and submitting the proposed annual budget and salary plan to the city council for its approval; ○ Keeping the city council fully advised at 	<ul style="list-style-type: none"> • Variation of the city manager form of government that vests less power in the city manager. • The power of the city administrator is generally confined to simply administering the day-to-day operations of the city. • The council retains significant authority over <u>executive</u> matters, including: hiring and firing city department heads, financial transactions, contracts, and similar arrangements.

Discussion Regarding Organizational Options for Municipalities; and Consideration and Approval of An Ordinance Preserving but Modifying The City's Existing City Manager form of government to expand the list executive offices that are subject to City Council Appointment and Dismissal Authority; or, in the alternative An Ordinance Amending the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government with all appointment and dismissal authority for unrepresented city executives vested with the City Council

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City Manager	City Administrator
<p>all times as to the financial condition and needs of the city;</p> <ul style="list-style-type: none"> ○ Representing the city in legislative and regulatory matters; and ○ Overseeing management operations. 	

As with the city manager, the city council may consider the scope of the city administrator's role and allocate more or less authority in this office. For example, some city councils delegate the authority to hire and remove department heads to city managers, but other city councils retain this power while still operating under a city manager form of government for all other purposes. Also, some cities require a supermajority to remove the city manager while others demand a mere simple majority. Despite these variations, a city essentially has a city manager if the city council appoints a removable official that directs the city government in response to policy set by the city council. The quintessential city manager has direct control of most day-to-day operations of the city government, including the appointment and removal of department heads. That said, the powers and duties of a city manager or city administrator are to be specified by city council ordinance.

Proposed Ordinances.

Proposed Ordinance No. 1684 (Attachment "A") would preserve the City Manager form of Government as adopted by way of Ordinance No. 1627, subject to amendments to Section 2-121 (Powers and Duties) of Division 2 (City Manager) of Article III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code relating to the authority of the City Manager to appoint, remove, promote, and demote any and all officers and employees of the City (including City department heads) except elected officers, the City Attorney, and the City Clerk. As discussed above, State law authorizes the City Council to appoint the Chief of Police (Gov. Code, § 36505), or vest this power in the City Manager (Gov. Code, § 34856.) The proposed Ordinance would, pursuant to Government Code section 36505, authorize the City Council to appoint the Chief of Police. The attached Ordinance would need to be approved for first and second reading and would take effect 30 days after the second reading.

Alternatively, if the City Council decides that changes should be made to the City's form of government (i.e., City Manager form of government to City Administrator form of government), the attached proposed Ordinance No. 1685 (Attachment "B") would amend Division 2 (City

Discussion Regarding Organizational Options for Municipalities; and Consideration and Approval of An Ordinance Preserving but Modifying The City's Existing City Manager form of government to expand the list executive offices that are subject to City Council Appointment and Dismissal Authority; or, in the alternative An Ordinance Amending the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government with all appointment and dismissal authority for unrepresented city executives vested with the City Council

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Manager) of Article III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code to change the administrative structure of the City from a City Manager form of government to a City Administrator form of government. The proposed Ordinance identifies certain duties, responsibilities, and delegated authority for the position of City Administrator, and specifies that all City department heads shall be appointed by the City Council. As with proposed Ordinance No. 1684, the attached Ordinance would need to be approved for first and second reading and would take effect 30 days after the second reading.

BUDGET IMPACT:

The specific budget impact is contingent on the direction given by the City Council and may range from little to no budget impact (if Council adopts proposed Ordinance No. 1684) to a more significant budget impact (if Council adopts an ordinance reestablishing the City Administrator form of government, as per proposed Ordinance No. 1685).

CONCLUSION:

It is recommended that the City Council waive full reading of the attached ordinance and approve for first reading Ordinance No. 1684, "An Ordinance of the City Council of the City of San Fernando, California, Amending Section 2-121 (Powers and Duties) of Division 2 (City Manager) of Article III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code Expanding the Authority of the City Council to appoint, remove, promote, and demote certain executive employees of the City, and Reaffirming the City Manager Form of Government"; or, alternatively, Ordinance No. 1685, "An Ordinance of the City Council of the City of San Fernando, California, Amending Division 2 (City Manager) of Article III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code to Change the Administrative Structure of the City from a City Manager Form of Government to a City Administrator Form of Government."

ATTACHMENTS:

- A. Ordinance No. 1684
- B. Ordinance No. 1685

ATTACHMENT "A"

ORDINANCE NO. 1684

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, AMENDING SECTION 2-121 (POWERS AND DUTIES) OF DIVISION 2 (CITY MANAGER) OF ARTICLE III (OFFICERS AND EMPLOYEES) OF CHAPTER 2 (ADMINISTRATION) OF THE SAN FERNANDO MUNICIPAL CODE EXPANDING THE AUTHORITY OF THE CITY COUNCIL TO APPOINT, REMOVE, PROMOTE, AND DEMOTE CERTAIN EXECUTIVE EMPLOYEES OF THE CITY, AND REAFFIRMING THE CITY MANAGER FORM OF GOVERNMENT

WHEREAS, the City of San Fernando ("City") is a general law city under Government Code section 34102; and

WHEREAS, Government Code section 34851 authorizes the City Manager form of government and the City of San Fernando has operated under the City Manager form of government since the adoption of Ordinance No. 1627 in 2013; and

WHEREAS, Section 2-121(2) of the San Fernando Municipal Code authorizes the City Manager to appoint, remove, promote, and demote any and all officers and employees of the City (including City department heads) except elected officers, the City Attorney, and the City Clerk, subject to all applicable personnel rules and regulations which may be adopted by the City Council; and

WHEREAS, the City Council has vested the City Manager with its power to appoint or dismiss the Chief of Police, pursuant to Government Code section 34856; and

WHEREAS, the City Council now desires to amend the San Fernando Municipal Code to authorize the City Council to appoint the Chief of Police, pursuant to Government Code section 36505, and reaffirm a City Manager form of government.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated into this Ordinance.

SECTION 2. Notwithstanding any prior ordinance of the City of San Fernando, and through the authority of Government Code sections 34856 and 36505, Section 2-121 (Powers and Duties) of Division 2 (City Manager) of Article III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code is hereby amended to read as follows:

Sec. 2-121. - Powers and Duties.

The city manager shall be the administrative head of the government of the city under the direction and control of the city council except as otherwise provided in this division. The

city manager shall be responsible for the efficient administration of all affairs of the city, which are under his or her control. In addition to the general powers as administrative head of the city government, and not as a limitation thereon, the city manager shall be expected to, and shall have the power to:

- (1) Enforce all laws and ordinances of the city and to see that all franchises, contracts, permits, and privileges granted by the city council are faithfully observed;*
- (2) Appoint, remove, promote, and demote any and all officers and employees of the city (including city department heads) except elected officers, the city attorney, the city clerk, and the chief of police, subject to all applicable personnel rules and regulations which may be adopted by the city council;*
- (3) Control, order, and give directions to all department heads who are subject to his or her appointment and removal authority and to subordinate officers and employees of the city under his or her jurisdiction through their department heads;*
- (4) Conduct studies and effect such organization and reorganization of offices, positions, or units under his or her direction as may be indicated in the interest of efficient, effective, and economical conduct of the city's business;*
- (5) Recommend to the city council for adoption such measures and ordinances as he or she deems necessary;*
- (6) Attend all meetings of the city council unless excused therefrom by the mayor individually or the city council as a whole, except when his or her removal is under consideration;*
- (7) Prepare and submit the proposed annual budget and the proposed annual salary plan to the city council for its approval;*
- (8) Keep the city council at all times fully advised as to the financial condition and needs of the city;*
- (9) Make investigations into the affairs of the city and any department or division thereof and any contract or other obligation of the city; and further to investigate all complaints in relation to matters concerning the administration of the city government and in regard to the service maintained by public utilities in the city;*
- (10) Exercise general supervision over all public buildings, public parks, and all other public properties which are under the control and jurisdiction of the city;*

- (11) *Have the same authority as the mayor, as the convenience of the parties may dictate, to sign documents specified in Government Code section 40602 whenever such documents have been approved by the city council for execution by resolution, motion, minute order, or other appropriate action; and*
- (12) *Perform such other responsibilities and exercise such other powers as may be delegated to him or her from time to time by ordinance or resolution or other official action of the city council.*

SECTION 3. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 4. Effective Date. In accordance with Government Code section 36937, this ordinance shall take effect and be in force thirty (30) days from passage and adoption.

SECTION 5. Certification. The City Clerk is hereby authorized and directed to certify to the passage of this Ordinance by the City Council and shall cause it to be published or posted as required by law.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of San Fernando a regular meeting held on _____ day of _____, 2019.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED AS TO FORM:

Richard Padilla, City Attorney
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, ELENA G. CHÁVEZ, City Clerk of the City of San Fernando, do hereby certify that the foregoing Ordinance was adopted a regular meeting of the City Council held on the _____ day of _____, 2019 and was carried by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elena G. Chávez, City Clerk

ATTACHMENT “B”**ORDINANCE NO. 1685**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, AMENDING DIVISION 2 (CITY MANAGER) OF TITLE III (OFFICERS AND EMPLOYEES) OF CHAPTER 2 (ADMINISTRATION) OF THE SAN FERNANDO MUNICIPAL CODE TO CHANGE THE ADMINISTRATIVE STRUCTURE OF THE CITY FROM A CITY MANAGER FORM OF GOVERNMENT TO A CITY ADMINISTRATOR FORM OF GOVERNMENT

WHEREAS, the City of San Fernando (“City”) is a general law city under Government Code section 34102; and

WHEREAS, the City of San Fernando has operated under the City Manager form of government since the adoption of Ordinance No. 1627 in 2013, which amended the San Fernando Municipal Code to change the administrative structure of the City from a City Administrator form of government to a City Manager form of government; and

WHEREAS, the City Council desires to reestablish a City Administrator form of government in lieu of the current City Manager form of government; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The recitals stated above are true and correct and incorporated herein.

SECTION 2. Division 2 (City Manager) of Article III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code is hereby amended in its entirety to read as follows:

Division 2. – City Administrator

Sec. 2-116 – Office established.

The office of city administrator is created and established. The city administrator shall be appointed by the city council on the basis of administrative and executive ability and such other qualifications as the city council may deem necessary for the orderly conduct of the city’s business and affairs. The city administrator shall hold office at the pleasure of the city council and need not be a resident of the city.

Sec. 2-117 – City manager references.

Any and all references in the San Fernando Municipal Code and other city agreements, policies, procedures, or other relevant city documents to the city manager serving

pursuant to the city's previous city manager form of government shall now mean and refer the to the city administrator as established in this division.

Sec. 2.118 – Vacancies.

When a vacancy occurs in the office of city administrator, the council shall, within five (5) days after such office becomes vacant, appoint an acting city administrator from the officers or department heads of the city, until a new permanent city administrator is appointed by the city council in accordance with Sec. 2-116.

Sec. 2.119 – Temporary city administrator.

The city council shall appoint one of the other officers or department heads of the city to serve as acting city administrator during any temporary absence or disability of the city administrator.

Sec. 2-120 – Compensation and reimbursement.

The city administrator shall receive such compensation and expense allowances as the city council shall from time to time determine and such compensation shall be a proper charge against such funds of the city as the council shall designate. The city administrator shall be reimbursed for all sums necessarily incurred or paid by him or her in the performance of his or her duties or incurred when traveling on business pertaining to the city under direction of the city council; reimbursement shall only be made, however, when a verified itemized claim, setting forth the sums expended for such business for which reimbursement is requested has been presented to the city council or designee for approval.

Sec. 2-121 – Powers and duties.

The city administrator shall be the administrative head of the government of the city under the direction and control of the city council except as otherwise provided in this division. The city administrator shall be responsible for the efficient administration of all affairs of the city, which are under his or her control. In addition to the general powers as administrative head of the city government, and not as a limitation thereon, the city administrator shall be expected to, and shall have the power to:

- A. Enforce all laws and ordinances of the city and to see that all franchises, contracts, permits, and privileges granted by the city council are faithfully observed;*
- B. Appoint, remove, promote, and demote any and all officers and employees of the city except elected officers, city department heads, the city attorney, and the city clerk, subject to all applicable personnel rules and regulations which may be adopted by the city council;*
- C. Subordinate officers and employees of the city under his or her jurisdiction through their department heads;*

- D. Conduct studies and effect such organization and reorganization of offices, positions, or units under his or her direction as may be indicated in the interest of efficient, effective, and economical conduct of the city's business;*
- E. Recommend to the city council for adoption such measures and ordinances as he or she deems necessary;*
- F. Attend all meetings of the city council unless excused therefrom by the Mayor individually or the city council as a whole, except when his or her removal is under consideration;*
- G. Prepare and submit the proposed annual budget and the proposed annual salary plan to the city council for its approval;*
- H. Keep the city council at all times fully advised as to the financial condition and needs of the city;*
- I. Make investigations into the affairs of the city and any department or division thereof and any contract or other obligation of the city; and further to investigate all complaints in relation to matters concerning the administration of the city government and in regard to the service maintained by public utilities in the city;*
- J. Exercise general supervision over all public buildings, public parks, and all other public properties which are under the control and jurisdiction of the city;*
- K. Have the same authority as the Mayor, as the convenience of the parties may dictate, to sign documents specified in Government Code section 40602 whenever such documents have been approved by the city council for execution by resolution, motion, minute order, or other appropriate action; and*
- L. Perform such other responsibilities and exercise such other powers as may be delegated to him or her from time to time by ordinance or resolution or other official action of the city council.*

Sec. 2-122 – Policy for appointment of department heads.

- A. This section shall be subject to any and all policies, compensation schedules or other standard employment guidelines developed by the city council.*
- B. "Department heads" shall mean any executive/managerial employee of the city who is not a represented member of a bargaining unit, including all persons excluded from civil service pursuant to subsections 3 and 4 of Sec. 2-243 of the San Fernando Municipal Code.*
- C. The city council reserves the right to adopt additional policies for the recruitment and compensation of executive and managerial employees.*

Sec. 2-123 – Relations with council.

The city council and its members shall deal with the administrative services of the city only through the city administrator, except for the purpose of inquiry, and neither the city council nor any member of the city council shall give orders to any subordinates of the

city administrator. For purposes hereof, "inquiry" means any and all communications short of giving orders, directions, or instructions to any member of the administrative staff. Such staff members shall provide all information reasonably requested by any councilmember. The city administrator shall take orders and instructions from the city council only when sitting in a duly convened meeting of the city council and no individual councilmember shall give any orders or instructions to the city administrator. The city council shall instruct the city administrator in matters of policy. Any action, determination, or omission of the city administrator shall be subject to review by the city council. The city council may not overrule, change, or modify any such action, determination, or omission except by the affirmative vote of at least three members of the city council.

Sec. 2-124 – Relations with council.

It shall be the duty of all subordinate officers, the city attorney, city clerk and city treasurer to assist the city administrator in administering the affairs of the city efficiently, economically and harmoniously.

Sec. 2-125 – Attendance at city council meetings.

It shall be the duty of the city administrator to attend all meetings of the city council, unless excused therefrom. He may participate in council deliberations but shall not have a vote.

Sec. 2-126 – Attendance at meetings of commissions, boards and committees.

The city administrator may attend any and all meetings of the planning commission and any other commission, board or committee created by the city council, upon his own volition or upon direction of the city council. At any such meeting which the city administrator attends, he shall be heard by such commission, board or committee as to all matters upon which he wishes to address the members thereof. He shall inform such members as to the status of any matter being considered by the city council pertaining to that commission, board or committee, and he shall cooperate to the fullest extent with members of all commissions, boards or committees appointed by the city council.

Sec. 2-127 – Removal.

The removal of the city administrator shall be effected only by a majority vote of the council as then constituted.

Sec. 2-128 – Agreements with council.

Nothing in this division shall be construed as a limitation on the power or authority of the city council to enter into any supplemental agreement with the city administrator delineating additional terms and conditions of employment not inconsistent with any provision of this division.

SECTION 3. Any provision of the San Fernando Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Ordinance.

SECTION 4. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 5. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within fifteen (15) days after its adoption. This Ordinance shall become effective thirty (30) days after adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of San Fernando a regular meeting held on _____ day of _____, 2019.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED AS TO FORM:

Richard Padilla, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, ELENA G. CHÁVEZ, City Clerk of the City of San Fernando, do hereby certify that the foregoing Ordinance was adopted a regular meeting of the City Council held on the _____ day of _____, 2019 and was carried by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elena G. Chávez, City Clerk

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Richard Padilla, Assistant City Attorney

Date: February 19, 2019

Subject: Consideration and Possible Approval of City Manager Appointment and Approval of Related Employment Agreement Pending Closed Session Discussion and Deliberation

RECOMMENDATION:

If the City Council is prepared to make an appointment to the office of City Manager, it is recommended that the City Council:

- a. Announce the name of the candidate to be appointed;
- b. Announce that copies of the final proposed iteration of the related Employment Agreement for the candidate be made available to any interested member of the public who may request a copy;
- c. Entertain any comment by the City Council or members of the public on the matter; and
- d. Entertain a motion to:
 - i. Approve the candidate for appointment;
 - ii. Ratify the related Employment Agreement for the candidate in the substantive form distributed to the City Council and the public; and
 - iii. Authorize the Mayor to execute the Employment Agreement with the candidate on behalf of the City and the City Council.

BACKGROUND:

Deputy City Manager/Finance Director, Nick Kimball, currently serves as Interim City Manager for the City of San Fernando, following the termination of the incumbent City Manager's employment contract for convenience and without cause at the City Council's Special Meeting of February 12, 2019.

Consideration and Possible Approval of City Manager Appointment and Approval of Related Employment Agreement Pending Closed Session Discussion and DeliberationPage 2 of 2

ANALYSIS:

As required under the Brown Act and other provisions of the Government Code, final approval of a contract for the employment of executive personnel, including a City Manager must be conducted in open session at a regular meeting of the City Council.

At its regular meeting to be held on Tuesday, February 19, 2019, the City Council will consider the possible appointment of a permanent City Manager and the related approval of an employment contract for the same. Copies of any final iteration of the prospective candidate's Employment Agreement will also be available to interested members of the public who request a copy at that time. The City Council will also be provided with a summary of salient deal points relating to the Agreement which will be stated in open session.

BUDGET IMPACT:

The salary for the candidate will be covered through the General Fund from the vacant position of the City Manager.