



*Mayor Antonio Lopez • Mayor Pro Tem Sylvia Ballin
Councilmember Jesse H. Avila • Councilmember Joel Fajardo • Councilmember Robert C. Gonzales
Interim City Administrator Don Penman*

SAN FERNANDO CITY COUNCIL
REGULAR MEETING NOTICE & AGENDA

JUNE 3, 2013 – 6:00 PM

**COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CA 91340**

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

Mayor Antonio Lopez

APPROVAL OF AGENDA

PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the City Council.

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) APPROVAL OF MINUTES OF MARCH 4, 2013 – REGULAR MEETING**
- 2) APPROVAL OF WARRANT REGISTER NO. 13-061**
- 3) NOTICE OF COMPLETION FOR PARK AVENUE STREET IMPROVEMENTS**

Recommend that the City Council:

- a. Accept the improvements as constructed by Toro Enterprises, Inc. and consider the work complete;



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REGULAR MEETING NOTICE & AGENDA – JUNE 3, 2013
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- b. Authorize the City Administrator and the City Clerk to sign and file the Notice of Completion with the Office of the Registrar-Recorder/County Clerk; and
- c. Authorize the release of the 10% retention amount after the 35-day lien period for the date the Notice of Completion is filed.

NEW BUSINESS

4) APPROVAL OF CONTRACT EXTENSION WITH FIRST TRANSIT, INC.

Recommend that the City Council:

- a. Approve a two year contract extension with First Transit, Inc. for maintenance and operation of the Mission City Transit and the City Trolleys, with a maximum of three one-year renewal extensions (subject to City Council approval); and
- b. Authorize the Interim City Administrator to negotiate and execute the contract extension.

5) APPROVAL OF CONTRACT NO. 1711 WITH VAN LANT & FANKHANEL, LLP FOR PROFESSIONAL AUDITING SERVICES

Recommend that the City Council:

- a. Approve Contract No. 1711 with Van Lant & Fankhanel, LLP for Professional Auditing Services for the Fiscal Year 2012-2013 audit with a one-year optional extension; and
- b. Authorize the Interim City Administrator to execute the contract.

CITY COUNCIL ITEMS

6) UPDATE REGARDING THE JULY 4TH FIREWORKS CELEBRATION FUNDRAISING EFFORTS

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

STANDING COMMITTEE UPDATES

- No. 1 Budget, Personnel and Finance (BPF)
Chair Jesse H. Avila



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- No. 2 Housing, Community & Economic Development and Parking (HCEP)
Chair Antonio Lopez
- No. 3 Natural Resources, Infrastructure, Water, Energy and Waste Management (NRIW)
Chair Joel Fajardo
- No. 4 Public Safety, Veteran Affairs, Technology and Transportation (PVTT)
Chair Jesse H. Avila
- No. 5 Education, Parks, Arts, Health and Aging (EPAH)
Chair Robert C. Gonzales

GENERAL COUNCIL COMMENTS

STAFF COMMUNICATION

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.

*Julie M. Fernandez, Deputy City Clerk
Signed and Posted: May 31, 2013 (2:45 pm)*

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web site (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk's Office. 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's Office 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 Web Site 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's Office at (818) 898-1204 at least 48 hours prior to the meeting.

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San Fernando City Council

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**MARCH 4, 2013 – 6:00 P.M.
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Antonio Lopez called the meeting to order at 6:11 p.m.

Present:

Council: Mayor Antonio Lopez, Mayor Pro Tem Sylvia Ballin, and Councilmembers Jesse H. Avila, Joel Fajardo, and Robert C. Gonzales

Staff: Interim City Administrator Don Penman, City Attorney Rick R. Olivarez, and City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Councilmember Fajardo

PRESENTATIONS

The following presentations were made:

- a) DENTAL ASSISTANT RECOGNITION WEEK (MARCH 3-9, 2013)
- b) UPDATE ON HELP-PORTRAIT SAN FERNANDO 2012 WITH ALAS MEDIA

APPROVAL OF AGENDA

Motion by Mayor Pro Tem Ballin, seconded by Councilmember Gonzales, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

Margie Carranza and Sam Beltran spoke against a ballot measure regarding a transaction and use sales tax.

SAN FERNANDO CITY COUNCIL**MINUTES – March 4, 2013****Page 2**

Irwin Rosenberg (San Fernando Police Officers' Association President) spoke in support of a new tax.

Linda Jauron said that if a new tax is the best option, then it should be done sooner, rather than later.

Stormy Haupt said that he would currently vote "no" on a new tax but maybe his vote would change if due diligence is accomplished and other cost savings would be found.

Tom Ross, Downtown Mall Association President, suggested that a service organization take over the City's 4th of July event and he said that raising taxes is a first line of defense but there needs to be a "Plan B".

Lillian De Loza, L.A. County Metropolitan Transportation, invited everyone to attend upcoming scoping meetings regarding a draft Environmental Impact Review and Statement.

Julian Ruelas said that no one likes a tax increase but the City is in financial peril and the voters should be able to decide what to do.

Frank Villalpando, San Fernando Public Employees Association President, talked about teamwork, said there have been ongoing talks with the Interim City Administrator, and they support the proposed new tax.

(Female speaker – did not state name) said that her 70 year-old father has been missing and asked for assistance in locating him.

Brenda Esqueda talked about the hiring of the new City Attorney and the proposed tax increase.

Patty Lopez invited everyone to attend an upcoming event in honor of Cesar Chávez.

Carolina Perez said she is concerned about the sales tax increase and believes that the City Council should provide residents more than one choice.

Ricardo Benitez supports the Cesar Chavez Commemoration Day Event.

Paul Luna said that although the citizens will determine whether to approve the tax, it does not relieve the City Council of searching for other ways to deal with the \$4 million deficit.

CONSENT CALENDAR

Motion by Mayor Pro Tem Ballin, seconded by Councilmember Avila, to approve the Consent Calendar Items:

- 1) APPROVAL OF WARRANT REGISTER NO. 13-031

SAN FERNANDO CITY COUNCIL**MINUTES – March 4, 2013****Page 3****2) RECLASSIFICATION OF A SENIOR COUNSELOR (PART-TIME) TO PROGRAM SPECIALIST (PART-TIME) POSITION**

By consensus, the motion carried.

NEW BUSINESS**3) APPROVAL OF A LOAN BETWEEN THE CITY OF SAN FERNANDO AND THE SAN FERNANDO SUCCESSOR AGENCY**

Interim Finance Director Rafaela King presented the staff report.

Motion by Mayor Lopez, seconded by Mayor Pro Tem Ballin, to approve a loan to the San Fernando Successor Agency totaling \$184,060.46 to make interest payments on the 1998 and 2006 redevelopment bond issues due March 14, 2013, and direct the Mayor to sign a loan agreement on behalf of the City. By consensus, the motion carried.

4) CONSIDERATION OF CALLING FOR A SPECIAL ELECTION TO PLACE A BALLOT MEASURE BEFORE THE VOTERS TO CONSIDER A TRANSACTIONS AND USE TAX

Interim City Administrator Penman presented the staff report and Assistant City Attorney Richard Padilla also gave background information regarding this item.

Discussion ensued and staff replied to questions and concerns from Councilmembers.

Motion by Councilmember Avila, seconded by Mayor Pro Tem Ballin, to:

a) Adopt Resolution No. 7525:

- i. Calling and Giving Notice of a Special Municipal Election to be held on Tuesday, June 4, 2013, to submit a ballot measure question to the voters concerning the enactment of a temporary one half of one percent (1/2%) Transactions and Use Tax to be implemented as a General Tax;
- ii. Declaring a fiscal emergency justifying the placement of a General Tax Measure on a Special Election Ballot; and
- iii. Setting election procedures and priorities for the filing of written arguments and rebuttals regarding the measure and reciting the City Attorney to prepare an Impartial Analysis.

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The motion carried with the following vote:

AYES: Lopez, Ballin, Gonzales, Avila, Fajardo – 5
NOES: None
ABSENT: None

Motion by Councilmember Avila, seconded by Councilmember Gonzales, to:

- b) Adopt Resolution No. 7526 requesting the Board of Supervisors of the County of Los Angeles render specified services to the City relating to the conduct of a Special Municipal Election to be held on Tuesday, June 4, 2013; and
- c) Introduce for first reading, in title only, and waive further reading of Ordinance No. 1626, “An Ordinance of the City of San Fernando Enacting, Subject to Adoption by the Electorate, a Temporary Half Cent Transactions and Use Tax to be Administered by the State Board of Equalization Pursuant to Revenue and Taxation Code § 7251 et seq.”

The motion carried with the following vote:

AYES: Lopez, Ballin, Gonzales, Avila, Fajardo – 5
NOES: None
ABSENT: None

STANDING COMMITTEE UPDATES**No. 1 Budget, Personnel and Finance (BPF)**

Councilmember Avila – no updates.

No. 2 Housing, Community & Economic Development and Parking (HCEP)

Mayor Lopez – no updates.

No. 3 Natural Resources, Infrastructure, Water, Energy and Waste Management (NRIW)

Councilmember Fajardo – no updates.

No. 4 Public Safety, Veteran Affairs, Technology and Transportation (PVTT)

Councilmember Avila – Public Works Director Ron Ruiz reported that an upcoming discussion item will be the award of a contract for engineering services.

SAN FERNANDO CITY COUNCIL**MINUTES – March 4, 2013****Page 5****No. 5 Education, Parks, Arts, Health and Aging (EPAH)**

Councilmember Gonzales – Recreation and Community Services Operations Manager Aguila talked about virtual patrol cameras that will be installed at Pioneer Park.

GENERAL COUNCIL COMMENTS

Councilmember Avila thanked staff and audience members and said that Council will try to be as diligent as possible.

Councilmember Gonzales thanked staff for their work and the information provided, and talked about the San Fernando and Santa Rosa Little Leagues opening day that he attended.

Councilmember Fajardo thanked his colleagues for a hearty debate, agreed with Mayor Lopez that the process has been transparent, and is looking forward to see what happens and how we can work together to make this city a better place.

Mayor Pro Tem Ballin understands the concerns regarding transparency because things are moving quickly, but she said that as soon as the City Council is made aware of an issue that must be addressed, it's pretty much on the next meeting agenda so that everyone is informed and kept up to speed.

Mayor Lopez thanked audience members and said that the City Council will address every item that is brought before them.

STAFF COMMUNICATION

None

ADJOURNMENT (8:56 P.M.)

By consensus, the meeting was adjourned.

I do hereby certify that the foregoing is a true and correct copy of the minutes of March 4, 2013 meeting as approved by the San Fernando City Council.

Elena G. Chávez
City Clerk

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FINANCE DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Rafaela T. King, Interim Finance Director/Deputy Finance Director

DATE: June 3, 2013

SUBJECT: Warrant Register

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution (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 handwritten 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. Handwritten 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 Deputy Finance Director 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 Deputy Finance Director hereby certifies that each warrant has been reviewed for completeness and that sufficient funds are available for payment of the warrant register.

ATTACHMENT:

A. Warrant Register Resolution

ATTACHMENT "A"**RESOLUTION NO. 13-061****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO ALLOWING AND APPROVING FOR
PAYMENT DEMANDS PRESENTED ON DEMAND/
WARRANT REGISTER NO. 13-061**

**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 3rd day of June, 2013.

Antonio Lopez, 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 3rd day of June 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT "A"

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05/30/2013 12:46:19PM

Voucher List

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Bank code :bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
102013	6/3/2013	100070 ADVANCED ELECTRONICS INC.	0125780-IN		PTP RENTAL AND INSTALLATION FOR /	
					01-430-0000-4260	1,682.50
					Total :	1,682.50
102014	6/3/2013	100101 VERIZON WIRELESS-LA	970459610		VARIOUS CELL PHONES	
					01-310-0000-4220	45.76
					72-360-0000-4220	26.48
					01-101-0113-4220	32.66
					01-101-0111-4220	33.22
					01-101-0109-4220	46.87
					Total :	184.99
102015	6/3/2013	100175 AMERICAN WATER WORKS ASSOC.	7000644950		07/01/13 TO 06/30/14 MEMBERSHIP DUL	
					70-1230	238.00
					Total :	238.00
102016	6/3/2013	100222 ARROYO BUILDING MATERIALS, INC	106891		SIDEWALK REPAIR - 1011 SEVENTH	
					70-383-0000-4300	24.07
			107916		SIDEWALK REPAIR - 5TH & FERMOORE	
					15-310-0866-4600	95.52
			107980		BENDER BOARD FOR SIDEWALK REPA	
					13-311-0000-4300	55.81
			108012		SIDEWALK REPAIR - 761 N BRAND	
					15-310-0866-4600	160.92
			108022		SIDEWALK REPAIR - 520 BRAND	
					15-310-0866-4600	160.92
			108512		2' X4' FOR SIDEWALK FRAMING	
					13-311-0000-4300	55.05
			108513		CREDIT - ITEM RETURNED	
					13-311-0000-4300	-36.73
			108815		CONCRETE FOR WELL 7A BACKFLOW	
					70-384-0000-4330	95.52
			188642		REPLACEMENT BLOCKS FOR OUTSIDE	
					01-390-0460-4300	77.17
					Total :	688.25

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount		
102017	6/3/2013	100405 BONANZA CONCRETE, INC.	40949		SIDEWALK REPAIR - 402 MACNEIL @ F 15-310-0866-4600	841.48		
					Total :	841.48		
102018	6/3/2013	100532 STATE OF CALIFORNIA, DEPARTMENT OF JUSTICE	967581		LIVE SCAN FINGERPRINTING - APR 2013 01-222-0000-4260	2,009.00		
					Total :	2,009.00		
102019	6/3/2013	100805 COOPER HARDWARE INC.	88526		TOOLS FOR POT REPAIR - N MACLAY 01-346-0301-4300	34.35		
			88551		CONCRETE BAGS - 757 S WORKMAN 70-383-0000-4300	20.06		
			88645		SECURITY LATCH 70-384-0000-4330	6.20		
			88680		GARDEN VALVE 70-384-0000-4330	21.79		
					Total :	82.40		
102020	6/3/2013	100886 LOS ANGELES DAILY NEWS	0010345907		PUBLICATION OF NOTICE INVITING BID 70-383-0000-4260	1,519.60		
			5007836		PUBLICATION OF NON-COMPLIANCE 72-360-0000-4270	771.40		
					Total :	2,291.00		
102021	6/3/2013	101089 ESCOBAR, MARCO	051913 - 1		L P SENIOR PETTY CASH REIMB. 04-2380	182.82		
			051913 - 2		L P SENIOR PETTY CASH REIMB. 04-2380	70.76		
			051913 - 3		L P SENIOR PETTY CASH REIMB. 04-2380	72.97		
					Total :	326.55		
102022	6/3/2013	101302 VERIZON	8181811075		CITY HALL PAGING 01-190-0000-4220	40.07		
			8181811111		MUSIC CHANNEL 01-190-0000-4220	40.07		
			8181811114		CITY YARD AUTO DIALER			

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
102022	6/3/2013	101302 VERIZON	(Continued)			
			8181811126		70-384-0000-4220 RADIO REPEATER	44.00
			8181811136		01-222-0000-4220 RADIO REPEATER	44.00
			8181990351		01-222-0000-4220 PAC 50 TO SHERRIFFS	44.00
			8183610901		01-222-0000-4220 SEWER FLOW MONITOR	496.81
			8183612385		72-360-0000-4220 MTA PHONE LINE	41.37
					07-440-0441-4220	90.99
					01-190-0000-4220	45.50
			8183613958		CNG STATION	
			8183617825		01-320-3661-4220 HERITAGE PARK IRRIG SYSTEM	40.36
			8188315002		01-420-0000-4220 PD SPECIAL PROBLEMS	45.49
			8188377174		01-222-0000-4220 PD SPECIAL PROBLEMS	42.09
			8188381841		01-222-0000-4220 ENGINEERING FAX MODEM	20.64
			8188981293		01-310-0000-4220 CITY YARD MAJOR PHONE LINES	21.20
			8188987373		70-384-0000-4220 PD EMERGENCY	716.45
			8188987385		01-222-0000-4220 LP FAX LINE	114.03
					01-420-0000-4220	26.03
					Total :	1,913.10
102023	6/3/2013	101511 HINDERLITER DE LLAMAS & ASSOC.	0020859-IN		CONTRACT SERVICES - SALES TAX 2N	
					01-130-0000-4270	900.00
					01-3210-0000	22.51
					Total :	922.51
102024	6/3/2013	101528 THE HOME DEPOT CRC, ACCT#603532202490 23473			WALL REPAIR @ CITY HALL CARRELL I	

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
102024	6/3/2013	101528 THE HOME DEPOT CRC, ACCT#603532202490 (Continued)				
			4024584		01-390-0310-4300 DUCT TAPE & CONCRETE FOR POLE	30.41
			5031326		13-370-0301-4300 GLOVES, TAPE MEASURE, TOWELS, W	144.36
			83363		70-384-0301-4300 PIPE WRENCH & GROOVE JOINT PLIE	123.20
			92887		72-360-0301-4300 VIRTUAL PATROL CAMERA & SECURIT	104.49
					19-422-0630-4500	142.89
					Total :	545.35
102025	6/3/2013	101599 IMAGE 2000 CORPORATION	VN309220		TOSHIBA/E-STUDIO 450 - CONTRACT E	
			VN312608		01-420-0000-4260 UPS COST FOR TONER - REC PARK	334.48
			VN316065		01-420-0000-4260 TOSHIBA/E-STUDIO 450 - CONTRACT E	21.00
			VN316067		01-420-0000-4260 COPIER OVERAGE CHARGE 04/19/13-C	334.48
					01-420-0000-4260	451.34
					10-420-1371-4260	451.34
					01-420-0000-4260	42.36
					10-420-1371-4260	42.35
					01-190-0000-4230	141.60
					70-381-0000-4290	55.34
					01-190-0000-4230	539.05
			VN316249		RISO/RZ220 - CONTRACT BASE RATE (99.45
					10-420-1371-4260	Total : 2,512.79
102026	6/3/2013	101607 ICE MACHINE SALES & SERVICE CO	0149611-IN		MAT'L S TO REPAIR ICE MAKER @ 501 I	
					70-381-0450-4300	345.13
					Total :	345.13
102027	6/3/2013	101647 INTERSTATE BATTERY	30572436		BATTERIES FOR FLEET	
			30572447		01-1215 BATTERIES FOR FLEET	348.91

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102027	6/3/2013	101647 INTERSTATE BATTERY	(Continued)		01-1215	197.24
					Total :	546.15
102028	6/3/2013	101649 INTER VALLEY POOL SUPPLY, INC	51462		POOL CHEMICALS	
					01-430-0000-4300	1,626.78
					Total :	1,626.78
102029	6/3/2013	101666 DE LAGE LANDEN FINANCIAL SERVS	17868906		MAY 2013 LEASE PAYMENT	
					01-190-0000-4320	443.64
					01-420-0000-4260	405.44
					10-420-1371-4260	202.72
					70-381-0000-4290	146.70
					Total :	1,198.50
102030	6/3/2013	101666 DE LAGE LANDEN FINANCIAL SERVS	17914544		MAY LEASE PAYMENT - PD COPIERS	
					01-222-0000-4260	603.56
					Total :	603.56
102031	6/3/2013	101756 KELLY PAPER CO.	5791016		PAPER FOR PROCLAMATIONS	
					01-101-0000-4300	12.13
					Total :	12.13
102032	6/3/2013	101768 KIMBALL-MIDWEST	2924711		MISC NUTS, BOLTS & SUPPLIES	
			2980649		01-1215	748.67
					CREDIT - ITEM RETURNED	
					01-1215	-536.65
					Total :	212.02
102033	6/3/2013	101920 LIEBERT CASSIDY WHITMORE	164837		LEGAL SERVICES	
			164838		01-112-0000-4270	240.00
			164839		LEGAL SERVICES	
					01-110-3375-4270	84.00
					LEGAL SERVICES	
					01-112-0000-4270	306.00
			164840		LEGAL SERVICES	
					01-110-1065-4270	524.00

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
102033	6/3/2013	101920 101920 LIEBERT CASSIDY WHITMORE	(Continued)			Total : 1,154.00
102034	6/3/2013	101971 L.A. MUNICIPAL SERVICES	051413		WATER - 12900 DRONFIELD 70-384-0000-4210	14,042.08 Total : 14,042.08
102035	6/3/2013	101974 LOS ANGELES COUNTY	APRIL 2013		DEPT OF ANIMAL CARE & CONTROL FI 01-222-0000-4260	1,842.75 Total : 1,842.75
102036	6/3/2013	101987 LOS ANGELES COUNTY CLERK	13-4050		NOV 6, 2012 SPECIAL ELECTION COST 01-116-0000-4260	19.55 Total : 19.55
102037	6/3/2013	101990 L.A. COUNTY METROPOLITAN	800055519		TAP CARDS - APRIL 2013 07-440-0441-4260	1,102.00 Total : 1,102.00
102038	6/3/2013	102063 MACKAY METERS, INC.	1034215		PARKING METER MECHANISM PARTS	688.50
			1034215T		29-335-0301-4300 SALES TAX MISSED ON INV #1034215	61.97
			1034216		29-335-0301-4300 PARKING METER COIN MECHANISMS 29-335-0000-4600	1,971.05 Total : 2,721.52
102039	6/3/2013	102156 McCain	RMAINV9286		TRAFFIC SIGNAL CONTROLLERS - 13-371-0000-4600	686.64 Total : 686.64
102040	6/3/2013	102226 MISSION LINEN & UNIFORM	140165898		LAUNDRY	82.33
			140166569		01-225-0000-4350 LAUNDRY	142.42
			140167317		01-225-0000-4350 LAUNDRY	82.33
					01-225-0000-4350	Total : 307.08

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102041	6/3/2013	102432 OFFICE DEPOT	1575981545		OFFICE SUPPLIES	
					01-422-0000-4300	169.50
			1578112984		10-420-1371-4300	28.98
					FOAM BOARD	
					01-222-0000-4300	38.78
			656129574001		VIEW BINDERS & RUBBERBANDS	
					70-383-0000-4300	20.55
			656130205001		COFFEE POT	
					70-384-0000-4300	34.31
			656506668001		HANGING FOLDERS, BOARD, PAPER	
					01-222-0000-4300	308.20
			657606543001		PAPER PLATES AND PLASTICWARE	
					70-384-0000-4300	55.21
			657607123001		COPY PAPER	
					70-383-0000-4300	314.97
			657669071001		2 INDEX MAKER DIVIDERS	
					01-130-0000-4300	53.39
					01-190-0000-4300	4.94
			657766609001		PENCILS	
					01-222-0000-4300	7.91
			657766679001		TONER	
					01-140-0000-4300	185.29
			657848597001		INDEX MARKER DIVIDERS	
					01-130-0000-4300	53.39
			657859927001		CALCULATOR AND INDEX MARKER DIV	
					01-130-0000-4300	83.91
					Total :	1,359.33
102042	6/3/2013	102443 OKAFOR, MICHAEL	REIMB.		MILEAGE REIMBURSEMENT - ERC TR	
					01-106-0000-4390	110.36
					Total :	110.36
102043	6/3/2013	102530 AT & T	818-270-2203		1SDN LINE/LASN NETWORK	
					01-222-0000-4220	104.98
					Total :	104.98
102044	6/3/2013	102666 PREFERRED DELIVERY SYSTEMS INC	549-59		COURIER SERVICE	

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102044	6/3/2013	102666 PREFERRED DELIVERY SYSTEMS INC	(Continued)		01-222-0000-4260	103.00
					Total :	103.00
102045	6/3/2013	102688 PROFESSIONAL PRINTING CENTERS	22514		EVIDENCE LOGS, INTERVIEW REPORT	
					01-222-0000-4300	461.07
					Total :	461.07
102046	6/3/2013	102727 QUARTERMASTER	000614800		STOP SIGNS	
					01-222-0000-4300	76.25
			000615039		STOP SIGN	
					01-222-0000-4300	15.25
					Total :	91.50
102047	6/3/2013	102779 RAMIREZ, THOMAS	MAY 2013		KARATE INSTRUCTOR	
					17-420-1326-4260	632.00
					Total :	632.00
102048	6/3/2013	102800 RED STAR CHARTER & TOURS	0123		SENIOR TRIP DEP - TRANSPORTATION	
			0124		04-2380	4,000.00
					SENIOR TRIP TRANSPORTATION TO TJ	
					04-2380	1,050.00
					Total :	5,050.00
102049	6/3/2013	102958 S & S WORLDWIDE	7692367		ASCEP SUPPLIES	
					10-420-1371-4300	2,022.77
			7692532		ASCEP SUPPLIES	
					10-420-1371-4300	974.84
			7692592		ASCEP SUPPLIES	
					10-420-1371-4300	270.73
			7706459		ASCEP SUPPLIES	
					10-420-1371-4300	24.36
					Total :	3,292.70
102050	6/3/2013	103010 SAM'S CLUB DIRECT, #0402465855179	3362		MOCHA MIX, CUPS, PLATES, UTENCILS	
					01-222-0000-4300	111.94
			3363		TEAM BUILDING WORKSHOP - DRINKS	

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102050	6/3/2013	103010 SAM'S CLUB DIRECT, #0402465855179	(Continued)			
			7559		01-222-0000-4300 SENIOR MOTHER'S DAY DANCE REFRI 04-2346	138.86 105.08 Total : 355.88
102051	6/3/2013	103029 SAN FERNANDO, CITY OF	12583-12787		REIMBURSEMENT TO WORKERS COM 06-190-0000-4810	57,911.06 Total : 57,911.06
102052	6/3/2013	103038 SAN FERNANDO FLORIST	000994/1		SENIOR FATHER'S DAY DANCE ARRAN 04-2380	710.68 Total : 710.68
102053	6/3/2013	103090 SUSAN SAXE-CLIFFORD, PH.D.	13-0408-1		PROFESSIONAL SERVICES 01-222-0000-4260	4,725.00 Total : 4,725.00
102054	6/3/2013	103126 SERVPRO	3618379		EMERGENCY CLEAN-UP - OVERFLOW 72-360-0000-4260	5,000.00 Total : 5,000.00
102055	6/3/2013	103184 SMART & FINAL	194749 197037		SENIOR CLUB MOTHER'S DAY DANCE 04-2380 SENIOR EXPO 2013 SUPPLIES 04-2346	501.61 185.01 Total : 686.62
102056	6/3/2013	103193 SNAP-ON INDUSTRIAL	ARS/10639722 ARS/10639723		3/8" AIR RATCHET 70-383-0000-4340 1/2" AIR DRILL 70-383-0000-4340	127.00 94.00 Total : 221.00
102057	6/3/2013	103202 SOUTHERN CALIFORNIA EDISON CO.	050713 050913		ELECTRIC - VARIOUS LOCATIONS 01-420-0000-4210 ELECTRIC - LOT 3,5 & 8 29-335-0000-4210	2,366.54 158.14
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102057	6/3/2013	103202 SOUTHERN CALIFORNIA EDISON CO.	(Continued)			
			051013		01-371-0000-4210 29-335-0000-4210 ELECTRIC - 900 1/2 1ST, 1041 1/2 01-390-0470-4210	44.90 45.25 137.18
			051113		ELECTRIC - TRUMAN/KITTRIDGE 01-341-0000-4210	24.84
			051413		ELECTRIC - 60 JESSIE & 573 GLENOAK 70-384-0000-4210 01-390-0450-4210 70-381-0000-4210 72-360-0000-4210	363.52 579.28 285.84 285.83 Total : 4,291.32
102058	6/3/2013	103205 THE GAS COMPANY	050813 050913		GAS - 828 HARDING 01-420-0000-4210 GAS - 208 PARK AVE (AQUATIC CENTE 01-430-0000-4210 01-222-0000-4210 01-310-0000-4210 70-381-0000-4210 72-360-0000-4210 01-390-0450-4210 GAS - 519 S BRAND 01-420-0000-4210	9.42 9,002.75 513.31 60.51 9.17 9.17 18.35 165.33 Total : 9,788.01
102059	6/3/2013	103439 UPS	831954183		COURIER SERVICE 01-190-0000-4280	88.00 Total : 88.00
102060	6/3/2013	103458 U.S. HEALTHWORKS MEDICAL GROUP	2248831-CA		DOT COLLECTIONS 01-106-0000-4270	54.00 Total : 54.00
102061	6/3/2013	103503 UNITED STATES POSTAL SERVICE	15122187		REIMBURSEMENT OF POSTAGE MACH 01-190-0000-4280	1,500.00
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102074	6/3/2013	888390 WEST COAST ARBORISTS, INC.	(Continued)			
			87316	10967	01-346-0000-4260 FY 2013 ANNUAL TREE TRIMMING SER	540.00
				10967	01-346-0000-4260	118.00
				10967	01-346-0000-4430	632.00
					Total :	1,290.00
102075	6/3/2013	888420 ACCURATE BACKFLOW TESTING	99078		BACKFLOW REPAIR @ 208 PARK AVE 01-430-0000-4260	595.00
					Total :	595.00
102076	6/3/2013	888468 MAJOR METROPOLITAN SECURITY	1058572		ALARM MONITORING - JUNE 2013 01-390-0410-4260	15.00
			1058573		ALARM MONITORING - JUNE 2013 01-390-0410-4260	15.00
			1058574		ALARM MONITORING - JUNE 2013 01-390-0460-4260	15.00
			1058575		ALARM MONITORING - JUNE 2013 01-390-0310-4260	15.00
			1058576		ALARM MONITORING - JUNE 2013 70-381-0450-4260	15.00
			1058577		ALARM MONITORING - JUNE 2013 01-390-0460-4260	15.00
			1058578		ALARM MONITORING - JUNE 2013 01-390-0410-4260	15.00
			1058579		ALARM MONITORING - JUNE 2013 70-381-0450-4260	15.00
			1058580		ALARM MONITORING - JUNE 2013 01-430-0000-4260	15.00
			1058581		ALARM MONITORING - JUNE 2013 01-390-0410-4260	15.00
			1058582		ALARM MONITORING - JUNE 2013 01-390-0222-4260	15.00
			1058583		ALARM MONITORING - JUNE 2013 01-390-0410-4260	15.00
			1058584		ALARM MONITORING - JUNE 2013 70-381-0450-4260	15.00

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102076	6/3/2013	888468 888468 MAJOR METROPOLITAN SECURITY	(Continued)		Total :	195.00
102077	6/3/2013	888531 BIG RED PLUMBING SUPPLY, INC.	78955		REPLACED OUTSIDE TOILET IN MEN'S 01-390-0460-4300	9.03
			79236		SUPPLIES FOR WELL 7A BACKFLOW 70-384-0000-4330	433.83
					Total :	442.86
102078	6/3/2013	888555 PEREZ, VALENTIN	051513		SENIORS FATHER'S DAY DANCE - MUS 04-2380	900.00
					Total :	900.00
102079	6/3/2013	888615 WOOD AUTO SUPPLY INC	800961		TUNE-UP PARTS - PK3222 01-320-0390-4400	74.09
			801281		BELTS - PK3322 01-320-0390-4400	38.30
			801466		SERPENTINE BELT - WA5213 70-383-0000-4400	28.47
			801511		PCV HOSE - PK3322 01-320-0390-4400	3.41
			801535		CREDIT - ITEM RETURNED 01-320-0390-4400	-36.72
			801611		SPARK PLUG - PK3322 01-320-0390-4400	2.02
			801652		IGNITION COIL & CREDIT FOR ITEM RE 01-320-0390-4400	14.10
					Total :	123.67
102080	6/3/2013	888629 SPARKLETTTS	5927274050413		WATER 01-422-0000-4300	107.56
					Total :	107.56
102081	6/3/2013	888646 HD SUPPLY WATER WORKS, LTD	8593976		NUTS, BOLTS, SADDLES & COPPER TL 70-383-0301-4300	1,306.55
			9295731		ANGLE KEY 70-383-0301-4300	780.96
					Total :	2,087.51

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102082	6/3/2013	888869 MUNITEMPS STAFFING	123810		TEMP STAFFING - ADMIN ANALYST W/E	
					01-310-0000-4112	163.52
					01-311-0000-4112	40.88
					27-344-0000-4112	102.20
					70-381-0000-4112	408.80
					70-382-0000-4112	715.40
					70-383-0000-4112	204.40
					70-384-0000-4112	204.40
					72-360-0000-4112	204.40
			123811		TEMPORARY STAFFING - INTERIM FIN/	
					01-130-0000-4112	10,816.25
					Total :	12,860.25
102083	6/3/2013	889118 LDI COLOR TOOLBOX	182775		MONTHLY MAINT COPIES MADE 03/07/	
					01-222-0000-4260	200.79
					Total :	200.79
102084	6/3/2013	889126 ORANGE LINE OIL CO., INC	0700846-IN	10984	BULK OIL FOR FLEET (SYN ATF, 5W30 S	
					01-1215	2,744.26
					Total :	2,744.26
102085	6/3/2013	889149 STAPLES BUSINESS ADVANTAGE	8025521514		KITCHEN SUPPLIES - PLATES, KNIVES	
					01-190-0000-4300	216.93
					Total :	216.93
102086	6/3/2013	889328 FIRST TRANSIT, INC.	10811398		MCT - APRIL 2013	
					07-440-0442-4260	21,593.88
					07-313-0000-4260	18,758.32
					Total :	40,352.20
102087	6/3/2013	889423 LIZARRAGA, MANUEL	REIMB.		MILEAGE REIMB - FOOD MANAGEMEN	
					01-225-3688-4360	40.88
					Total :	40.88
102088	6/3/2013	889532 GILMORE, REVA A.	05/04/13 - 05/17/13		FOOD SERVICE MANAGER	
					10-422-3750-4270	695.50
					10-422-3752-4270	97.50

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102088	6/3/2013	889532 889532 GILMORE, REVA A.	(Continued)			Total : 793.00
102089	6/3/2013	889533 MARTINEZ, ANITA	05/04/13 - 05/17/13		ASSISTANT FOOD MANAGER	
					10-422-3750-4270	265.50
					Total :	265.50
102090	6/3/2013	889534 RAMIREZ, FRANCISCO	05/04/13 - 05/17/13		HDM DRIVER	
					10-422-3752-4270	177.00
					10-422-3752-4390	52.00
					Total :	229.00
102091	6/3/2013	889535 GOMEZ, GILBERT	05/04/13 - 05/17/13		HDM DRIVER	
					10-422-3752-4270	177.00
					10-422-3752-4390	57.20
					Total :	234.20
102092	6/3/2013	889602 RESPOND SYSTEMS	93221		FIRST AID SUPPLIES	
			93268		01-430-0000-4300	163.94
			93306		SAFETY GEAR - ORANGE VESTS & GL	
			93307		70-383-0000-4310	230.83
					NITRILE GLOVES	
					70-384-0301-4300	75.92
					SAFETY GEAR - ORANGE VESTS, SILV	
					13-370-0301-4300	34.66
					Total :	505.35
102093	6/3/2013	889611 MORRISON MANAGEMENT SPECIALIST	188452013043001		LP SENIOR MEALS - APRIL 2013	
					10-422-3752-4260	3,280.50
					10-422-3750-4260	4,072.50
					Total :	7,353.00
102094	6/3/2013	889644 VERIZON BUSINESS	68034033		CITY HALL LONG DISTANCE	
			68034034		01-190-0000-4220	50.47
			68034035		CITY YARD LONG DISTANCE	
					70-384-0000-4220	59.30
					CITY HALL LONG DISTANCE & INTRAL	
					01-190-0000-4220	167.39
			68034036		POLICE LONG DISTANCE	

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102094	6/3/2013	889644 VERIZON BUSINESS	(Continued)			
			68034038		01-222-0000-4220 PARK LONG DISTANCE	206.37
			68034600		01-420-0000-4220 ENGINEERING LONG DISTANCE	63.05
			68034613		01-310-0000-4220 CREDIT CARD LINE	3.02
			68034614		01-190-0000-4220 POLICE LONG DISTANCE	2.41
			68034615		01-222-0000-4220 PARK LONG DISTANCE	2.41
			68034623		01-420-0000-4220 CITY HALL LONG DISTANCE	3.00
			Y2619458		01-190-0000-4220 CITY YARD LONG DISTANCE	1.78
					70-384-0000-4220	4.84
					Total :	564.04
102095	6/3/2013	889681 VILLALPANDO, MARIA	05/04/13 - 05/17/13		FOOD SERVICE WORKER	
					10-422-3750-4270	221.25
					10-422-3752-4270	44.25
					Total :	265.50
102096	6/3/2013	889761 ALFARO, RUDY	NONPO		REIMB - NK FUSION WALKING SHOES	
					70-383-0000-4310	87.18
					Total :	87.18
102097	6/3/2013	889962 GMS ELEVATOR SERVICES, INC	00068887		MONTHLY ELEVATOR SERVICE	
					01-430-0000-4260	129.00
					Total :	129.00
102098	6/3/2013	889986 THE GEAR BOX	2077		UNIFORM	
					01-222-0000-4300	82.12
					Total :	82.12
102099	6/3/2013	890251 ALDERMAN & HILGERS, LLP	1133		LEGAL SERVICES	
					01-110-0511-4270	914.50

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102099	6/3/2013	890251 ALDERMAN & HILGERS, LLP	(Continued)			
			1134		LEGAL SERVICES	
			1135		01-110-1065-4270 LEGAL SERVICES	756.00
			1136		01-110-0507-4270 LEGAL SERVICES	36.00
					01-110-3375-4270	33,650.47
					Total :	35,356.97
102100	6/3/2013	890360 HERRERA, NINAMARIE JULIA	051413		COMMISSIONER'S REIMBURSEMENT	
					01-420-0000-4111	50.00
					Total :	50.00
102101	6/3/2013	890378 ENNIS PAINT INC	10248097		RED CURB PAINT	
					13-311-0000-4300	502.60
					Total :	502.60
102102	6/3/2013	890488 AGUILA, ISMAEL	REIMB.		TRAVEL REIMB - WHITE HOUSE 100 CI	
					17-420-1337-4260	595.42
					Total :	595.42
102103	6/3/2013	890491 PTI PRINTING TECHNOLOGY INC	0463937-IN		COMP HP4700 CYAN TONER	
					01-130-0000-4300	85.16
					Total :	85.16
102104	6/3/2013	890559 CRESCENTA VALLEY WATER DISTRIC	SF7		ULARA SPECIAL COUNSEL COST SHAF	
					70-381-0000-4270	63.88
					Total :	63.88
102105	6/3/2013	890771 TORRES, CAROLINA	04/24/13 - 05/20/13		ZUMBA INSTRUCTOR	
					17-420-1337-4260	525.00
					Total :	525.00
102106	6/3/2013	890780 MISSION AMBULANCE, INC.	27738		LIFEGUARD SERVICES	
			27739		01-430-0000-4260 LIFEGUARD SERVICES	7,442.58
			27742		01-430-0000-4260 LIFEGAURD SERVICES	367.75

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102106	6/3/2013	890780 MISSION AMBULANCE, INC.	(Continued)		01-430-0000-4260	7,626.81
					Total :	15,437.14
102107	6/3/2013	890810 SENFTLEBEN, DARIO	04/24/13 - 05/20/13		OUTDOOR FITNESS INSTRUCTOR 17-420-1337-4260	470.00
					Total :	470.00
102108	6/3/2013	890834 SPARKLING IMAGE CORP	44146		CAR WASHES - APRIL 2013 01-222-0000-4320	170.00
					Total :	170.00
102109	6/3/2013	890836 CURRICULUM ASSOCIATES	90218810	10980	TESTING MATERIALS 10-420-1371-4300	623.34
					Total :	623.34
102110	6/3/2013	890837 THE SCHOLASTIC STORE	32501007	10981	READING PROGRAM MATERIAL FOR A 10-420-1371-4300	1,734.81
					Total :	1,734.81
102111	6/3/2013	890879 EUROFINS EATON ANALYTICAL, INC	L0121859		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	139.60
			L0121862		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	225.00
			L0121874		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	900.00
			L0121882		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	139.60
			L0121889		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	139.60
			L0122276		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	164.00
			L0122284		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	139.60
			L0122286		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	139.60
			L0122701		WATER ANALYSIS VARIOUS FOLDERS	

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102111	6/3/2013	890879 EUROFINS EATON ANALYTICAL, INC	(Continued)		70-384-0000-4260	139.60
			L0122704		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	228.60
			L0122706		WATER ANALYSIS VARIOUS FOLDERS 70-384-0000-4260	139.60
					Total :	2,494.80
102112	6/3/2013	890897 EVAN BROOKS ASSOCIATES, INC	13005-1		TOD PLANNING GRANT OBLIGATION 01-140-0000-4270	862.50
					Total :	862.50
102113	6/3/2013	890994 PONCE, JOE	051413		COMMISSIONER'S REIMBURSEMENT 01-420-0000-4111	50.00
					Total :	50.00
102114	6/3/2013	890995 NAVARRO, SAYDITH	051413		COMMISSIONER'S REIMBURSEMENT 01-420-0000-4111	50.00
					Total :	50.00
102115	6/3/2013	891066 MONTES CASTELLON, CAROL'S	05/10/13 - 05/22/13		COMMUNITY WELLNESS COORDINATC 10-430-3649-4260	832.00
					Total :	832.00
102116	6/3/2013	891092 LARCO, JACQUELINE	04/24/13 - 05/20/13		YOGA/PILATIES & ZUMBA INSTRUCTOR 17-420-1337-4260	200.00
					Total :	200.00
102117	6/3/2013	891126 LABELLE-MARVIN INCORPORATED	16000		PARK AVE ASPHALT TESTING 50-311-0000-4600	1,420.00
					Total :	1,420.00
102118	6/3/2013	891132 SALAZAR, MARISOL YVONNE	04/24/13 - 05/20/13		BODY SCULPT INSTRUCTOR 17-420-1337-4260	85.00
					Total :	85.00
102119	6/3/2013	891133 RUIZ, GABRIELA	04/24/13 - 05/20/13		ZUMBA INSTRUCTOR 17-420-1337-4260	130.00

Page: 20

vchlist 05/30/2013 12:46:19PM		Voucher List CITY OF SAN FERNANDO				Page: 21
Bank code :		bank				
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
102119	6/3/2013	891133 RUIZ, GABRIELA	(Continued)			Total : 130.00
102120	6/3/2013	891134 BECERRA, ADRIANA	04/24/13 - 05/20/13		BODY SCULPT & SPINNING INSTRUCTI 17-420-1337-4260	150.00
					Total :	150.00
102121	6/3/2013	891161 LOS ANGELES CITY PLANNING DEPT	CUP-NITRATE PROJ		CUP APPLICATION FEES FOR NITRATE 70-384-0000-4600	10,653.60
					Total :	10,653.60
102122	6/3/2013	891164 MUNICIPAL ENERGY SOLUTIONS INC	1049		FLOOD LIGHTS FOR LP PARK REAR PA 01-390-0460-4300	145.00
					Total :	145.00
102123	6/3/2013	891165 MONTES, CAROL BELISA	05022013		LOGO DESIGN 01-420-0000-4260	175.00
					Total :	175.00
102124	6/3/2013	891166 NAVARRO, MELISSA	2000063.001		BASKETBALL REFUND 17-3770-1328	75.00
					Total :	75.00
102125	6/3/2013	891167 TORRES, JOSE A	051613		SENIOR CENTER POOL TABLE REPAIR 04-2346	480.00
					Total :	480.00
102126	6/3/2013	891168 FUENTES, FERNANDO TAVERA	SF2121024010		REFUND - OVERPAYMENT PARKING CI 01-3430-0000	55.00
					Total :	55.00
102127	6/3/2013	891169 ZAPIENS APPRAISALS	0413362		LEGAL SERVICES 06-190-0000-4800	100.00
					Total :	100.00
102128	6/3/2013	891170 HRDIRECT	INV1361193		POSTER GUARD COMPLIANCE PROTE 01-106-0000-4300	59.99
			INV1361194		POSTER GUARD COMPLIANCE PROTE 01-106-0000-4300	59.99
						Page: 21

vchlist		Voucher List				Page:	22
05/30/2013	12:46:19PM	CITY OF SAN FERNANDO					
<hr/>							
Bank code :		bank					
Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount	
102128	6/3/2013	891170 HRDIRECT	(Continued)				
			INV1361195		POSTER GUARD COMPLIANCE PROTE		
					01-106-0000-4300	59.99	
			INV1361196		POSTER GUARD COMPLIANCE PROTE		
					01-106-0000-4300	59.99	
					Total :	239.96	
116 Vouchers for bank code :		bank				Bank total :	292,453.82
116 Vouchers in this report						Total vouchers :	292,453.82

Voucher Registers are not final until approved by Council.

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PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Ron Ruiz, Public Works Director

DATE: June 3, 2013

SUBJECT: Notice of Completion for Park Avenue Street Improvements

RECOMMENDATION:

It is recommended that the City Council:

- a. Accept the improvements as constructed by Toro Enterprises, Inc. and consider the work complete;
- b. Authorize the City Administrator and the City Clerk to sign and file the Notice of Completion (Attachment "A") with the Office of the Registrar-Recorder/County Clerk; and
- c. Authorize the release of the 10% retention amount after the 35-day lien period from the date the Notice of Completion is recorded.

BACKGROUND:

1. On January 17, 2013, the City Clerk received and opened six bids for construction. Staff analyzed all bids and recommended awarding the construction contract to the lowest responsive bidder, Toro Enterprises, Inc.
2. On February 19, 2013, the City Council awarded a contract to Toro Enterprises, Inc. (Contractor) in the amount of \$164,725 and authorized the City Administrator to approve change orders not to exceed 10% of contract amount.
3. On March 26, 2013, a Notice to Proceed with work was issued to the Contractor.
4. On April 24, 2013, a change order for an increase in the amount of \$20,600 was issued.
5. On May 2, 2013, work was completed by the Contractor.
6. On May 14, 2013, a change order for a decrease in the amount of \$12,813 was issued.

Notice of Completion for Brand Boulevard Improvements

Page 2

ANALYSIS:

1. This project consisted of concrete and asphalt pavement improvements on Park Avenue between First Street and Fourth Street. Concrete improvements included access ramps and curb and gutters. Roadway pavement improvements included cold milling of AC pavement, and constructing AC surface course. Traffic improvements included removal and/or placement of striping, markers, and wheel stops. Related work included mobilization, devising and implementing a construction safety plan, construction surveying, adjusting manholes and utility covers, placing pavement markers, and performing all appurtenant work.
2. With the approval of the Notice of Completion, a one-year warranty is in effect, which further ensures that the project will remain defect-free.

CONCLUSION:

The Park Avenue Street Improvement project is now complete. All work has been completed to staff's satisfaction and is in conformance with the approved plans and specifications. The life expectancy of the completed roadway is 20 years. Project acceptance and filing the Notice of Completion allows for the project to be filed and closed out.

BUDGET IMPACT:

There is no budget impact. A change order was approved by the City Administrator for additional street replacement work to better ensure the long term life cycle of the new pavement. This change order was permissible with the project contingency that was previously approved by the City Council on February 19, 2013. The total project cost including the change order was \$172,512.

ATTACHMENT:

- A. Notice of Completion

EXEMPT FROM RECORDING FEES PER GOVT
CODE SECTION 6103

ATTACHMENT "A"**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:****City of San Fernando**

Elena G. Chávez, City Clerk
San Fernando City Hall
117 Macneil Street
San Fernando, CA 91340

Space Above This Line Reserved For The Recorder's Use

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

1. **NOTICE IS HEREBY GIVEN THAT:** work on the subject project has been completed, and it is recommended that a Notice of Completion be executed and recorded
2. **NAME AND ADDRESS OF OWNER:** City of San Fernando, a municipal corporation, 117 Macneil Street, San Fernando, CA 91340
3. **DESCRIPTION OF THE PUBLIC WORK:** Contract #1701, Job No. 7577, Park Avenue Street Improvements
4. **DESCRIPTION OF PROPERTY:** The property on which said work of improvement was completed is in the City of San Fernando, County of Los Angeles, State of California, and is described as: Park Avenue, between First Street and Fourth Street, San Fernando CA 91340
5. **ACCEPTED AND COMPLETED:** Work on said contract was completed and accepted on May 2, 2013
6. **NATURE OF OWNER'S INTEREST:** In fee
7. **NAME AND ADDRESS OF CONTRACTOR:** Toro Enterprises, Inc., 2101 East Ventura Boulevard, Oxnard, CA. 93036
8. **DECLARATION:** I, Don Penman, duly appointed Interim City Administrator of the City of San Fernando, have read the foregoing Notice of Completion, have made my verification on behalf of said City, and know the contents thereof to be true. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct

Don Penman, Interim City Administrator
City of San Fernando, California
(City Seal)

Date

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES SS.

Subscribed and sworn to (or affirmed) before me on this _____, by Don Penman, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Elena G. Chávez, Notary Public

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PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Ron Ruiz, Public Works Director

DATE: June 3, 2013

SUBJECT: Approval of Contract Extension with First Transit, Inc.

RECOMMENDATION:

It is recommended that the City Council:

- a. Approve a two year contract extension with First Transit, Inc. for maintenance and operation of the Mission City Transit and the City Trolleys, with a maximum of three one-year renewal extensions (subject to City Council approval); and
- b. Authorize the Interim City Administrator to negotiate and execute the contract extension.

BACKGROUND:

1. On February 2, 2004, Laidlaw Transit Services (Laidlaw) was awarded a contract to operate the Mission City Transit Program (MCT).
2. On April 13, 2007, in anticipation of the contract expiration with Laidlaw (company name was later changed to First Transit, Inc.), a notice inviting bids for the operation of the MCT was advertised and mailed to nine operators.
3. On May 14, 2007, only one bid was received from Laidlaw by the due date.
4. On June 18, 2007, the City Council authorized an amendment to the Laidlaw agreement, extending the term for one year and changing the rates of compensation from \$37.74 per hour excluding fuel, to \$48.52 per hour including fuel.
5. On April 17, 2008, a Request of Proposal (RFP) was issued seeking a vendor for the operation of the MCT and the City Trolleys.
6. On May 8, 2008, four proposals were received in response to the issuance of the RFP.

Approval of Contract Extension with First Transit, Inc.

Page 2

7. On May 9, 2008, copies of proposals for the operation of the MCT were distributed to a selection committee.
8. On May 12, 2008, the selection committee met and developed a recommendation that First Transit be awarded a contract for the operation and maintenance of the MCT and the City Trolleys.
9. On May 19, 2008, the City Council awarded a contract for a 5-year term to First Transit for the maintenance and operation of the MCT and the City Trolleys (Attachment "A").
10. On May 19, 2013, the contract term expired between First Transit and the City.
11. On May 20, 2013, per Section 2-837 of the municipal code, the City Administrator authorized an extension of the contract through June 6, 2013.

ANALYSIS:

First Transit currently operates and maintains both the MCT and the City Trolleys programs under a contract approved by the City Council on May 19, 2008. The contract term expired on May 19, 2013, however an option to extend the contract for an additional five-years is allowed per the agreement. Given current issues pertaining to the City budget and future sustainability issues for the City Trolleys, staff has agendized this item for further direction by the City Council.

In the interim, the City Administrator has approved a short term extension of the contract through June 6, 2013, while the matter can be further analyzed by City staff and presented to the City Council. Per Section 2-837 of the City Code the City Administrator has the authority to extend the contract if the dollar value does not exceed \$25,000, among other conditions per the City Code.

At this point in time, staff is recommending that the City agree to extend the contract with the terms provided in this report. This direction is recommended since pending issues regarding the City budget and matters concerning the City Trolleys are still under review. Once these matters have been more fully resolved, future direction can be more clearly defined regarding the City Trolleys. The recommendation provided in this report will authorize the City Administrator to extend and execute the extension pending any further direction by the City Council.

As an alternative approach, if the City Council prefers more time to consider this matter, the Council can instead direct the City Attorney to prepare a one-month extension while the matter can be furthered analyzed and then agendize this item again for a future City Council meeting.

In considering the contract extension, it is important to note that First Transit has fully performed all services provided in the contract and staff has no concerns about their continued services. As for cost, a new procurement process could be conducted at a later date to ensure competitive

Approval of Contract Extension with First Transit, Inc.

Page 3

pricing. In the previous procurement process, First Transit successfully competed with three other firms (Southland Transit, Inc. at a cost of \$545,976, Techtrans/Diversified Transportation at a cost of \$576,160, and McDonald Transit Associates at a cost of \$707,857) based on their experience, qualifications, and the lowest cost proposal at a cost of \$496,620.

Additional Contract Terms

If the City Council approves the extension, the additional terms listed below would be included with all other existing terms remaining the same. These are staff recommended terms and therefore can be modified or replaced as the City Council desires. If the City Council prefers to modify the terms, it is recommended that they be agreed upon during the City Council meeting so that the City Administrator has direction to later negotiate and approve the contract extension by no later than June 6, 2013.

Term of Extension

The current contract allows for one (1) five-year extension of the contract by mutual agreement of both parties. Although First Transit has provided excellent services, due to pending City budget issues and sustainability issues regarding the City Trolleys staff recommends that the contract be extended to two years rather than five. Upon the conclusion of the Initial Term, this Agreement may be renewed for a maximum of three (3) one-year extension term subject to prior approval by the City Council. 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.

Cost Increase

First Transit, Inc. has proposed to continue the annual increase schedule as provided for in the current contract. Annual increases per the existing contract equate to 3.1% annually. Their rate increase proposal consists of a revised hourly rate at \$56.44 in Year One, \$58.41 in Year Two. If the three year options are exercised, they proposed a revised hourly rate of \$60.46 in Year Three, \$62.57 in Year Four, and \$64.76 in Year Five. The current hourly rate is \$54.53. These costs are budgeted in the Fiscal Year (FY) 2012-13 and the proposed FY 2013-14 City budgets. These hourly rate increases will be included in the contract extension.

Contract Termination

Although the current contract already has language to terminate or modify the contract prior to the term end date, the City Attorney will review the contract to ensure that this option is preserved and enhanced as necessary during the contract extension term.

CONCLUSION:

Staff is recommending that the City Council authorize the City Administrator to execute a contract extension with First Transit while ongoing matters with the City Budget and the City Trolleys are more clearly defined. The contract extension will also ensure that no service

Approval of Contract Extension with First Transit, Inc.

Page 4

disruptions occur for both public transit systems in the interim. The contract extension will still allow for an earlier termination if needed in the future.

BUDGET IMPACT:

There is not budget impact for the contract extension. The contract cost is \$479,300 in FY 2012-13 and is also included in the proposed FY 2013-14 City Budget. Funding sources for this cost in the current fiscal year include \$375,421 in Fund 7-Proposition A Transportation Sales Tax, and \$103,879 in Fund 8-Proposition C.

ATTACHMENT:

A. Contract

**AGREEMENT BETWEEN THE
CITY OF SAN FERNANDO AND LAIDLAW
FOR OPERATIONS OF THE TRANSIT SERVICES**

THIS AGREEMENT is made the 19th of May, 2008 by the City of San Fernando, hereinafter referred to as "City," and First Transit, Inc. hereinafter referred to as "Operator."

RECITALS

WHEREAS, Operator has the management and technical personnel, expertise, and other assets useful for the support of the City's Mission City Transit Program ("Transit Program"); and

WHEREAS, City is desirous of obtaining such services for the Transit Program; and

WHEREAS, Operator is desirous of providing such service;

NOW, THEREFORE, in consideration of the foregoing recitals and covenants and agreements of each of the parties herein set forth, the parties hereto do agree as follows:

1. Purpose

Operator shall provide transportation management and operation services for the City's Transit Program upon the term and conditions set forth in this Agreement.

2. Term of Agreement

The term of this Agreement shall be from May 19, 2008 to May 19, 2013 unless otherwise terminated as provided herein. This agreement may be extended by mutual agreement for one period of five years (May 19, 2018).

3. Scope of Work

Operator shall operate the Transit Program and perform all other services as set forth in this Agreement and the Scope of Work attached hereto and incorporated herein as Exhibit A. Operator shall perform all work to the highest professional standards and in a manner reasonably satisfactory to City. Operator shall comply with all applicable federal, state, and local laws, ordinance, codes and regulations.

4. Service Area

A. Operator shall provide transportation services to any place within the city limits of the City of San Fernando and to the approved medical facilities located outside the city limits as set forth in Exhibit B attached hereto and incorporated herein by this reference (collectively the "Service Area").

B. The City reserves the right to modify the Service Area as necessary for fiscal, jurisdictional, geographic or passenger travel patterns, or for transportation coordination reasons.

5. Rates and Compensation

A. Operator shall be paid a fixed hourly rate of \$45.87, for each hour the vehicle is actually available for service in the Service Area. The maximum compensation to be paid to Operator for services rendered under this Agreement shall be as outlined in Exhibit C.

B. The City shall provide the propane fuel necessary to operate the transit vehicles. Operator's drivers shall fuel the vehicles at a propane fueling station as designated by the City. The City shall track fuel use and consumption for the Transit Program vehicles.

6. Program Changes

A. City reserves the right to modify the number of vehicle service hours (budgeted at 10,828 hours) by ten (10) percent above or below the total number of hours at the fixed hourly rate shown in Section 5A of this Agreement. If the total number of service hours is modified by more than ten (10) percent, the hourly rate is subject to negotiations.

B. If City requests additional work not contemplated under this Agreement, City shall promptly notify Operator in writing by change order of such request. The change order shall specify a cost limit or shall be subject to subsequent negotiations.

7. Invoicing and Payments

A. Operator shall submit to City a monthly invoice, in a form provided by Operator and approved by City, for the services described in Section 3. Each such invoice shall specify the hours for which the vehicles were service. All relevant backup documentation shall be included with each monthly invoice. Operator shall track the actual hours of operation by dispatcher and/or drive trip sheets and employee time cards. Dispatcher and/or driver trip sheets and employee time cards shall be available for review by the City.

B. City shall review the invoices and notify Operator in writing within thirty (30) business days after receipt of the invoice of any disputed amounts. The City may dispute any amount for reasonable cause. The disputed amount and the reason for such dispute shall be documented to Operator. The City shall assign a sequential reference number to each dispute.

C. All payments to operator by City shall be made in arrears, after the service has been provided. City shall pay Operator the undisputed amount within thirty (3) business days of receipt of the invoice by City. Payments shall be by voucher or check payable to and mailed first class to the Operator at the address set forth in Section 13 of this Agreement.

D. City reserves the right to withhold any payment if City determines, or City subsequently determines after making a payment to Operator, that Operator: (i) has not

performed, in whole or in part, the transit services under this Agreement; (ii) has neglected, failed or refused to furnish information or cooperate with any inspection, review or audit of the Transit Program work performed pursuant to this Agreement or records maintained by the Operator; or (iii) has failed to sufficiently itemize or document its invoices for payment. City shall notify Operator in writing stating the reasons for withholding payment.

E. City has the right to withhold 25 percent of the last payment until 15 days after this Agreement expires or is otherwise terminated subject to City's review of Operator's adherence to all contractual requirements.

8. Fares

A. All fare box revenue collected by Operator is property of the City. Operator shall deposit the fare boxes weekly with the City's Treasurer, located at 117 Macneil Street, San Fernando. Operator shall provide a monthly report itemizing fare box revenues against the number of passengers carried.

B. The City may also sell passes, which shall be accepted as a permit to ride by Operator's drivers.

9. Control of Operations

City shall not interfere with the Operator's management of its business nor shall the City directly discipline or terminate Operator's employees. City may advise Operator of any employee's inadequate performance that has a negative effect on the transportation services provided to City. Operator shall take prompt action to remedy any deficiencies in employee performance. In extreme cases, the City may demand removal of an Operator employee.

10. Qualification for Future Contracts

As a result of entering into this Agreement, Operator shall not be penalized or disqualified from bidding for subsequent transportation management and operation programs under jurisdiction of City.

11. Assignment

A. Operator shall not delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of City, and any attempt by Operator to so subcontract any work or so assign this Agreement or any right, duties, or obligations arising hereunder shall be void and of no effect.

B. Any assignment, delegation or subcontract shall be made in the name of the Operator, shall not bind or purport to bind the City and shall not release the Operator from any obligations under this Agreement, including, but not limited to, the duty to properly supervise and require that each subcontractor be bound to the terms of this Agreement. No such

assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to Operator under this Agreement.

12. Termination

A. Upon determination by City that Operator has failed to comply with the terms of this Agreement, City shall notify operator of such noncompliance and provide Operator with thirty (30) days written notice, or, if the public health and safety is at risk, upon shorter written notice. If Operator fails to cure the default within the applicable time frame, City may terminate the Agreement in whole or in part. City, in its sole judgment, shall determine whether Operator's corrective measures are adequate to cure the default.

B. City shall further have the right to terminate this Agreement in its entirety upon the occurrence of one or more of the following:

i. The City and Operator agree that continuation of the Transit Program would not produce beneficial results commensurate with the further expenditure of funds.

ii. Funds are not available to pay the cost of Transit Program as set forth in this Agreement. The City's Transit Program is funded from Los Angeles County Gas Tax Funds (Proposition A).

C. City may order the temporary cessation of service otherwise required by Operator upon forty-eight (48) hours written notice to Operator. In the event that such order is not due to the acts or omissions of Operator, City shall be responsible for all reasonable costs incurred by Operator prior to the cessation of services. Operator shall make all reasonable efforts to minimize such costs to City.

D. City has the right to terminate this Agreement, without cause, upon thirty (30) days written notice to Operator.

E. Operator has the right to terminate this Agreement, without cause upon thirty (30) days written notice to City.

F. In the event that City terminates this Agreement, Operator shall be paid for the services performed to the date of termination as set forth in the notice. All pertinent data prepared for the Transit Program shall be available to the City at no additional cost.

13. Communication

All notices hereunder and communications with respect to this Agreement shall be effective upon the mailing thereof by registered or certified mail, return receipt requested, and postage prepaid to the persons named below:

If to Operator: Richard A. Dunning
First Transit, Inc.
705 Central Avenue, Suite 300
Cincinnati, Ohio 45202
(513) 684-8734
(513) 684-8852 (facsimile)

If to City: Jose Pulido, City Administrator
City of San Fernando
117 Macneil Street
San Fernando, CA 91340
(818) 898-1200
(818) 361-7631 (facsimile)

14. Force Majeure

Operator shall not be liable for any failure to perform if acceptable evidence has been submitted to City that failure to perform this Agreement was due to causes beyond the control and without the fault or negligence of the Operator. Examples of such causes included Acts of God, civil disturbances, declared state of emergency by federal, state or city official, fire, war, floods, strikes, and public road closures. An Act of God refers to natural occurrences that are so extraordinary that they cannot be prevented by the exercise of prudence, diligence, care or the use of those appliances that Operator renders it reasonable to employ. Notwithstanding, if Operator is excused from performing its obligations under this section for a period of ten (10) working days or longer, City shall have the right to immediately terminate this Agreement. However, the City Administrator may grant Operator an extension of time in which the delay in performance or failure to perform is excusable. The City Administrator shall prepare and execute, and Operator shall execute the appropriate document acknowledging any extension of time pursuant to this Section. In the event that Operator is unable to provide transit services due to any cause under this Section, it shall make a reasonable attempt to so notify the public patronizing the Transit Program. City shall not be liable for payment under any of these events.

15. Accounting

All costs incurred in furtherance of this Agreement shall be recorded in accounts separate from those used for other business activities and shall conform to the Metropolitan Transportation Authority Proposition A Guidelines.

16. Audit

Operator shall permit the authorized representatives of City and the Metropolitan Transit Authority to inspect and/or audit all data and records of the Operator relating to performance under this Agreement.

17. Licenses

The City hereby expressly waives any franchise or business license fees that the City might ordinarily require for the operation of a transit service.

18. City's Living Wage Ordinance

Operator hereby agrees to abide by the City's Living Wage Ordinance, a copy of which has been provided to the Operator.

19. Insurance

A. Operator shall obtain, provide and maintain during the term of this Agreement the following types and amounts of insurance which shall be maintained with insurers licensed and admitted to sell insurance in the State of California and having a A: VII or higher rating in the latest edition of Best's Insurance Guide, and subject to approval of the City's Risk Manager and City Attorney:

i. General Liability. A policy of Comprehensive General Liability Insurance including commercial general liability, endorsed for contractual and personal injury, with a combined single limit of at least five million dollars (\$5,000,000.00) per occurrence.

ii. Automobile Liability. A policy of Automobile Liability Insurance endorsed for bodily injury and property damage on all owned, non-owned or hired vehicles with a combined single limit of at least five million dollars (\$5,000,000.00) per occurrence.

iii. Workers' Compensation and Employer's Liability. A policy of Workers' Compensation in accordance with state worker's compensation laws, including employers liability insurance.

B. All insurance except Workers' Compensation shall name the City, its elected and appointed officials, officers, employees and agents as additional names insureds.

C. Operator is responsible for all deductibles.

D. Certificates of Insurance shall be submitted to the City prior to commencement of any work under this Agreement. The Certificates of Insurance are to reflect that the insurer will provide at least thirty (30) days written notice to City of any cancellation, modification or expiration of insurance coverage.

20. Nondiscrimination

In connection with the execution of this Agreement, Operator shall not discriminate against any employee or applicant for employment because of age, race, religion, color, sex, or national origin. Operator shall take affirmative actions to insure that employees are treated without regard to their age, race, religion, color, sex, or national origin during their

employment. Such actions shall include, but not limited to, the following: employment, upgrading demotions or transfer; recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship.

21. Prohibited Interest

No member, officer, or employee of the City during his or her tenure of employment or one year thereafter, shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

22. Conflict of Transportation Interests

Operator shall not divert any revenues, passengers, or other business from City's Transit Program to any taxi or other transportation operation of Operator.

23. Emergency In-Lieu Performance by City

In the event that Operator fails, neglects or is unable to timely perform any of the services specified herein, City reserves the right to provide such service until such time as Operator demonstrates its ability to continue performance. Operate agrees to pay City for the reasonable costs of providing transit service.

24. Indemnification

Operator shall indemnify, defend and hold harmless the City, including its officers, agents, servants and employees, from any and all costs, claims, liabilities, damages or expenses, including, without limitation, costs of suit and reasonable attorney fees, that may be asserted or claimed by any person, firm entity, corporation, political subdivision, state agency, or other organization or person, whether public or private, for injury to or death of any persons or persons, for damage to property, including properties owned by the City, or otherwise wrongful acts, errors and omissions committed by Operators, its officers, agents, servants or employees arising out of or related to Operator's performance under this Agreement.

25. Performance Bond

Operator shall obtain and provide a faithful performance bond, in a form satisfactory to the City Attorney, covering faithful performance of this Agreement and payment of obligations arising thereunder in an amount equal to twenty-five percent (25%) of the annual Agreement price. The bond shall be executed by an admitted surety insurer with a Best's Insurance Guide rating of A: VII or higher and which is authorized to issue bonds in the State of California through an authorized agent with an office in California. Failure to deliver a satisfactory bond on or before June 10, 2008, shall result in automatic termination of this Agreement.

26. City Not Obligated to Third Parties

City shall not be obligated or liable under this Agreement to any party other than Operator.

27. Entire Agreement

This Agreement represents the entire integrated agreement between the City and Operator, and supersedes all prior negotiations, representations or agreements, either written or oral. Only a written instrument signed by both the City and Operator may amend this Agreement.

28. Attorney's Fees

In the event that either party to this Agreement shall commence any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorney's fees.

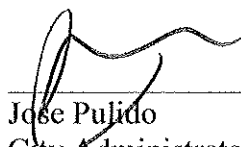
29. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be executed by and through their respective officers there unto duly authorized on the date first written above.

CITY OF SAN FERNANDO

By:



Jose Pulido
City Administrator

FIRST TRANSIT, INC.


By:



Richard A. Dunning
Senior Vice President

Approved as to form:

Michael Estrada, City Attorney



Elena G. Chavez, City Clerk

EXHIBIT A

SCOPE OF WORK

A. Contractor Responsibilities

1. Operator shall provide the necessary management and administrative personnel who expertise will assure efficient operation of the City's Transit Program. Operator shall also provide all facilities, equipment and supplies required in the operation of the City's demand responsive elderly and handicapped Transit Program. Operator shall manage the City's Transit Program in accordance with the guidelines and parameters established in this Agreement.

2. Operator represents that is has the management, technical, maintenance and operating personnel necessary to operate the City's Transit Program. In conjunction with the City, Operator shall design a demand responsive Transit Program to meet the needs of the residential and business community within the parameters of the 5,732 vehicle service hours budgeted for this agreement. The City and Operator shall agree upon a schedule of operations to be implemented by Operator. The schedule is attached to the Agreement as Exhibit B and shall be incorporated herein by this reference.

3. Operator shall strive at all times to provide service in a manner that will maximize productivity and at the same time provide high quality passenger service.

4. Operator and City shall meet on a quarterly basis to evaluate the performance of the Transit Program.

5. All services rendered under this Agreement are subject to review by the City. The Operator shall advise City of significant matters relating to the City's Transit Program and shall make recommendations regarding such service when appropriate.

B. Charter Services

Upon request by City's designated representative as set forth in Section 13 of this Agreement, Operator shall provide charter transportation services. The rate for such charter service will be calculated on an individual trip basis and must be authorized by the City's designated representative.

C. Personnel

1. Operator shall recruit and hire drivers, dispatchers and such other personnel as are required for the operation of the City's Transit Program. Operator is strongly encouraged to hire personnel with the ability to speak Spanish.

2. Operator shall use its best efforts to recruit all employees through the local media, employment agencies, and minority-aid group. Operator shall test, interview, and train all

successful applicants. Operator shall comply with local, county and state wage and hour laws. Operator shall attempt to hire minorities. Operator shall maintain a list of current personnel.

3. Upon request, Operator shall supply the City Operator's personnel policies including reimbursement policies for any sick pay, overtime pay, and wage scales. Operator's personnel policies shall conform to state and Federal law and shall specifically state that Operator shall not discriminate against any employee by reason of sex, race, age, or religious affiliation.

D. Training and Safety

1. Operator shall maintain ongoing training programs to train and prepare new and current drivers, maintenance, personnel, administration, management, and all other employees essential to the Transit Program. Training programs shall be conducted in a manner that conforms to State and local laws and assures that Operator's employees will perform all the obligations stated in the Agreement. The City is not responsible for driver training or the driving performance of drivers. Operator shall provide City a copy of Operator's Training Manual.

2. Operator shall implement a safety program. In addition, CPR and sensitivity training will be required of Operator's employees involved with the City's Transit Program. Operator shall provide City a copy of Operator's Safety Manual.

E. Project Manager

Operator shall supervise the day-to-day operation of the City Transit Program. Operator shall appoint an employee to supervise the City's transportation service and designate that person as the Transit Program's Project Manager. The Project Manager shall be knowledgeable in all aspects of the City's Transit Program. The Project Manager shall be designated as the principal representative of Operator and shall be authorized to oversee the proper operation of the City's Transit Program. The Project Manager shall be available by phone or in person during the Transit Program's hours of operation.

F. Medical Assistance to Passengers

Operator's employees are not required to perform medical or quasi-medical functions for passengers. If a medical emergency should occur while the vehicle is in transit, the driver shall immediately advise the dispatcher by radio and the driver may proceed to a medical facility for assistance. All vehicles shall be equipped with a basic first aid kit.

G. Road Calls

In the event of a vehicle failure while in service, Operator shall deploy a back-up vehicle immediately upon notification to replace the failed vehicle.

H. Equipment

1. Vehicles

a. As set forth in Operator's proposal, initial service shall be provided with Vehicles supplied by Operator. Operator shall provide at least two vehicles. All vehicles shall, at a minimum, be a 2000 or newer full-size raised roof van quipped with a wheelchair lift, tow (2) tie down stations and have capacity for at least eight (8) passengers. The vehicles shall have air conditioning/heating, be equipped with two-way radios under central dispatch control and the vehicle's exterior and interior must be in good condition. CB type radios are not acceptable. All vehicles shall be designated as alternative fuel vehicles, specifically utilizing propane fuel.

b. Operator shall provide decal or suitable marking on the vehicle to identify the City of San Fernando as the Mission City Transit Program sponsor. The City shall approve all vehicle identification decals or other markings.

2. Vehicle Inspection and Maintenance

a. Drivers shall inspect the vehicle prior to beginning daily service for noticeable defects. Any defects located by driver shall be noted on the operator's defect report. Vehicles with defects that cause the vehicle to be unsafe shall not be operated.

b. Prior to the operation of any vehicle, all fluid levels must be checked and restored to proper levels. An inspection report shall be made of the inspection and any actions taken prior to the operation of the vehicle.

c. Vehicle interior cleaning shall be done on a daily basis. Vehicle exterior shall be washed and scrubbed once a week.

d. Operator shall provide the services of qualified maintenance personnel. Maintenance personnel shall have the experience and training and shall possess the necessary equipment and tools to perform any authorized repair work. As part of the vehicle's operating cost, Operator shall supply all fluids, oils, lubricants, repair parts and hardware (nuts, bolts, springs, bulbs, etc.). The City shall supply vehicle fuel (propane) at no cost to the Operator.

e. Operator or other vendor contracted by Operator shall maintain and repair the vehicles according to the manufacturer's recommended maintenance specifications and/or to normal repair standards including maintenance and repair and all safety equipment. Preventive maintenance inspections shall be performed at regular intervals in accordance with the vehicle manufacturer specifications. Maintenance work performed at each inspection shall conform to the work specified in the Operator's preventive maintenance inspection report.

f. Each vehicle shall undergo an annual inspection by the California Highway Patrol. City shall be notified of these inspections and the inspection results shall be transmitted to City.

I. Dispatch

1. Operator shall provide the personnel necessary to schedule and deploy the driver and vehicle in accordance with the hours of operations in Exhibit B. Dispatch duties include arranging relief drivers and replacement of failed vehicles, if and when necessary. If required, Operator shall provide staff for Spanish-speaking cliental.

2. Operator shall provide a local telephone number for communication between Operator's dispatch personnel, the Operator's manager, the City, and residents of the City. The Operator shall supply sufficient local lines so that busy signals will be minimized for callers requesting transit information. Operator shall provide a dispatch center to received customer phone calls.

J. Drivers' Uniform

Operator shall provide uniforms to its employees that operate vehicles under this Agreement. Uniforms shall be subject to prior approval by City.

K. Advertising and Promotion

Advertising and promotion of the City's Transit Program will be necessary although not extensive. Operator shall cooperate with City on advertising and promotion and Operator may be required to participate in such activities.

L. Liaison

Operator shall coordinate closely with the City and relevant agencies with regards to matters concerning the City's Transit Program, Operating status, and any particular issues, which my affect the Transit Program.

M. Data Collecting and Reporting

1. Operator shall collect various data on the operation of the Transit Program and supply such date inputs to the City in a timely fashion. Operator shall certify that all information transmitted to the City is accurate. Information concerning transit operations shall be collected on a Mission City Transit Program Report, which shall be developed by the Operator and approved by the City.

2. Trip sheets and an operations summary for each service day shall be maintained and a summary of each month's operation shall be forwarded to the City when complete. In no event shall this data be incomplete or unavailable to the City later than ten (10) calendar days after the end of the operating month.

3. Reports shall include: passenger date by category (wheelchair user/non-wheelchair user), vehicle miles, vehicle service hours, no-shows, and cancellations. Reports

shall also include, at a minimum, the following system data: passenger accidents, vehicle accidents, road calls, and complaints.

N. Accidents Reporting

In the event of a traffic accident or a serious passenger incident, Operator shall notify the City and prepare all required reports. If the accident involves injuries to persons, Operator shall immediately notify the designated City representative upon the receipt of such information. Operator shall comply with all applicable State laws in the case of any accident.

EXHIBIT B

SCHEDULE OF OPERATION AND SERVICE AREA

Transit service shall be based upon a schedule designed by the Operator and approved by the City. The City desires a schedule based on a ten-hour, five-day a week operation, and a six-hour Saturday and Sunday operation. Transit Service shall be provided as follows:

Weekday (Monday-Friday)	7:30a.m. to 5:30 p.m.
Weekend (Saturday & Sunday)	12:00p.m. to 5:00 p.m. or when needed as determined by the City Administrator

The following will be designated as holidays, on which days transportation service will not operate: New Year's Day, Easter, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

Service parameters may change based on ridership demand. Changes will be negotiated with Operator.

EXHIBIT C

City of San Fernando
Mission City Transit
by First Transit, Inc.
June 30, 2008-June 30, 2013

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Hours *	10,828	10,828	10,828	10,828	10,828
Total Annual Miles	146,222	146,222	146,222	146,222	146,222
Peak Vehicles	4	4	4	4	4
Price per Revenue Hour	\$45.87	\$47.42	\$49.11	\$52.71	\$54.53
Total Annual Costs**	\$496,620	\$513,473	\$531,688	\$570,743	\$590,436

* Based on RFP hours and service

** Includes propane fuel and two paratransit vehicles provided by First Transit; two trolley buses and CNG fuel by City of San Fernando

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FINANCE DEPARTMENT

MEMORANDUM

TO: Mayor Antonio Lopez and Councilmembers

FROM: Don Penman, Interim City Administrator
By: Rafaela T. King, Interim Finance Director

DATE: June 3, 2013

SUBJECT: Approval of Contract No. 1711 with Van Lant & Fankhanel, LLP for Professional Auditing Services

RECOMMENDATION:

It is recommended that the City Council:

- a. Approve Contract No. 1711 (Attachment “A”) with Van Lant & Fankhanel, LLP for Professional Auditing Services for the Fiscal Year (FY) 2012-2013 audit with a one-year optional extension; and
- b. Authorize the Interim City Administrator to execute the contract.

BACKGROUND:

1. On July 2, 2007, the City entered into a three-year Agreement (July 2, 2007 to March 31, 2010) with Diehl, Evans & Co., LLP (Contract No. 1573) for professional auditing services, with the City reserving the right to extend the term of the contract for two additional one-year terms.
2. In Fiscal Year (FY) 2010-11, the last one-year renewal option of the Agreement with Diehl, Evans & Co., LLP expired and staff determined that it was in the City’s best interest to solicit Requests for Proposals (RFP) from all interested audit firms for the FY 2011- 2012 audit.
3. On April 10, 2012, staff posted the RFP for Professional Auditing Services (Attachment “B”) on the City’s website and distributed it to interested audit firms.
4. On May 4, 2012, staff conducted the bid opening and received a total of four sealed technical and cost proposals.

Approval of Contract No. 1711 with Van Lant & Fankhanel LLP for Professional Auditing Services
Page 2

5. On May 18, 2012, all proposals were reviewed by an in-house committee (comprised of the City Administrator, City Treasurer, and Junior Accountant) to ensure that the information requested in the RFP was complete and the respondents satisfied the minimum qualifications. During this review, two firms were disqualified for various reasons.
6. On May 29, 2012 and May 30, 2012, the in-house committee interviewed the two remaining firms.

After careful review by the in-house committee, the firm of Teaman, Ramirez & Smith, Inc. was selected for recommendation to the City Council for approval of a three-year Agreement, with an option to renew for two additional years.

7. On June 4, 2012, awarded a three-year contract Agreement, with an option to renew for an additional two years, to Teaman, Ramirez & Smith, Inc. in the amount of \$135,300 to provide professional auditing services; and directed the City Administrator to negotiate an Agreement and report back with the final Agreement at a future meeting for review and approval.
8. On May 9, 2013, the City was notified by Teaman, Ramirez & Smith, Inc. that their audit partner and several audit personnel left the firm to start another firm and they would not be able to provide future audit services beyond the FY 2012-2013 audit.
9. On May 13, 2013, the former audit partner to Teaman, Ramirez & Smith, Inc. provided the City with an engagement letter for audit services under his new firm name of Van Lant & Fankhanel, LLP to complete the vacated contract left by Teaman, Ramirez & Smith, Inc.

CONCLUSION:

The RFP process was just completed in 2012 and the City does not have enough time to complete a new RFP process before the audit for the FY 2012-2013. The audit partner and staff at Van Lant & Fankhanel, LLP were the auditors who performed our FY 2011-2012 audit while at Teaman, Ramirez & Smith, INC. and are willing to complete the vacated contract at a reduced rate.

Staff recommends that the Professional Services Agreement be awarded to Van Lant & Fankhanel, LLP for a one-year period, with an option to renew for one additional year.

BUDGET IMPACT:

Funding for this contract has been included in the FY 2013-2014 proposed budget. The contract will provide a savings of \$6,500 from the current contract.

ATTACHMENT:

- A. Professional Services Agreement

ATTACHMENT "A"
CONTRACT NO. 1711

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is entered into this 3rd day of June, 2013 by and between the City of San Fernando ("CITY") and Van Lant & Fankhanel, LLP ("CONSULTANT").

RECITALS

A. CITY has determined that it requires the following professional services from a consultant: Professional Audit Services in connection with the years ending on June 30, 2013, and 2014.

B. CONSULTANT represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. CONSULTANT further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions of this Agreement.

C. CONSULTANT was the audit partner and staff of our prior audit firm, Teaman, Ramirez and Smith (TRS) that was assigned to our City and has left the firm and started Van, Lant & Fankhanel, LLP. As such, the City received notice from TRS on May 9, 2013 that they would not be able to provide future services beyond the completion of the 2012 audit.

D. CITY had determined that there is not enough time to do a formal Request for Proposals to complete the FY 2012-2013 audit in a timely fashion. As such, CONSULTANT has agreed to assume the contract left by former audit firm with modifications as inserted into contract for the 2012 - 2013 fiscal year audit with an optional one year extension for the 2013 - 2014 fiscal year audit.

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

1. DEFINITIONS

- A. "Scope of Services": Such professional services as are set forth in Exhibit A attached hereto and incorporated herein by this reference.
- B. "Approved Fee Schedule": Such compensation rates as are set forth in the fee schedule attached hereto as Exhibit B and incorporated herein by this reference.
- C. "Commencement Date": July 1, 2013
- D. "Expiration Date": June 30, 2014

2. CONSULTANT'S SERVICES

A. Scope of Services. Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall perform the services identified in the Scope of Services. CITY shall have the right to request, in writing, changes in the scope of work or the services to

be performed. Any changes mutually agreed upon by the parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

B. Time for Performance. CONSULTANT shall commence the services on the Commencement Date and shall perform all services in conformance with the project timeline set forth in Exhibit C attached hereto and incorporated herein by this reference.

C. Standard of Performance. CONSULTANT shall perform all work to the highest professional standards and in a manner reasonably satisfactory to CITY. CONSULTANT shall comply with all applicable federal, state and local laws, ordinances, codes and regulations.

3. REPRESENTATIVES

A. CITY Representative. For the purposes of this Agreement, the contract administrator and CITY representative shall be the City Administrator, (hereinafter the "CITY Representative"). It shall be CONSULTANT's responsibility to assure that the CITY Representative is kept informed of the progress of the performance of the services, and CONSULTANT shall refer any decisions that must be made by CITY to the City Representative. Unless otherwise specified herein, any approval of CITY required hereunder shall mean the approval of the CITY Representative.

B. CONSULTANT Representative. For the purposes of this Agreement, Greg Fankhanel is hereby designated as the principal and representative of CONSULTANT authorized to act on its behalf with respect to the services specified herein and make all decisions in connection therewith (the "Responsible Principal"). The Responsible Principal may not be changed by CONSULTANT without the prior written approval of CITY.

4. CONSULTANT'S PERSONNEL

A. CONSULTANT represents that it has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All such services will be performed by CONSULTANT or under its supervision, and all personnel engaged in the work shall possess the qualifications, permits and licenses required by applicable law to perform such services.

B. CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Agreement, and compliance with all reasonable performance standards established by CITY.

C. In the event that CITY, in its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person or persons.

D. CONSULTANT shall be responsible for payment of all employees' and subconsultants' wages and benefits and shall comply with all requirements pertaining to employer's liability, workers' compensation, unemployment insurance, and Social Security.

E. Permits and Licenses. CONSULTANT shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a City of San Fernando business license.

5. FACILITIES AND EQUIPMENT

Except as otherwise authorized by CITY in writing, CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

6. TERM OF AGREEMENT

This Agreement is effective as of the Commencement Date and shall terminate on the Expiration Date, unless sooner terminated as provided in Section 17 herein. The CITY reserves the right to extend the term of this contract for two (2) additional one-year terms subject to the satisfactory negotiation of terms, including a price acceptable to both the CITY and CONSULTANT. This contract is subject to the annual availability of an appropriation.

7. COMPENSATION

A. CITY agrees to compensate CONSULTANT for the services provided under this Agreement, and CONSULTANT agrees to accept in full satisfaction for such services, a sum not-to-exceed thirty-eight thousand dollars (\$38,000) payable as earned during the Project in accordance with Exhibit B. The compensation payable hereunder includes all professional services. Payments shall be made in accordance with Section 8 herein. CITY shall not withhold applicable federal or state payroll or any other required taxes, or other authorized deductions from each payment made to CONSULTANT.

B. The amount set forth in paragraph A shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

C. Additional Services. No claims for additional services performed by CONSULTANT which are beyond the scope set forth in Exhibit A will be allowed unless such additional work is authorized by CITY in writing prior to the performance of such services. Additional services, if any are authorized, shall be compensated on a time and materials basis using CONSULTANT's Approved Fee Schedule (Exhibit B). Fees for such additional services shall be paid within thirty (30) days of the date CONSULTANT issues an invoice to CITY for such services, subject to the work satisfaction provision in Paragraph 8.

8. METHOD OF PAYMENT

CONSULTANT shall submit to CITY an invoice, on a monthly basis, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Such itemizations shall include the days worked, number of hours worked, and authorized reimbursable expenses incurred with appropriate back-up documentation and receipts evidencing the authorized expenses, if any, for each day in the period and shall separately describe any additional services authorized by CITY. Any invoice claiming compensation for additional services shall include appropriate documentation of CITY's prior

authorization. Within ten (10) business days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice up to the maximum amount set forth in Section 7.

9. OWNERSHIP OF WORK PRODUCT

All working papers and reports must be retained at the auditor's expense for a minimum of seven (7) years, unless the firm is notified in writing by the CITY of the need to extend the retention period. The auditor will be required to make working papers available to the CITY or any government agencies included in the audit of federal grants. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

All reports, memoranda, computation sheets, computer data files and media or other documents prepared by CONSULTANT in connection with services to be performed under this Agreement, shall be the property of and be promptly submitted to CITY at CITY's request. However, CONSULTANT may retain and use copies for references.

10. INDEPENDENT CONTRACTOR

CONSULTANT will act hereunder as an independent contractor. This Agreement shall not and is not intended to constitute CONSULTANT as an agent, servant, or employee of the CITY and shall not and is not intended to create the relationship of partnership, joint venture or association between CITY and CONSULTANT.

11. 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 or necessary to provide the services under this Agreement. All CITY data, except for working papers as referenced in Section 9 above, shall be returned to CITY upon the termination of this Agreement. CONSULTANT's covenant under this Section shall survive the termination of this Agreement.

12. CONFLICTS OF INTEREST

CONSULTANT hereby warrants for itself, its employees, and subcontractors that those persons presently have no interest and shall not obtain any interest, direct or indirect, which would conflict in any manner with the performance of the services contemplated by this Agreement. No person having such conflicting interest shall be employed by or associated with CONSULTANT in connection with this project. CONSULTANT hereby warrants for itself, its employees, and subcontractors that no such person shall engage in any conduct which would constitute a conflict of interest under any City or other ordinance, state law or federal statute. CONSULTANT agrees that a clause substantially similar to this Section shall be incorporated into any sub-contract that CONSULTANT executes in connection with the performance of this Agreement.

13. INDEMNIFICATION

A. To the full extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend CITY, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns from and against any and all claims, demands, causes of action, liability, 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 or any of its officers, employees, servants, agents, subcontractors, volunteers 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.

The parties understand and agree that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

B. 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. CONSULTANT agrees that CONSULTANT's covenant under this Section shall survive the termination of this Agreement.

C. CONSULTANT agrees to pay all required taxes on amounts paid to CONSULTANT 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. CONSULTANT shall fully comply with the workers' compensation laws regarding CONSULTANT and CONSULTANT's employees. CONSULTANT further agrees to indemnify and hold CITY harmless from any failure of CONSULTANT to comply with applicable workers' compensation laws.

14. INSURANCE

A. CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1. Commercial General Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for each occurrence and in the aggregate for any personal injury, death, loss or damage.
2. Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
3. Worker's Compensation insurance as required by the State of California.

4. Professional Liability Insurance [*or Errors and Omissions Insurance*] with a minimum limit of One Million Dollars (\$1,000,000) per occurrence.

B. The policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

C. CONSULTANT agrees that if it does not keep the insurance required in this Agreement in full force and effect, CITY may immediately terminate this Agreement.

D. Prior to commencement of work under this Agreement, CONSULTANT shall file with the CITY'S Risk Manager a certificate or certificates of insurance showing that the insurance policies are in effect and satisfy the required amounts and specifications required pursuant to this Agreement.

E. CONSULTANT shall provide proof that policies of insurance expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

F. The general liability and automobile policies of insurance shall contain an endorsement naming CITY, its elected officials, officers, agents, employees, attorneys, servants, volunteers, successors and assigns as additional insureds. CONSULTANT will deliver to City the required certificates of insurance and endorsements for the policies as defined in Section 14A. All of the policies shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY.

G. The insurance provided by CONSULTANT shall be primary to any other coverage available to CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

H. All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT, and CONSULTANT's employees, agents, subcontractors, or volunteers from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.

I. Procurement of insurance by CONSULTANT shall not be construed as a limitation of CONSULTANT's liability or as full performance of CONSULTANT's duties to indemnify, hold harmless and defend under Section 13 of this Agreement.

15. MUTUAL COOPERATION

A. CITY shall provide CONSULTANT with all pertinent data, documents and other requested information as is reasonably available for the proper performance of CONSULTANT's services.

B. In the event any claim or action is brought against CITY relating to CONSULTANT's performance in connection with this Agreement, CONSULTANT shall render any reasonable assistance that CITY may require.

16. RECORDS AND INSPECTIONS

CONSULTANT shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of seven (7) years. CITY shall have access, without charge, upon reasonable notice, during normal business hours to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings, and activities.

17. TERMINATION OF AGREEMENT

A. CITY shall have the right to terminate this Agreement for any reason or for no reason on five (5) calendar days' written notice to CONSULTANT. CONSULTANT shall have the right to terminate this Agreement for any reason or no reason on sixty (60) calendar days' written notice to CITY. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice. All completed and uncompleted products up to the date of receipt of written notice of termination shall become the property of CITY.

B. In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this Agreement.

18. FORCE MAJEURE

CONSULTANT shall not be liable for any failure to perform if CONSULTANT presents acceptable evidence, in CITY's sole judgment, which such failure was due to causes beyond the control, and without the fault or negligence of CONSULTANT.

19. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (a) the day of delivery if delivered by hand or overnight courier service during CONSULTANT's and CITY's regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore below, or to such other addresses as the parties may, from time to time, designate in writing.

If to CITY:

Attn: Don Penman
City Administrator
City of San Fernando (CITY)
117 Macneil Street
San Fernando, CA 91340

If to CONSULTANT:

Attn: Greg Fankhanel, CPA
Title: Partner
Company: Van Lant & Fankhanel, LLP
Address: 25901 Kellogg Street
Loma Linda, CA 92354

Telephone: (818) 898-1202
Facsimile: (818) 361-7631

Telephone: (909) 856-6879
Facsimile: (951) 679-1549

With a courtesy copy to:

Rick R. Olivarez, City Attorney
Olivarez Madruga, P.C.
1100 S Flower St, Suite 2200
Los Angeles, CA 90015
Telephone: (213) 744-0099
Facsimile: (213) 744-0093

20. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation or other basis prohibited by law. CONSULTANT will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.

21. PROHIBITION AGAINST ASSIGNMENT

CONSULTANT shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without CITY's prior written consent, and any attempt to do so shall be void and of no effect. CITY shall not be obligated or liable under this Agreement to any party other than CONSULTANT.

22. ATTORNEY'S FEES

In the event that CITY or CONSULTANT commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its costs of suit, including reasonable attorney's fees.

23. ENTIRE AGREEMENT

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and provisions of any document incorporated by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between CITY and CONSULTANT with respect to the subject matter herein. No other prior oral or written agreements are binding on the parties. Any modification of this Agreement will be effective only if it is in writing and executed by CITY and CONSULTANT. As required by professional standards, the CITY will be required to sign an annual engagement letter outlining audit standards and single audit requirements. A sample letter has been attached as EXHIBIT "D".

24. GOVERNING LAW; JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of litigation between the parties, venue in State trial courts shall lie exclusively in Los Angeles County. In the event of litigation in a United States District Court, exclusive venue shall lie in the Central District of California.

25. SEVERABILITY

Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

26. CAPTIONS

The captions used in this Agreement are solely for reference and the convenience of the parties. The captions are not a part of the Agreement, in no way bind, limit, or describe the scope or intent of any provision, and shall have no effect upon the construction or interpretation of any provision herein.

27. EXECUTION

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

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY:**CONSULTANT:**

Don Penman
City Administrator

By:

Greg Fankhanel
Partner

ATTEST:

Elena G. Chávez
City Clerk

APPROVED AS TO FORM:

Rick R. Olivarez
City Attorney

EXHIBIT “A”**SCOPE OF SERVICES*****A. Scope of the Work to be Performed***

1. The audit firm will perform an audit of all funds of the City of San Fernando. The audit will be conducted in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Officer’s Government Auditing Standards (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996), and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non Profit Organizations. The City’s Comprehensive Annual Financial Report (CAFR) will be prepared and word processed by the audit firm. The CAFR will be in full compliance with GASB 34. The audit firm will render their auditors’ report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management’s Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Funds and each major fund of the City.
2. The audit firm will perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City’s financial statements in accordance with Government Auditing Standards and the appropriate reports on compliance with Requirements Applicable to each Major Program,, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior audit findings where required.
3. The audit firm shall perform agreed-upon auditing procedures pertaining to the City’s GANN Limit (Appropriations Limit) and render a letter annually to the City regarding compliance.
4. The audit firm shall issue a separate “management letter” that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters shall be addressed to the City Administrator.
5. The audit firm will be required to provide special assistance in order to meet requirements of the CSMFO and GFOA programs, including preparing answers to all GFOA and/or CSMFO comments.

B. Auditing Standards to be Followed

To meet the requirements of this contract, the audit shall be performed in accordance with:

1. Generally accepted auditing standards set forth by the American Institute of Certified Public Accountants;
2. The standards applicable to financial audits contained in Government Auditing Standards (1994 Revision), issued by the Comptroller General of the United States;
3. The provisions of the Single Audit Act as amended in 1996; and
4. The provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations.

C. Working Paper Retention

All working papers and reports must be retained at the auditor's expense for a minimum of seven (7) years, unless the firm is notified in writing by the City of San Fernando of the need to extend the retention period. The auditor will be required to make working papers available to the City of San Fernando or any government agencies included in the audit of federal grants. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

D. Irregularities and Illegal Acts

Auditors shall be required to make immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: City Administrator and City Attorney.

E. Report preparation, editing, printing, binding shall be the responsibility of the auditor as follows:

1. Comprehensive Annual Financial Report (25)
2. Single Audit Report (10)
3. GANN Limit (5)
4. Section 108 Compliance Review (5)
5. Electronic copy of all Final Statements and each of the reports listed above in Items 1 – 5

EXHIBIT “B”**APPROVED FEE SCHEDULE**

Auditors Standard Hourly Billing Rates		
Position	Fiscal Year 2012/13	Fiscal Year 2013/14
Partner	\$ 175	\$ 185
Manager	\$ 130	\$ 135
Senior Accountant	\$ 120	\$ 125
Staff Accountant	\$ 90	\$ 95
Clerical	\$ N/A	\$ N/A

COMPREHENSIVE COST BID		
Description of Services	Cost for Fiscal Year 2012/13	Cost for Fiscal Year 2013/14
City Audit and Related Reports	\$ 30,200	\$ 30,200
GANN Limit Review Report	\$ 300	\$ 300
Single Audit and Related Reports	\$ 4,500	\$ 4,500
Audit on AUP Regarding Section 108 Loan Compliance	\$ 3,000	\$ 3,000
Total for Fiscal Year (not to exceed)	\$ 38,000	\$ 38,000

EXHIBIT “C”**PROJECT TIMELINE**

The auditor shall provide all drafts and recommendations for improvements to the City Administrator within a reasonable time period after the last day of field work. The auditor should be available for any meetings that may be necessary to discuss the draft audit reports. Once all issues of discussion are resolved, the completed CAFR, component unit financial statements, Single Audit report and other reports shall be delivered to the City Administrator. This process must be completed and the final products to be delivered by December 1st of each year in order to ensure timely submission to the various reporting agencies.



May 13, 2013

To the City Council and Management
City of San Fernando
117 Macneil Street
San Fernando, CA 91340

We are pleased to confirm our understanding of the services we are to provide the City of San Fernando (City) for the fiscal year ending June 30, 2013. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City as of and for the fiscal year ending June 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules
- 3) Supplementary OPEB Information

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal awards.
- 2) Combining statements, individual fund statements.

Van Lant & Fankhanel, LLP
25901 Kellogg Street
Loma Linda, CA 92354

909.856.6879

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review prior to our year-end audit procedures.

You are responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily

available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for

responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Van Lant & Fankhanel, LLP (VLF) and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the City's Cognizant or Oversight Agency for audit, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of VLF personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in June or July of 2013 and to issue our reports no later than December 2013. Greg Fankhanel is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be as follows:

<i>Description of Services</i>	2012/13 Fiscal Year
City Audit and Related Reports	\$30,200
GANN Limit Report	300
Single Audit	4,500
AUP Report Regarding Section 108 Compliance	3,000
Total	38,000

In addition, for the 2013-14 fiscal year audit, we are proposing the same fees as above. If desired, fees for additional fiscal years will be similar to the above. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. The above fees for Single Audit are based on the assumption there will be no more than two major programs in accordance with OMB Circular A-133.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return a copy to us.

Very truly yours,

Van Lant & Fankhanel, LLP

RESPONSE:

This letter correctly sets forth the understanding of the City of San Fernando.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

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CITY COUNCIL**MEMORANDUM**

TO: Mayor Antonio Lopez and Councilmembers
FROM: Councilmember Joel Fajardo
DATE: June 3, 2013
SUBJECT: Update Regarding the July 4th Fireworks Celebration Fundraising Efforts

RECOMMENDATION:

I have placed this on the agenda to provide the City Council with a verbal update regarding the July 4th Fireworks Celebration fundraising efforts.