AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk's office during normal business hours. Such Documents may also be posted on the City's website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

Members of the Public may place items on the Agenda by submitting a Written Request to the City Clerk or City Manager's Office at least six days prior to the City Council Meeting (by 2:00 p.m. the prior Tuesday). The request must include a brief general description of the business to be transacted or discussed at the meeting. Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the City Clerk two (2) working days prior to the meeting and they do not exceed five (5) minutes in length.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, APRIL 5, 2016 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER

ROLL CALL

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250.
SPECIAL ORDER OF BUSINESS:

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City's Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City's Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov't Code §54956.9(d)(1)): -3- matter

1. City of El Segundo vs. City of Los Angeles, et.al. LASC Case No. BS094279
2. Li v. City of El Segundo, et all, LAXC Case No. BC605728

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -1- matter.


DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): -0- matter

APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov't Code § 54957) -0- matter
CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -6-matters

1. **Employee Organizations:** Police Management Association; Police Officers Association; Police Support Services Employees Association; Supervisory and Professional Employees Association; City Employees Association; Executive Management Group (Unrepresented Group).

   Agency Designated Representative: Steve Filarsky and City Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0-matters
AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, APRIL 5, 2016 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Father Alexei Smith, St. Andrew Russian Greek Catholic Church

PLEDGE OF ALLEGIANCE – Council Member Dugan
PRESENTATIONS

a) Proclamation – April is National Donate Life Month

b) Proclamation – April is Sexual Assault Awareness Month and April 27, 2016 as Denim Day.

c) Presentation – Sindee Pickens, El Segundo Public Library, National Library Week; April 11-17, 2016

ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

Recommendation – Approval.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

C. UNFINISHED BUSINESS

1. Consideration and possible action regarding a presentation about potential amendments to the development standards for the Single-Family Residential (R-1) Zone. Applicant: City of El Segundo.

(Fiscal Impact: None).

Recommendation – 1) Discuss and review the development standards for the Single-Family Residential R-1 Zone; 2) Direct staff to prepare a Zoning Code amendment (and associated environmental documents) that will “clean-up” the R-1 Zone development standards and improve modulation requirements for the Planning Commission’s and City Council’s consideration; 3) Direct staff to separately study other elements of the R-1 Zone (as discussed below) and present possible other changes to the R-1 Zone at a later date; and/or, 4) Alternatively, discuss and take other action related to this item.
2. Consideration and possible action to amend certain deadlines in the Due Diligence and Lease Agreement ("Agreement") entered into between the City of El Segundo and the CenterCal LLC regarding the Lakes golf course and driving range. The Agreement provides for making certain changes and improvements to the golf course and turning the driving range into a Top Golf facility.
   (Fiscal Impact: $0)
   Recommendation – 1) Authorize the Mayor to execute an amendment to the Agreement in a form approved by the City Attorney for purposes of extending certain deadlines in the Agreement; or 2) Alternatively, discuss and take other possible action related to this item.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

E. CONSENT AGENDA
   All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

3. Warrant Numbers 3010223 through 3010468 on Register No. 12 in the total amount of $1,045,674.05 and Wire Transfers from 3/6/2016 through 3/20/2016 in the total amount of $3,148,000.24.
   Recommendation – Approve Warrant Demand Register and authorize staff to release. Ratify Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

   Recommendation – Approval.

5. Consideration and possible action regarding a thirty (30) day provisional appointment extension for the position of Interim Deputy City Clerk II in the City Clerk’s office.
   (Fiscal Impact: None)
   Recommendation – 1) Approve the thirty (30) day provisional appointment extension for the position of Interim Deputy City Clerk II; 2) Alternatively, discuss and take other action related to this item.

6. Consideration and possible action authorizing the Fire Department to purchase a new 2016 four door Ford Explorer XLT (K7D) with front wheel drive (FWD) for the Fire Chief, as the current staff vehicle is overdue for replacement.
   (Fiscal Impact: $32,103.00)
   Recommendation – 1) Pursuant to El Segundo City Code Section 1-7-10, waive the formal bidding process and authorize the Fire Department to piggy-back off of the National Joint Powers Alliance cooperative procurement contract with National Auto Fleet Group, Contract No. 102811-NAF, for the purchase of a replacement vehicle for the Fire Chief; 2) Authorize the City Manager to execute an agreement, in a form approved by the City Attorney, to purchase one 2016
four door Ford Explorer XLT with FWD with available equipment replacement funds; 3) Alternatively, discuss and take other possible action related to this item.

7. Consideration and possible action to award a standard Public Works Contract to the lowest responsible bidder, American Asphalt South, Inc. for the slurry sealing of the streets in the area bounded by the north City Boundary, Sepulveda Boulevard, Mariposa Avenue, and Sheldon Street. Project No.: PW 16-09  
(Fiscal Impact: $400,000.00)
Recommendation – 1) Authorize the City Manager to execute a standard Public Works Contract in a form as approved by the City Attorney with American Asphalt South, Inc., in the amount of $307,485.70 and; 2) Approve an additional contingency of $92,514.30 for unforeseen circumstances; or 3) Alternatively, discuss and take other action related to this item.

8. Consideration and possible action to authorize the City Manager to enter into Memorandum of Agreements (MOA) for Implementation of Coordinated Integrated Monitoring Programs (CIMP) for Jurisdictional Groups 2 & 3 of the Santa Monica Bay Watershed and for the Dominguez Channel Watershed.  
(Fiscal Impact: $120,543.00 in FY 15/16 and $53,913.00 in FY 16/17)
Recommendation – 1) Authorize the City Manager to enter into a Memorandum of Agreement, approved in form by the City Attorney, between the Cities of Los Angeles, Santa Monica and El Segundo, the Los Angeles County Flood Control District, and the County of Los Angeles for $104,391.00 for administration and cost sharing for Implementation of a Coordinated Integrated Monitoring Program (CIMP) for Jurisdictional Groups 2 & 3 of the Santa Monica Bay Watershed; 2) Authorize the City Manager to enter into a Memorandum of Agreement, approved in form by the City Attorney, between The South Bay Cities Council of Governments (SBCCOG), the Cities of Los Angeles, El Segundo, Hawthorne, Carson, Lawndale, Lomita and Inglewood, the Los Angeles County Flood Control District, and the County of Los Angeles for $70,065.00 for administration and cost sharing for development of a Coordinated Integrated Monitoring Program (CIMP) for the Dominguez Channel Watershed; 3) Alternatively, discuss and take other possible action related to this item.

9. Consideration and possible action to receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code (“ESMC”)§ 1-7-12 and 1-7A-4.  
(Fiscal Impact: $50,000.00)
Recommendation – 1) Receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code (“ESMC”)§ 1-7-12 and 1-7A-4.; 2) Alternatively, discuss and take other possible action related to this item.
10. Consideration and possible action to 1) waive the bidding process for Joslyn Center Refurbishment/Modernization Project and 2) award a standard Public Works Contract to Excelsior Elevator to complete the required work. PW 16-19  
(Fiscal Impact: $95,000.00)

Recommendation – 1) Waive the bidding process for refurbishment based on the "no competitive advantage" exemption to Public Contract Code bid requirements for the Joslyn Center Refurbishment/Modernization Project; 2) Award a standard Public Works contract in the amount of $85,582.00 to Excelsior Elevator to complete the required work; 3) Authorize an additional contingency of $9,418.00; or 4) Alternatively, discuss and take other possible action related to this item.

11. Consideration and possible action regarding the approval of a Fifth Amendment to a Professional Services Agreement with Michael Baker International, Inc., to increase the contract amount to provide environmental review services required by the California Environmental Quality Act (CEQA) for the Raytheon El Segundo South Campus Specific Plan Project.  
(Fiscal Impact: $up to $663,173.47 Developer Reimbursed Trust Fund)

Recommendation – 1) Approve a budget appropriation of up to $663,173.47 to provide environmental review services; 2) Authorize the City Manager to execute a Fifth Amendment to a Professional Services Agreement for environmental review services, in a form approved by the City Attorney, in an amount not to exceed $663,173.47; 3) Alternatively, discuss and take other action related to this item.

F. NEW BUSINESS

12. Consideration and possible action to approve and adopt the updated Investment Policy, which has been revised to include an updated list of Authorized Investments, with City of El Segundo-imposed Restrictions, and add Benchmarks to compare Portfolio performance.  
(Fiscal Impact: None)

Recommendation – 1) Approve Proposed Resolution; 2) Alternatively, discuss and take other action related to this item.

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fellhauer –
Council Member Atkinson –

Council Member Dugan –

Mayor Pro Tem Jacobson –

Mayor Fuentes –

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MEMORIALS –

CLOSED SESSION

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, *et seq.*) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators.

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 03.31.16

TIME: 10:15 AM

NAME: [Signature]
Proclamation

City of El Segundo, California

WHEREAS, organ, tissue, marrow and blood donation are life-giving acts recognized worldwide as expressions of compassion to those in need; and

WHEREAS, more than 121,000 individuals nationwide and more than 21,000 in California are currently on the national organ transplant waiting list, and on average, 22 people die each day while waiting due to the shortage of donated organs; and

WHEREAS, the need for donated organs is especially urgent in Hispanic and African American communities; and

WHEREAS, more than 600,000 units of blood per year are needed to meet the need in California; and

WHEREAS, at any given time, 6,000 patients are in need of volunteer marrow donors; and

WHEREAS, a single individual’s donation of the heart, lungs, liver, kidneys, pancreas and small intestine can save up to eight lives; donation of tissue can save and heal the lives of up to 50 others; and a single blood donation can help three people in need; and

WHEREAS, millions of lives each year are saved and healed by donors of organs, tissues, marrow and blood; and

WHEREAS, the spirit of giving and decision to donate are not restricted by age or medical condition; and

WHEREAS, over twelve million Californians have signed up with the state-authorized Donate Life California Donor Registry to ensure their wishes to be organ, eye and tissue donors are honored; and

WHEREAS, California residents can sign up with the Donate Life California Donor Registry when applying for or renewing their driver’s license or ID cards at the California Department of Motor Vehicles.

NOW, THEREFORE, the Mayor and Members of the City Council of the City of El Segundo, California, in recognition of National Donate Life Month, hereby proclaim the month of April 2016 as “DMV/Donate Life California Month” in El Segundo and in doing so we encourage all Californians to check “YES!” when applying for or renewing their driver’s license or I.D. card, or by signing up at www.donatelifeCalifornia.org or www.donewithVIDAcalifornia.org

Mayor Suzanne Fuentes
Mayor Pro Tem Carl Jacobson
Council Member Dave Atkinson
Council Member Marie Fellhauer
Council Member Michael Dugan
Proclamation

City of El Segundo, California

WHEREAS, the United States Government has declared April as “Sexual Assault Awareness Month” and Peace Over Violence has declared April 27, 2016 as “Denim Day” in Los Angeles County; and

WHEREAS, both events are intended to draw attention to the fact that rape and sexual assault remains a serious issue in our society; and

WHEREAS, harmful attitudes about rape and sexual assault allow these crimes to persist and allow victim/survivors to be re-victimized; and

WHEREAS, “Sexual Assault Awareness Month” and “Denim Day” were also instituted to call attention to misconceptions and misinformation about rape and sexual assault, and the problem that many in society remain disturbingly uninformed with respect to issues of assault and forcible rape; and

WHEREAS, every two minutes, someone in America is sexually assaulted, approximately 1-in-6 women are raped during their lifetime and youths under 18 account for about 44% of all reported; and

WHEREAS, with proper education on the matter, there is compelling evidence that we can be successful in reducing incidents of this alarming and psychologically damaging crime; and

WHEREAS, the members of the City Council strongly support the efforts of Peace Over Violence to educate persons in our community about the true impact of rape and sexual assault in Southern California.

NOW, THEREFORE, the Mayor and Members of the City Council of the City of El Segundo, California, hereby proclaim the month of April as “SEXUAL ASSAULT AWARENESS MONTH” and designates April 27, 2016 as “DENIM DAY” and urges everyone to wear jeans on April 27, 2016 to help communicate the message that there is “no excuse and never an invitation to rape”.

Mayor Suzanne Fuentes

Mayor Pro Tem Carl Jacobson

Council Member Dave Atkinson

Council Member Marie Fellhauer

Council Member Michael Dugan
Presentation

Sindee Pickens, El Segundo Library

April 11-17, 2016 as National Library Week
AGENDA DESCRIPTION:
Consideration and possible action regarding a presentation about potential amendments to the development standards for the Single-Family Residential (R-1) Zone. Applicant: City of El Segundo. (Fiscal Impact: None).

RECOMMENDED COUNCIL ACTION:
1. Discuss and review the development standards for the Single-Family Residential R-1 Zone;
2. Direct staff to prepare a Zoning Code amendment (and associated environmental documents) that will “clean-up” the R-1 Zone development standards and improve modulation requirements for the Planning Commission’s and City Council’s consideration;
3. Direct staff to separately study other elements of the R-1 Zone (as discussed below) and present possible other changes to the R-1 Zone at a later date; and/or,
4. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: None

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<tr>
<th>Amount Budgeted:</th>
<th>N/A</th>
</tr>
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<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>N/A</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Paul Samaras, Acting Planning Manager
REVIEWED BY: Sam Lee, Director of Planning and Building Safety
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

I. Introduction

On March 1, 2016, the City Council discussed an item regarding the 2006 adoption of the Single-Family Residential (R-1) Zone development standards. Since approximately 10 years have passed from the adoption of the R-1 development standards, the Council directed staff to return with a report on the impacts of the changes. Specifically, the Council requested the following information:

- Number of new single-family residences built in the past 10 years in the City;
- Number of new single-family residences built in the 10 years prior to the 2006 code amendment;
• Number of major remodels and substantial additions in the past 10 years in El Segundo; and,
• Floor area ratio and lot coverage requirements in El Segundo and other nearby cities.

In response to the City Council’s direction, Staff has conducted the research and is presenting the data to the Council for its consideration and direction.

II. Background

On October 3, 2006, the Council adopted Ordinance No. 1401 amending the development standards of the Single-Family Residential (R-1) Zone and other sections of the El Segundo Municipal Code (ESMC). The review and approval process lasted approximately 17 months and included several community workshops, along with Planning Commission and City Council hearings. The adopted amendments include, but are not limited to the following:

1. Increased the side setback for homes from 10 percent of the width of a lot with a maximum of 5 feet, to 10 percent of the width of a lot with a maximum of 6 feet.
2. Allowances for front setback encroachments for homes using architectural design features, such as bay windows, trellises, pergolas, certain patio covers, decks, porches and courtyards. Previously, no encroachments were allowed in the front setback.
3. Established a floor area ratio (FAR) of 0.53 for lots 40 feet or wider in width.
4. Established building wall modulation requirements along the sides of second stories, thereby requiring portions of second stories to be setback from the first story a minimum 4 feet and up to a maximum 6 feet. Previously, no modulation was required.
5. Amended lot coverage to encourage single-story buildings by increasing it from 47% to 60% on lots where the height of all structures is less than 18-feet; from 40% to 43% on lots with a combination of one- and two-story structures, provided that 60% of the building area does not exceed 18-feet in height; and limited lot coverage to 35% on lots where all buildings and structures are taller than 18-feet.
6. Allowed two-story detached accessory structures, and increased the allowable height from 14-feet, to 26-feet high.
7. Increased side setbacks for detached accessory structures and detached garages in the rear 1/3 of the lot from zero-lot line to 2-foot side setback on first floor and 5-foot setback for second floor. Further, allowed roof decks on said structures and garages.
8. Increased rear setbacks for detached accessory structure from zero-lot line to 3-foot setback on the first floor and 5-foot setback for second floor.
9. New garage design and orientation requirements, including additional setback for direct access (front entry) garages. Previously, direct access garages were required to provide the minimum setback as the residence.
10. Established a minimum landscaping requirements in the front yard setback.

Generally, these amendments were intended to minimize bulk and mass of two-story homes, encourage architectural elements and features in accordance with the goals and policies of the City’s General Plan.
III. Analysis

In response to the City Council’s March 1st direction, Staff has conducted research and compiled data regarding the number of new single-family residences and major remodels/additions built in the past 10 years and in the 10 years prior to the 2006 code amendment; and, conducted a comparison of the floor area ratio and lot coverage requirements in El Segundo and other cities.

**New Single-Family Residences built in the last 10 years**
According to Staff’s research, there have been 70 new or major additions to single-family residences constructed since Ordinance No. 1401 went into effect on November 3, 2006 (9 ½ years ago).

**New Single-Family Residences built in the 10 years prior to the 2006 amendment**
According to Staff’s research, there were 109 new or major additions to single-family residences constructed in the 10 years prior to Ordinance No. 1401. The data suggests that there was a decrease in the number of new home construction and major additions/remodels in the City. However, this drop in construction activity is consistent with construction activity levels state-wide (California Department of Finance – Financial and Economic Data).

**Development standards (FAR and Lot Coverage) used by other cities**
In reviewing other cities in L.A. County, including nearby cities, Staff found that cities either use a defined maximum structure size, a floor area ratio (FAR), or a hybrid of FAR. Table No. 1 illustrates 10 cities in the area and the methodologies used to limit and control structure size and lot coverage.

Of the cities that use FAR, it is common that the FAR is greater than 0.5, regardless of the base zoning district. For example, the FAR in the City of Torrance is 0.6, which results in a maximum structure size equivalent to 60% of the total lot size; El Segundo’s 0.53 FAR results in a maximum structure size equivalent to 53% of the total lot size, etc. Other cities like Palos Verdes Estates and Manhattan Beach use a hybrid FAR, where FAR limits the structure size, but under certain circumstances a fixed square footage above the FAR is allowed.

**TABLE NO. 1**

<table>
<thead>
<tr>
<th>CITY</th>
<th>DEVELOPMENT STANDARD</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Structure Size</td>
</tr>
<tr>
<td>El Segundo</td>
<td>FAR is 0.53</td>
</tr>
<tr>
<td></td>
<td>The FAR requirement excludes garages and square footage of second dwelling units and basements where at least eighty percent (80%) of the exterior perimeter walls of the second dwelling unit or basements are fully below natural grade.</td>
</tr>
<tr>
<td>CITY</td>
<td>DEVELOPMENT STANDARD</td>
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<tr>
<td>-------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Hawthorne</td>
<td>No FAR requirement/limit. Maximum structure size is limited by lot coverage, height and setbacks</td>
</tr>
<tr>
<td>Hermosa Beach</td>
<td>No FAR requirement/limit. Maximum structure size is limited by lot coverage, height and setbacks</td>
</tr>
<tr>
<td>Manhattan Beach</td>
<td><strong>FAR 1.6 &amp; 1.7 for beach area. Inland area FAR is 0.7 for lots less than 4,800 square feet; and 0.65 plus 240 square feet for lots greater than 4,800 square feet.</strong> The total enclosed area of all stories of a building, measured to the outside face of the structural members in exterior walls, and thirty percent (30%) of the area of all basements of a building that are not entirely below local grade, and including halls and the area of the stairs. Floor area under stairs, portions of a basement that are entirely below grade, and garages are excluded</td>
</tr>
<tr>
<td>Pasadena</td>
<td><strong>FAR is 0.30 plus 500 square feet</strong> Habitable attic spaces that are less than 60% of the building footprint and basements are not considered floor area.</td>
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<tr>
<td>Rancho Palos Verdes</td>
<td>Max structure size based on neighborhood compatibility analysis</td>
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<tr>
<td>Redondo Beach</td>
<td><strong>FAR is 0.65 (0.8 may be permitted with all bonuses including stepback of second story)</strong>. Includes the gross floor area of a building or buildings on a lot. The gross floor area includes covered enclosed porches.</td>
</tr>
<tr>
<td>Rolling Hills Estates</td>
<td>Maximum structure size is based on neighborhood compatibility analysis</td>
</tr>
<tr>
<td>Santa Monica</td>
<td>Maximum structure size is limited by lot coverage, height and setbacks</td>
</tr>
<tr>
<td>CITY</td>
<td>DEVELOPMENT STANDARD</td>
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<tr>
<td></td>
<td>Structure Size</td>
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<tr>
<td></td>
<td>Lot Coverage</td>
</tr>
<tr>
<td>Torrance</td>
<td>one story, no taller than 18-feet.</td>
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<tr>
<td></td>
<td>Modulation</td>
</tr>
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<td></td>
<td>Front and Rear 2nd floor: average amount equal to 4% of parcel depth but no more than 10’ required</td>
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<td></td>
<td>Side 2nd floor: Any portion of structure taller than 14’ up to 21’ must be setback 1’ from façade for every 2’4” above 14’.</td>
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<td>If structure is taller than 21’, then no projections into a 45-degree angle inward from 21 feet above side PL.</td>
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<td>50% maximum if lot is developed with a 1-story residence. 40% maximum if lot is developed with a 2-story residence.</td>
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<td></td>
<td>Yes</td>
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<tr>
<td></td>
<td>Only for rear. Rear 2nd floor setback is 20’</td>
</tr>
</tbody>
</table>

IV. Conclusion

After compiling and reviewing the requested information, Staff believes there are three elements to this discussion:

1. The R-1 Zone development standards can be improved by cleaning-up and clarifying existing language; using consistent terminology; altering and adding diagrams; clearly defining applicability of certain development standards; and adding appropriate references to other section of the ESMC. This clean-up ordinance would not introduce any new development standards and uses. The ordinance would be considered by the Planning Commission and the City Council.

2. The R-1 Zone modulation standards are confusing and are onerous to property owners/developers, in that they lead to a) difficulties in design and b) increased construction costs. Staff would like to work with the Planning Commission to develop changes to the modulation requirements. These amendments would simplify, reduce, or eliminate the modulation requirement. This item can be incorporated in the clean-up ordinance referenced above.

3. As discussed above in Section II, the R-1 Zone development standards adopted in 2006 were intended to minimize bulk and mass of two-story buildings and residences; and to encourage architectural elements and features in accordance with the goals and policies of the City’s General Plan. The standards were the result of extensive research that included a lengthy 17-month public participation and public hearing process. Staff
believes that this is a more complex and potentially controversial issue that warrants a dedicated public outreach effort.

RECOMMENDATION:

1. Discuss and review the development standards for the Single-Family Residential R-1 Zone;
2. Direct staff to prepare a Zoning Code amendment (and associated environmental documents) that will clarify the R-1 Zone development standards and improve modulation requirements for the Planning Commission’s and City Council’s consideration;
3. Direct staff to separately study other elements of the R-1 Zone (as discussed above) and present possible other changes to the R-1 Zone at a later date; and/or,
4. Alternatively, discuss and take other action related to this item.
Consideration and possible action regarding the introduction and first reading of an Ordinance amending El Segundo Municipal Code ("ESMC") Chapters 15-4A (the Single-Family Residential (R-1) Zone Site Development Standards); 15-1 (Definitions); 15-2 (Open Space Encroachments); and 15-15 (Parking Standards to allow the Use of Vehicle Lifts in the Single-Family Residential (R-1) and Two-Family Residential (R-2) Zones). (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1) Continue the Council's deliberations on this item from its regular meeting of September 19, 2006;
2) Discussion;
3) Introduce and waive first reading of an Ordinance amending ESMC Chapters 15-4A (Single-Family Residential (R-1) Zone Site Development Standards); 15-1 (Definitions); 15-2 (Open Space Encroachments); and 15-15 (Parking Standards to allow the Use of Vehicle Lifts in the Single-Family Residential (R-1) and Two-Family Residential (R-2) Zones);
4) Schedule second reading and adoption of Ordinance on October 3, 2006; and/or
5) Alternatively, discuss and take other action related to this item.

BACKGROUND & DISCUSSION:

At its September 19, 2006 City Council meeting, the City Council directed Planning and Building Safety staff to modify the draft Ordinance to amend the Single-Family Residential (R-1) Zone Site Development Standards, Definitions, Open Space Encroachments and the

ATTACHED SUPPORTING DOCUMENTS:

1. Draft Ordinance

FISCAL IMPACT: None
Operating Budget: N/A
Amount Requested: N/A
Account Number: N/A
Project Phase: N/A
Appropriation Required: Yes X No

ORIGINATED BY: Gary D. Chicots, Interim Director of Planning and Building Safety
DATE: 9-27-06

REVIEWED BY: Jeff Stewart, City Manager
DATE: 9/19/06

Continued on next page...
BACKGROUND & DISCUSSION: (cont.)

Parking Standards to allow the Use of Vehicle Lifts and continued its deliberation on this agenda item to Monday, September 25, 2006 at 5:00 p.m.

The Council requested modifications to the proposed ESMC amendments are provided in the attached draft ordinance in highlighted “strike-out, underline text” to indicate the language that is being removed (text in strike-out) and the language that is being added (underlined text).

The Council directed modifications to the draft Ordinance include:

1. Modifying the proposed height limit for two-story accessory structures to allow accessory structures to be the same height as for the primary dwelling. For new primary dwellings (on lots greater than 25' in width) the maximum height would be 26' and accessory dwellings would therefore have the same height limitation. For existing, legal nonconforming buildings that exceed 26', a new accessory building could be built to the same height as the existing primary building.

2. Lots that are 25 feet wide or less are exempt from the new site development standards but must still comply with the existing regulations in the ESMC and cannot use the new site development standards. To distinguish such lots from larger ones, a new Section 15-4A-6A is proposed to be added to the ESMC which would constitute a re-codification of the existing regulations.

3. Exempting lots that are 40 feet or less in width from modulation requirements.

4. Providing a setback exception to the required maximum side yard setback if the requirement is greater than five (5) feet for single-story additions or two-story additions to dwellings that do not exceed 500 square feet.

5. Eliminating the proposed requirement to have 3 individual garage doors for 3-car garages. Instead the regulations would allow for two garage doors.

6. Allowing partially enclosed outdoor accessory showers to have a shower door in addition to walls on three sides.

7. Reducing the proposed floor area ratio (FAR) to .5125:1.

8. Modifying the parking regulations to limit the use of vehicle lifts to:
   a) parking that is in excess of the minimum number of spaces required in the Single-Family Residential (R-1) Zone and the Two-Family Residential (R-2) Zone, and
   b) parking that is required in the Two-Family Residential (R-2) Zone in addition to a fully enclosed two-car garage (3rd and 4th parking spaces). A conditional use permit is required for using such vehicle lifts.

9. Causing completed applications, as determined by the Planning and Building Safety Director, submitted within 30 days after the Ordinance is adopted to be exempt from the new regulations.

The revised draft Ordinance also includes a correction for a typographical error and a portion of a sentence that was inadvertently omitted on the top of page 14 that relates to the exclusion of basements from the floor area ratio requirement. The proposed percentage of the exterior perimeter walls that must be fully below natural grade was supposed to be 80% not 70% per the Council’s original recommendation at the May 16,
2006 Council meeting. The sentence has been corrected to read: "The floor area ratio requirement would exclude second dwelling units and basements where at least eighty percent (80%) of the exterior perimeter walls are fully below natural grade." The portion of the sentence that was missing is underlined.

General Plan Consistency

The proposed changes to the ESMC would conform to the General Plan as described within the Ordinance.

Environmental Review

In accordance with the Public Resources Code and the California Environmental Quality Act (CEQA) Guidelines, the proposed ordinance as revised is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Categorical Exemption 15301 (Class 1 – Existing Facilities); Categorical Exemption 15303 (Class 3- New Construction or Conversion of Small Structures); and Categorical Exemption 15304 (Class 4 – Minor Alterations to Land).

Recommendation

Staff recommends that the City Council introduce and have first reading of the attached draft Ordinance. Second reading and adoption of the Ordinance would occur on October 3, 2006.
AGENDA DESCRIPTION:

Consideration and possible action to direct staff to return with a report on the impact of the changes to the city's R-1 Ordinance from 2006. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Direct staff to initiate the study and provide a report.
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

None

FISCAL IMPACT: None

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PREPARED BY: Marie Fellhauer, Council Member
REVIEWED BY: Greg Carpenter, City Manager
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:

In 2006, the City Council adopted a comprehensive update of the El Segundo Municipal Code regulating the single family residential zone (R-1). With real estate and construction activity increasing in El Segundo and the southbay region as a whole, residents and potential developers are raising questions about the impact of the changes from a decade ago and feels that it may be time to evaluate the history and consider modifications moving forward.

I would request that staff return with a report on the impact of the changes. Examples of items to report are as follows:

- Number of new homes built in the past 10 years in El Segundo.
- Number of new homes built in the 10 years prior to the R-1 Ordinance.
- Number of major remodels and substantial additions in the past 10 years in El Segundo.
- Floor area ratio requirement in El Segundo compared to other nearby cities.
- Lot coverage requirement in El Segundo compared to other nearby cities.

I would also like to direct staff to hold a community meeting with residents and local developers to receive feedback and recommendations and include their responses in the report back to council.
AGENDA DESCRIPTION:
Consideration and possible action to amend certain deadlines in the Due Diligence and Lease Agreement ("Agreement") entered into between the City of El Segundo and the CenterCal LLC regarding the Lakes golf course and driving range. The Agreement provides for making certain changes and improvements to the golf course and turning the driving range into a Top Golf facility.
(Fiscal Impact: $0)

RECOMMENDED COUNCIL ACTION:
1. Authorize the Mayor to execute an amendment to the Agreement in a form approved by the City Attorney for purposes of extending certain deadlines in the Agreement; or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None

FISCAL IMPACT: None
- Amount Budgeted: $0
- Additional Appropriation: N/A
- Account Number(s): N/A

ORIGINATED BY: Mark Hensley, City Attorney
REVIEWED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
On February 2, 2016, the Agreement was executed and became effective. Staff and Center Cal are currently working through a number of issues including:

- Review and selection of a conceptual design of the golf course.
- Parking studies to determine the appropriate parking space count for the combined Lakes and Top Golf facility.
- Discussions with Chevron to reach an agreement related to the use restrictions of the property.

Over the course of the past weeks it has become apparent that certain due diligence conditions in the Agreement will take some additional time to complete. It is not anticipated that providing additional time to complete these conditions will delay the overall completion of the facilities.

The City Manager is recommending that the Agreement be amended to extend these deadlines.
The City Manager is recommending that the Agreement be amended to extend these deadlines.

The deadline related to approval of the exceptions to the title report was anticipated to take 30 to 60 days. The title report has over 50 exceptions identified in it which will required additional time to locate the records related to the exceptions and, where necessary, resolve the exceptions. It is requested that this deadline be extended to six months.

Another due diligence condition relates to the Southern California Edison ("SCE") easement power line easement that runs through the golf course and behind the driving range. It was originally anticipated that it would take sixty days to work with SCE to extend the license agreement that allows for the use of the golf course and driving range. The license is currently set to expire June of 2021. The parties now believe it will take up to six months to negotiate and document and extension of the license agreement and request that the Council approve of such.

Under the agreement, the City has 60 days to conduct a review of Center Cal’s and Top Golf’s financial ability to construct the improvements and for Top Golf to operate the facility. The city has contracted with an independent financial analyst and Center Cal has agreed to reimburse the City for these services. The review is scheduled to commence this month and staff suggests that this deadline be extended by 60 days.

Finally, Center Cal’s land use applications relating to proposed development were due to be submitted to the City within 90 days. Center Cal is requesting that this deadline be extended by forty-five days.
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**State of California**

**County of Los Angeles**

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City Council. Authorization for release.

**Codes:**

- **R** = Computer generated checks for all non-emergency/urgent payments for materials, supplies and services in support of City operations.

For Ratification:

- **A** = Payroll and Employee Benefit checks
- **B-F** = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.
- **H** = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

**Finance Director:**

**Date:** 3-22-16

**City Manager:**

**Date:** 3-22-16
## CITY OF EL SEGUNDO
## PAYMENTS BY WIRE TRANSFER
## 3/6/16 THROUGH 3/20/16

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**DATE OF RATIFICATION: 3/17/16**
**TOTAL PAYMENTS BY WIRE:**

3,148,000.24

Certified as to the accuracy of the wire transfers by:

*Deputy City Treasurer II*

*Director of Finance*

*City Manager*

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 15, 2016 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER – Mayor Fuentes at 5:00 PM

ROLL CALL

Mayor Fuentes - Present
Mayor Pro Tem Jacobson - Present
Council Member Atkinson - Present
Council Member Fellhauer - Present
Council Member Dugan - Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) None

Mayor Fuentes announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

SPECIAL ORDER OF BUSINESS:

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(d)(1): -4- matter

1. City of El Segundo vs. City of Los Angeles, et.al. LASC Case No. BS094279
2. Li v. City of El Segundo, et all, LAXC Case No. BC605728
3. Fowler v. City of El Segundo, WCAB Adj. No9487616
4. Simonek v. City of El Segundo, USDC CV15-9190

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -1- matter.

DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): -0- matter

APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov't Code § 54957) -0- matter

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -6- matters

1. Employee Organizations: Police Management Association; Police Officers Association; Police Support Services Employees Association; Supervisory and Professional Employees Association; City Employees Association; Executive Management Group (Unrepresented Group).

   Agency Designated Representative: Steve Filarsky and City Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0- matters
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 15, 2016 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Fuentes at 7:00 PM

INVOCATION – Pastor Lee Carlile, United Methodist Church

PLEDGE OF ALLEGIANCE – Council Member Atkinson

PRESENTATIONS

a) Presentation by Chief Tavares, El Segundo Police Department, recognizing Ron Griffin for assisting the Police in capturing two burglary suspects.

b) Presentation by Crista Binder, Treasurer and Dino Marsocci, Deputy City Treasurer II, on the City Treasurer's Quarterly Investment Portfolio Report.

c) Presentation by Meredith Petit, Recreation and Parks Director and Jesse Bobbett, Recreation Superintendent, on the Park's participation in the Los Angeles County Park Needs Assessment and results of a community survey concerning the City's parks.

ROLL CALL

Mayor Fuentes - Present
Mayor Pro Tem Jacobson - Present
Council Member Atkinson - Present
Council Member Fellhauer - Present
Council Member Dugan - Present

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
Mike Robbins, resident, reminded the community to vote on April 12, 2016, commented on the fees charged transport to residents to the hospital in an emergency, commented on the golf course and range proposed 50 year lease and commented on item #F10. Talia Gerard, Tree Musketeers Youth President, thanked all for another successful Arbor Day held on March 5, 2016.

CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS
Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.
MOTION by Mayor Pro Tem Jacobson, SECONDED by Council Member Fellhauer to read all ordinances and resolutions on the Agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

C. UNFINISHED BUSINESS

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

E. CONSENT AGENDA

All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

1. Approve Warrant Numbers 3010017 through 3010222 on Register No. 11 in the total amount of $781,475.62 and Wire Transfers from 2/22/2016 through 3/6/2016 in the total amount of $874,114.29. Authorized staff to release. Ratified Payroll and employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

2. Approve the Regular City Council Meeting Minutes of March 1, 2016.

3. Authorize the City Manager to execute a standard Public Works Contract No. , in a form approved by the City Attorney, with Ramona, Inc. in the amount of $1,388,300.00 and approve an additional $208,245.00 for construction-related contingencies and authorize the City Manager to execute a standard Public Works Professional Services Agreement No. 4999 in a form as approved by the City Attorney with AKM Consulting Engineers in the amount of $144,242.00 for construction inspection and geotechnical (compaction) oversight and testing, and approve an additional $10,000.00 for related contingencies. (Fiscal Impact: $1,750,787.00)

4. Adopt Resolution No. 4970 approving Plans and Specifications for Pavement Resurfacing of East Imperial Highway in the City of El Segundo between Sepulveda Boulevard and Aviation Boulevard and authorize staff to advertise the project for receipt of construction bids. (Project No.: PW 16-10) (Fiscal Impact: $728,427.00)

5. Adopt Resolution No. 4971 approving Plans and Specifications for the Sewer Main Repairs at Indiana, Pine, Illinois and Mariposa and authorize staff to advertise the project for receipt of construction bids. Project No. PW 16-01.
(Fiscal Impact: $2,000,000.00)

6. Receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC") §§ 1-7-12 and 1-7A-4. (Fiscal Impact: $50,000.00)

7. Accept grant funding from the United States Department of Homeland Security, Federal Emergency Management Agency, Grants Program Directorate (DHS) under Fiscal Year 2015 Urban Area Security Initiative Grant Program (UASI) to pursue regional training and procure necessary Urban Search and Rescue (USAR) equipment and authorize the City Manager to sign an Agreement No. 5000 with the City of Los Angeles who will serve as the grant administer for the grant. (Fiscal Impact: $35,700.00)

8. Adopt Resolution No. 4972 authorizing the City Manager to submit annual applications to the California Department of Resources Recycling and Recovery for Beverage Container Recycling City/County Payment Programs, execute all grant documents and accept and spend any and all grant funds awarded to the City. (Fiscal Impact: $Approximately $5,000.00 in annual Receipt of Grant Funds)

9. Authorize the City Manager to execute an agreement no. 5001 with HealthComp, as approved to form by the City Attorney, to administer the City's Retiree Health Reimbursement Account and approve additional funding for Fiscal Year 2015-16 for related administrative fees. (Fiscal Impact: $4,000.00)

MOTION by Council Member Fellhauer, SECONDED by Council Member Dugan to approve Consent Agenda items 1, 2, 3, 4, 5, 6, 7, 8, and 9. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

F. NEW BUSINESS
10. Change the employee group that retired and current City Council Member's Public Employees' Medical and Hospital Care Act ("PEMHCA") medical benefits are tied to from the Executive Management Group to the Police Support Services Employees' Association ("PSSEA") to approximately maintain the PEMHCA medical benefits currently provided to the retired and current elected officials. Continue to have the City Clerk and Treasurer tied to the Executive Management group for PEMHCA medical benefits (reducing their medical benefits from $1200 per month to $125 per month) but increase their respective monthly stipends by $1,075 per month to offset the reduction in medical benefits. These potential actions arise from a change made to the Executive Management Group's medical benefits that adversely affects the retired and current elected officials' medical benefits. (Fiscal Impact: Approximate monthly savings of $7590.79 if the Council continues to be tied to the Executive Management Group and $157.16 if the Council is tied to the PSSEA. The change to the City Clerk's and Treasurer's medical benefit and stipend have no net fiscal impact.)

Mark Hensley, City Attorney, introduced and clarified the item.

Council Discussion

MOTION by Council Member Atkinson, SECONDED by Mayor Pro Tem Jacobson to change the employee group that the retired and current Council Members' PEMHCA medical benefits, are tied to from the Executive Management Group to PSSEA and continue to have the City Clerk and Treasurer tied to Executive Management Group for PEMHCA medical benefits (reducing their medical benefits from $1200.00 per month to $125 per month) and adopt Resolution No. 4973, increasing their respective monthly stipends by $1,075.00. MOTION PASSED BY VOICE VOTE. 3/2 YES: Atkinson, Fuentes, Jacobson NO: Dugan, Fellhauer

G. REPORTS – CITY MANAGER – Mentioned Council passed over $4.5 million in infrastructure projects on the Consent Agenda this evening. The City was able to do so due to water funds, sewer funds and Federal and State Grants. Mr. Carpenter credits this to the increased engineering staff, we were not in a position to do this several years ago. The Council Chamber is getting a makeover in the next several weeks. Thanked Misty Cheng for her role as Interim Finance Director over the last 10 months and introduced the City’s new Finance Director, Joe Lillio.

H. REPORTS – CITY ATTORNEY - None

I. REPORTS – CITY CLERK

Regular City Council Meeting Minutes
March 15, 2016
6
11. Consideration and possible action regarding the City's plan to consolidate future municipal elections with the statewide election in light of Senate Bill 415. (Fiscal Impact: None)

Tracy Weaver, City Clerk and Mona Shilling, Acting Deputy City Clerk II gave a presentation and answered Council questions concerning SB 415.

Council Discussion

MOTION by Council Member Fellhauer, SECONDED by Council Member Atkinson directing staff to prepare a plan to consolidate future elections with the statewide election no later than the November 8, 2022 election, with the plan to be brought back to the City Council for its consideration by mid-2017. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0


K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fellhauer –

12. Consideration and possible action to direct staff to analyze and report back on traffic issues at the intersection of Main Street and Maple Ave. (Fiscal Impact: None)

Council Member Fellhauer introduced the item.

Mitch Tavera, Chief of Police and Stephanie Katsouleas, Public Works Director gave a presentation and answered Council questions.

Council Discussion

Council consensus directed staff to implement less expensive safety measures immediately and report back with a broader strategy for Main Street with respect to traffic and pedestrian safety and report what the expenses associated with the suggested safety measures. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Council Member Atkinson – Thanked the residents for attending the forums.

Council Member Dugan – None

Mayor Pro Tem Jacobson – Mentioned the forums are broadcast on our YouTube channel and the City’s website.
Mayor Fuentes – Mentioned the meetings she attends as Mayor, partnering with businesses and that the El Segundo Air Force Base inducted both the Mayor and Chief Tavera as honorary Commanders. Announced the State of the City address will take place April 6, 2016 at the Air Force Base in the Gordon Conference Center.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
Mike Robbins, resident, commented on item #F10, commented on the fees charged to transport residents to the hospital in an emergency and commented on item #I11.
Jack Axelrod, resident, commented on various items of concern, including the recent forums, threats facing the City and the low voter turnout.
Dr. Antonio Mendez, resident, commented on the emergency services offered to residents in an emergency. Encouraged residents not to bypass the services offered by our emergency departments.

MEMORIALS – None

ADJOURNMENT at 8:50 PM

Tracy Weaver, City Clerk
AGENDA DESCRIPTION:
Consideration and possible action regarding a thirty (30) day provisional appointment extension for the position of Interim Deputy City Clerk II in the City Clerk’s office.
(Fiscal Impact: $)

RECOMMENDED COUNCIL ACTION:
1. Approve the thirty (30) day provisional appointment extension for the position of Interim Deputy City Clerk II;
2. Alternatively, discuss and take other actions related to this item.

ATTACHED SUPPORTING DOCUMENTS:
El Segundo City Code Section 1-6-13

FISCAL IMPACT: $

Amount Budgeted: None
Additional Appropriation: N/A
Account Number(s):

ORIGINATED BY: Tracy Weaver, City Clerk
REVIEWED BY: Tracy Weaver, City Clerk
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The City Clerk’s office is requesting a 30 day extension for the interim position of Deputy City Clerk II. Mona Shilling has been acting Deputy City Clerk II since January 2015 due to the retirement of Cathy Domann, who held the position for over 13 years. While serving in this acting capacity, Ms. Shilling has been working towards obtaining the Certified Municipal Clerk designation. The City Clerk is now in the process of testing for this position and expects to fill the vacancy by the end of April 2016.

In accordance with El Segundo City Code (ESCC) Section 1-6-13(c), no person shall be employed by the City under provisional appointment for more than six (6) months in any fiscal year. The Code further states the provisional appointment may be extended for not more than thirty (30) days with Council approval. Staff is requesting a thirty (30) day extension through April 30, 2016 as it is the Clerk’s Office intent to fill this vacancy by this date.
restored to the same employment list from which the original appointment was made and in the same rank as when the original appointment was made.

F. Request For Certification: When request for certification from an employment list has been received, certification shall be made in conformance with the following provisions:

1. If a re-employment list exists for the class, the highest name on the list shall be certified for each vacancy to be filled. Promotional and/or open employment lists shall not be certified if there are any names on the re-employment list for the class.

2. If there are less than three (3) qualified names on the promotional list, the appointing power may request additional highest one or two (2) names to be certified from the open competitive list if the list exists.

3. If no re-employment or promotional lists exist, the Personnel Officer shall certify to the department head from the open competitive employment list as prescribed in subsection 1-6-9B of this Chapter.

4. Except for re-employment lists, when all appropriate employment lists for a class contain a total of fewer than three (3) names, the department head may, with approval of the City Manager, make provisional appointments until additional names are secured through another examination.

5. No person shall be appointed to any classified service position unless that person has the qualifications for the position as set forth in the specifications for the class.

G. Expiration Of Lists: Employment lists shall expire at such time as the Personnel Officer determines; provided, that:

1. Names shall remain on the re-employment list for a period of not less than three (3) years;

2. Promotional and open competitive lists shall have an expiration date of one year unless otherwise announced in the notice of examination. (Ord. 586, 4-10-1962)

1-6-13: APPOINTMENT IN CLASSIFIED SERVICE:

A. Basis For Appointments: Appointments and promotions to vacant positions in the classified service shall be based on merit and fitness to be ascertained insofar as practicable by competitive examination. Appointments and promotions shall be made by the City Manager upon recommendation of the various department heads.

B. Names Transmitted By Personnel Officer: When appointments and promotions are to be made to vacancies in the classified service, the names of the highest eligible persons willing to accept appointment shall be transmitted by the Personnel Officer to the department head in the order in which they appear on the list as follows: for one vacancy the names of three (3), for two (2) or secondary vacancies the names of five (5), for each additional or each subsequent vacancy, three (3)
additional names shall be submitted and appointment shall be limited to any of these eligible persons.

C. Provisional Appointment: In the absence of appropriate employment lists, a provisional appointment may be made of a person meeting the qualifications established for the classification. Any employment list shall be established within six (6) months, for any permanent position filled by provisional appointment. No person shall be employed by the City under provisional appointment for a total of more than six (6) months in any fiscal year except that the City Manager may, with approval of the City Council, extend the period of any provisional appointment for not more than thirty (30) days by any one action.

D. Special Credit Not Allowed: No special credit shall be allowed in any examination or the establishment of any employment or promotional lists, for service rendered under a provisional appointment.

E. Temporary Appointments: Appointments to temporary, emergency and seasonal positions may but need not be made from eligible lists and those appointed shall not be in the classified service. Appointments of this type shall include temporary employment for the replacement of employees on leave of absence other than military leave, or vacation, emergency appointments to meet emergencies which threaten life, property or the general welfare of the City, or for work seasonal in nature.

F. Filling Vacancy During Suspension: During the period of suspension of any employee, or pending final action on proceedings to review the suspension, demotion or dismissal of an employee, the vacancy created may be filled only by temporary appointment.

G. Transfer: With the approval of the City Manager, an employee may be transferred by the department head from one position to another position in the same class or a comparable class at the same salary level. If the transfer involves a change from one department in the classified service to another department in the classified service, the department heads and the employee involved must consent thereto before the action shall be considered effective. Transfers shall not serve to affect in any way the status, rights and privileges of an employee under this Chapter.

H. Reinstatement: The department head may, with the approval of the City Manager, reinstate to a vacant position any person who has resigned in good standing to a position in a class or equivalent class in which he had acquired status in the classified service; provided, that the reinstatement is accomplished within one year of the date of resignation. A reinstatement may, at the discretion of the department head, take precedence over any employment list except a re-employment list. (Ord. 586, 4-10-1962)

1-6-14: PROBATIONARY PERIOD:

A. Length Of Probation: All original and promotional appointments shall be for a probationary period of one year. During the probation period the em-
AGENDA DESCRIPTION:
Consideration and possible action authorizing the Fire Department to purchase a new 2016 four door Ford Explorer XLT (K7D) with front wheel drive (FWD) for the Fire Chief, as the current staff vehicle is overdue for replacement. (Fiscal Impact: $32,103)

RECOMMENDED COUNCIL ACTION:
1) Pursuant to El Segundo City Code Section 1-7-10, waive the formal bidding process and authorize the Fire Department to piggy-back off of the National Joint Powers Alliance cooperative procurement contract with National Auto Fleet Group, Contract No. 102811-NAF, for the purchase of a replacement vehicle for the Fire Chief.
2) Authorize the City Manager to execute an agreement, in a form approved by the City Attorney, to purchase one 2016 four door Ford Explorer XLT with FWD with available equipment replacement funds;
3) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1) Quote from National Auto Fleet Group
2) National Joint Powers Alliance RFP and Awarded Contract

FISCAL IMPACT: $32,103

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<th>Amount Budgeted:</th>
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<td>Additional Appropriation:</td>
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<tr>
<td>Account Number(s):</td>
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<td></td>
<td>601-400-3205-8105 ($8,643 ERS)</td>
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ORIGINATED BY: Nathan Cooke, Battalion Chief
REVIEWED BY: Christopher Donovan, Fire Chief
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The El Segundo Fire Department currently possesses a ten year old Crown Victoria sedan that is used by the Fire Chief. This vehicle (unit #3313) currently has approximately 151,000 miles on it. Repair costs have been increasing over the last three years but in the last two (2) years there have been multiple air conditioning, condenser and blend door motor failures, along with the intake manifold having to be replaced at an estimated cost of $3,000 dollars. Due to the increased costs in repairs and the extensive mileage on this vehicle, the Department recommends to replace this vehicle with a new Ford Explorer four door XLT with front wheel drive.
Public Safety agencies in California have transitioned from the standard sedan to a sport utility vehicle (SUV) model, for emergency response vehicles that are used by staff. The SUV models provide a better platform and versatility for response to emergency incidents, allows for better fuel efficiency, and increased driver/passenger safety. The City is committed to reducing mobile emissions from their fleet, that are in alignment with AB2766, the Motor Vehicle Subvention Program, which is aimed at reducing air pollution from motor vehicles.

To purchase this vehicle in a timely manner, the Fire Department would like to piggy-back off the National Joint Powers Alliance (NJPA) contract with National Auto Fleet Group that provides competitive government pricing. City Council can elect to waive the bidding process under El Segundo Municipal Code §1-7-11 and instead opt to use government pricing through the NJPA and its awarded vendor, National Auto Fleet Group.
QUOTE
Quoted ID: 6530

GARY MULLINS
CITY OF EL SEGUNDO
PUBLIC WORKS
150 ILLINOIS ST
EL SEGUNDO, California, 90245

Dear GARY MULLINS,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration. One (1) New/Unused (2016 Ford Explorer (K7D) FWD 4dr XLT, ) and delivered to your specified location, each for

<table>
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<tr>
<td>Base Price</td>
<td>$29,443.48</td>
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<tr>
<td>Tax (9.00 %)</td>
<td>$2,649.91</td>
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<tr>
<td>Tire fee</td>
<td>$8.75</td>
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<td><strong>Total</strong></td>
<td><strong>$32,102.14</strong></td>
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- per the attached specifications. Price includes 2 additional key(s).

This vehicle(s) is available under the National Joint Powers Alliance Contract 102811. Please reference this Bid number on all purchase orders. Payment terms are Net 30 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

John Ovyach
National Fleet Manager
Email: john.ovyach@gmail.com
Office: 562-618-0928
Fax: 562-684-4672
In order to Finalize your Quote, please submit this purchase packet to your governing body for Purchase Order Approval. Once you issue a Purchase Order please send by:

Fax:  (831) 480-8497
Mail:  National Auto Fleet Group
490 Auto Center Drive
Watsonville, CA 95076
Email:  Fleet@nationalautofleetgroup.com
We will then send a W-9 if you need one
Please contact our main office with any questions:
1-855-289-6572

Vehicle Configuration Options

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http://www.nationalautofleetgroup.com/OrderRequest/SSDPrint/6630?xsdType=OrderRequest&ws=True&se=True&Msg=A+National+Auto+Fleet+Group...
### PRIMARY PAINT

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<td>MAGNETIC METALLIC</td>
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### PAINT SCHEME

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### SEAT TYPE

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<td>EBONY BLACK, UNIQUE CLOTH BUCKET SEATS, -inc: 10-way power driver seat w/power lumbar and recline</td>
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### ADDITIONAL EQUIPMENT

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<td>FRONT LICENSE PLATE BRACKET</td>
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<tr>
<td>21K</td>
<td>LED FOG LAMPS</td>
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### OPTION PACKAGE

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<td>EQUIPMENT GROUP 200A</td>
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### SHIP THRU CODES

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# 2016 Fleet/Non-Retail Ford Explorer FWD 4dr XLT

## WINDOW STICKER

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<th>CODE</th>
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<td>K7D</td>
<td>2016 Ford Explorer FWD 4dr XLT</td>
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### OPTIONS

- **ENGINE**: 3.5L Ti-VCT V6 (FFV) - Inc: Flexible Fuel Vehicle (FFV) system is standard equipment for vehicles with 3.5L Ti-VCT V6 engine shipped to Federal Emissions States or Cross Border State dealers and is only available with Federal emissions system, (FFV system not available w/code 422 and requires code 936 or 423 if applicable for California Emissions State dealer destinations). Cross border states include AZ, DC, ID, NH, NV, OH, VA, WV (STD)
- **TRANSMISSION**: 6-Speed SelectShift Automatic, (STD) - INC
- **WHEELS**: 18" Painted Aluminum, (STD) - INC
- **MAGNETIC METALLIC** - INC
- **STANDARD PAINT** - INC
- **EBONY BLACK, UNIQUE CLOTH BUCKET SEATS** - Inc: 10-way power driver seat w/power lumbar and recline - INC
- **FRONT LICENSE PLATE BRACKET** - INC
- **LED FOG LAMPS** - INC
- **EQUIPMENT GROUP 200A** - INC

### SUBTOTAL

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<td>Manufacturer Destination Charge</td>
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### TOTAL PRICE

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<tbody>
<tr>
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<td>$34,495.00</td>
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</table>

Est City: 17 MPG  
Est Highway: 24 MPG  
Est Highway Cruising Range: 446.40 mi

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.
Standard Equipment

MECHANICAL

Engine: 3.5L Ti-VCT V6 (FFV) - Inc: Flexible Fuel Vehicle (FFV) system is standard equipment for vehicles w/ the 3.5L Ti-VCT V6 engine shipped to Federal Emissions States or Cross Border State dealers and is only available w/a Federal emissions system, (FFV system not available w/code 422 and requires code 936 or 423 if applicable for California Emissions State dealer destinations). Cross border states include AZ, DC, ID, NH, NV, OH, VA, WV Not standard equipment in CA Emissions States.

Transmission: 6-Speed SelectShift Automatic
3.39 Non-Limited-Slip Axle Ratio
GVWR: 6,160 lbs
Front-Wheel Drive
58-Amp/Hr 650CCA Maintenance-Free Battery w/Run Down Protection

200 Amp Alternator
Towing w/ Trailer Sway Control
Gas-Pressurized Shock Absorbers
Front And Rear Anti-Roll Bars
Electric Power-Assist Speed-Sensing Steering
18.6 Gal. Fuel Tank
Quasi-Dual Stainless Steel Exhaust w/ Chrome Tailpipe Finisher
Strut Front Suspension w/ Coil Springs
Multi-Link Rear Suspension w/ Coil Springs
4-Wheel Disc Brakes w/ 4-Wheel ABS, Front And Rear Vented Discs, Brake Assist and Hill Hold Control

EXTERIOR

Wheels: 18" Painted Aluminum
Tires: P245/60R18 AS BSW
Steel Spare Wheel
Compact Spare Tire Mounted Inside Under Cargo
Clearcoat Paint
Body-Colored Front Bumper w/ Black Rub Strip/ Fascia Accent and Metal-Look Bumper Insert
Body-Colored Rear Bumper w/ Black Rub Strip/ Fascia Accent and Metal-Look Bumper Insert
Black Side Windows Trim and Black Front Windshield Trim
Chrome Bodyside Insert, Black Bodyside Cladding and Black Wheel Well Trim
Body-Colored Door Handles
Black Power Heated Side Mirrors w/ Convex Spotter, Manual Folding and Turn Signal Indicator
Fixed Rear Window w/ Fixed Interval Wiper, Heated Wiper Park and Defroster
Deep Tinted Glass
Speed Sensitive Variable Intermittent Wipers
Front Windshield - inc: Sun Visor Strip
Galvanized Steel/ Aluminum Panels
Lip Spoiler
Metal-Look Grille
Liftgate Rear Cargo Access
Tailgate/ Rear Door Lock Included w/ Power Door Locks
Roof Rack Rails Only
Falk Automatic Projector Beam Led Low Beam Daytime Running Headlamps w/Delay-Off

LED Brakelights
Front Fog Lamps
Perimeter/Approach Lights

ENTERTAINMENT

Radio: AM/FM Stereo w/Single CD/MP3 Capable -inc: 6 speakers and SiriusXM radio, Note: a 6-month prepaid subscription, Service is not available in Alaska and Hawaii, Note: Subscriptions to all SiriusXM services are sold by SiriusXM after trial period, If you decide to continue service after your trial, the subscription plan you choose will automatically renew thereafter and you will be charged according to your chosen payment method at then-current rates, Fees and taxes apply, To cancel you must call SiriusXM at 1-866-635-2349, See SiriusXM Customer Agreement for complete terms at www.siriusxm.com, All fees and programming subject to change, Sirius XM and all related marks and logos are trademarks of Sirius XM Radio Inc

Radio w/Seek-Scan, Clock, Speed Compensated Volume Control and Steering Wheel Controls

Wireless Streaming

Integrated Roof Antenna

SYNC -inc: enhanced voice recognition communications and entertainment system, 911 Assist, 4.2" LCD screen in center stack, AppLink and (1) smart-charging USB port in the Media Hub, Note: SYNC AppLink lets you control some of your favorite compatible mobile apps w/your voice, It is compatible w/select smartphone platforms, Commands may vary by phone and AppLink software

Bluetooth Wireless Phone Connectivity

INTERIOR

60-40 Folding Split-Bench Front Facing Manual Reclining Tumble Forward Premium Cloth Rear Seat

Manual Tilt/Telescoping Steering Column

Gauges -inc: Speedometer, Odometer, Engine Coolant Temp, Tachometer, Trip Odometer and Trip Computer

Power Rear Windows and Fixed 3rd Row Windows

7 Person Seating Capacity

Fixed 50-50 Split-Bench Premium Cloth 3rd Row Seat Front, Manual Fold Into Floor and 2 Fixed Head Restraints

Leather/Metal-Look Steering Wheel

Front Cupholder

Rear Cupholder

Compass

Remote Keyless Entry w/Integrated Key Transmitter, Illuminated Entry and Panic Button

Keypad

Proximity Key For Doors And Push Button Start

Valet Function

Cruise Control w/Steering Wheel Controls

Manual Air Conditioning

Rear HVAC w/Separate Controls

HVAC -inc: Underseat Ducts, Auxiliary Rear Heater and Headliner/Pillar Ducts

Illuminated Glove Box

Driver Foot Rest

Interior Trim -inc: Metal-Look Instrument Panel Insert, Metal-Look Door Panel Insert, Metal-Look Console Insert and Metal-Look Interior Accents

Full Cloth Headliner

Cloth Door Trim Insert

Leather/Chrome Gear Shift Knob
<table>
<thead>
<tr>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique Cloth Bucket Seats -inc: 10-way power driver seat w/power lumbar and recline, 6-way power passenger seat w/manual recline and 4-way adjustable driver and front-passenger head restraints (2-way up/down when dual-headrest DVD entertainment system (50S) is ordered)</td>
</tr>
<tr>
<td>Day-Night Rearview Mirror</td>
</tr>
<tr>
<td>Driver And Passenger Visor Vanity Mirrors w/Driver And Passenger Illumination</td>
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<tr>
<td>Full Floor Console w/Covered Storage, Full Overhead Console w/Storage and 4 12V DC Power Outlets</td>
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<tr>
<td>Front And Rear Map Lights</td>
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<tr>
<td>Fade-To-Off Interior Lighting</td>
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<td>Full Carpet Floor Covering -inc: Carpet Front And Rear Floor Mats</td>
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<td>Carpet Floor Trim</td>
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<td>Cargo Space Lights</td>
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<td>Driver / Passenger And Rear DoorBins</td>
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<td>Power 1st Row Windows w/Driver And Passenger 1-Touch Up/Down</td>
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<td>Delayed Accessory Power</td>
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<td>Power Door Locks w/Autolock Feature</td>
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<td>2 Seatback Storage Pockets</td>
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<td>Seats w/Premium Cloth Back Material</td>
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<td>Securilock Anti-Theft Ignition (pats) Engine Immobilizer</td>
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<tr>
<td>4 12V DC Power Outlets</td>
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**SAFETY**

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<td>Advancetrac w/Roll Stability Control Electronic Stability Control (ESC) And Roll Stability Control (RSC)</td>
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<td>ABS And Driveline Traction Control</td>
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<td>Dual Stage Driver And Passenger Front Airbags</td>
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<td>Safety Canopy System Curtain 1st, 2nd And 3rd Row Airbags</td>
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<td>Passenger Knee Airbag</td>
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<td>Mykey System -inc: Top Speed Limiter, Audio Volume Limiter, Early Low Fuel Warning, Programmable Sound Chimes and Beltminder w/Audio Mute</td>
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<td>Rear Child Safety Locks</td>
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<tr>
<td>Outboard Front Lap And Shoulder Safety Belts -inc: Rear Center 3 Point, Height Adjusters and Pretensioners</td>
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<tr>
<td>Back-Up Camera w/Washer</td>
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Awarded Contract
5th YEAR RENEWAL OF AGREEMENT

Made by and Between

National Auto Fleet Group (Vendor)
490 Auto Center Drive
Watsonville, CA 95076

and

National Joint Powers Alliance® (NJPA)
202 12th Street NE
Staples, MN 56479
Phone: (218) 894-1930

Whereas:

“Vendor” and “NJPA” have entered into an “Acceptance and Award #102811-NAF” for the procurement of Passenger Cars, Light Duty, Medium Duty, and Heavy Duty Trucks with Related Accessories, and having a maturity date of January 17, 2016, and which are subject to annual renewals and a 5th year extension at the option of both parties.

Now therefore:

Members of NJPA would benefit from exercising the fifth year option. “Vendor” and “NJPA” hereby desire and agree to exercise the 5th year renewal option for the above defined contract for the period of January 17, 2016 to January 17, 2017.

National Joint Powers Alliance® (NJPA)

By: ____________________________, Its: Executive Director/CEO

Name printed or typed: Chad Coquette

Date

National Auto Fleet Group

By: ____________________________, Its: Manager

Name printed or typed: Jesse Reed

Date 7-26-15
FORM D

PROPOSAL OFFERING

AND ACCEPTANCE AND AWARD

RFP #102811

PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES

Proposal Offering (To be completed Only by Proposer)

In compliance with the Request for proposal (RFP) for PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES, the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby offer and agree to furnish the defined products/services and services in compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer’s Response documentation. Proposer further understands they are the sole offeror herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this offer is the sole responsibility of the Proposer.

Company Name: National Auto Fleet Group

Date: 11-14-11

Company Address: 490 Auto Center Drive

City: Watsonville State: CA Zip: 95076

Contact Person: Clarke Cooper Title: National Fleet Manager

Authorized Signature (ink only): Clarke Cooper

(Name printed or typed)

Contract Acceptance and Award (To be completed only by NJPA)

Your proposal offering is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined goods and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, and the Proposer’s Response. The effective date of the Contract be Jan 17, 2012 and continue for four years thereafter AND which is subject to annual renewal at the option of both parties.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: 

Title: Executive Director NJPA

Awarded this 17th day of January 2012 Contract Number # 102811 - NAF

NJPA Authorized signature: 

Title: Board Clerk

Executed this 1st day of January 2012 Contract Number # 102811 - NAF
COMMENT AND REVIEW

To the
INVITATION FOR BID (IFB) #102811

Entitled

PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES

The following advertisement was placed in the Star Tribune on September 6, 2011 and September 13, 2011 and the Daily Journal of Commerce on September 6, 2011 through September 12, 2011 and on the NJPA website www.njpacoop.org, and on noticetobidders.com website:

The National Joint Powers Alliance® (NJPA) issues this request for proposal (RFP) to provide PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES, Specifications and details of this RFP are available beginning September 6, 2011 and continuing until October 4, 2011. Details and specifications may be obtained by letter of request to Gregg Meierhofer, NJPA, 200 First Street Northeast, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until October 27, 2011 at 4:30 p.m. Central Time at the above address and opened October 28, 2011 at 8:00AM Central Time.

IFB’s were requested from and distributed to:

Acme Auto Leasing
AmeriFleet
Autofair Ford Honda Hyandai
Brattein International Trucks -- Portland
DATTCO, Inc.
Dhaval Kikani
Dodge of Burnsville
DriveCam
Electric Vehicles International
FastFleet
GreenKraft, Inc.
Gulf States Toyota
IMPCO Automotive Division
Keyless Ride
Leg Platt
Mike Shaw Buick
Mitsubishi Fuso Truck of America
Napleton Fleet Group
Neuville Motors

AeroVironment, Inc.
ARI
Badger Truck Center
CODA Automotive
David Stanley Auto Group
Diamond Trucks
Don Chalmers Ford
Eagle Chevrolet Fleet and Commercial Sales
EV Auto Texas
Ford Motor Company
Gresham Ford
Hixson Automotive
Jesse James Cooper
LeasePlan, USA
Mail Chevrolet
Miles Electric Vehicles, LLC
Mitsubishi Motors North America
National Ford Truck Club
Nextran Truck Centers
Northside Ford
PalFleet Truck Equipment Co.
Performance Friction Corporation
Rae Knowlton
Smith Electric Vehicles US Corp.
STAHL – Scott Fetzer Co.
State of Nevada
TEC Equipment
Terex Corporation
TN Fleet Sales
VIA Motors
Wow Way

Oshkosh Corporation
Penske Automotive
Power Auto Group
Rihm Kenworth
SoCal Penske – RP Automotive
State of Louisiana
Surburban Fleet
TEC Trucks
Theodore Robins Ford
TransChicago Truck Group
W. Hare & Son, Inc.

Late inquiries were received from:

Day Automotive Group
Florence Truck Center, Inc.
Husky Trucks, LLC
Southland International Trucks

Elk Grove Auto Group
Husky International Trucks
Reliable Chevrolet
Whiteside Chev., Buick, Cadillac, GMC

Bids were opened on November 18, 2011 at the offices of NJPA offices 202 12th Street Northeast in Staples, Minnesota 56479. All bids received were deemed responsive. Bids were received from the following:

National Auto Fleet Group
Oshkosh Corporation
DATTCO, Inc.
Gresham Ford
Northside Ford Trucks
CODA Automotive, Inc.
Husky Trucks, LLC
Ford of Murfreesboro
Don Chalmers Ford
Automotive Rentals, Inc.
Smith Electric Vehicles US
KSEE, LLC dba EV Autos
Empire Southwest, LLC dba Empire Truck & Trailer
Secured Mobility, LLC dba Keyless Ride
DriveCam, Inc.
Mitsubishi Motors North America (MMNA)
Bids were reviewed by the Bid Review committee consisting of:

Ginger Line, Coordinator of Bids and Contracts
Gregg Meierhofer, Coordinator of Bids and Contracts
Tracy Plinske, Coordinator of Bids and Contracts
Keith Hanson, Assistant to Manager of Financial Services, CPA

The findings of the Bid Review Committee are summarized as follows:

The Bid Evaluation Committee found the bid responses to be generally well put together and offering a wide array of products and services. The Committee also found all bids to be within a "Competitive Range".

We feel that DriveCam, Inc., and Keyless Ride are a good fit because of their accessories in this product category.

Northside Ford, Gresham Ford for their Azure Dynamics and Roush CleanTech cars. CODA, Smith Electric, and Mitsubishi also have great options for alternative fuel opportunities.

Oshkosh is awarded for their airport utility vehicles.

Husky Trucks and Empire for their original manufacturer offerings.

Finally, National Auto Fleet Group for their full line of Cars/Trucks.

For these reasons the NJPA Evaluation Team recommends award of NJPA #102811 to:
DriveCam, Inc. 102811-DCI
Secured Mobility, LLC dba Keyless Ride 102811-SML
CODA Automotive, 102811-CDA
Mitsubishi Motors North America (MMNA) 102811-MMN
Smith Electric Vehicles US 102811-SEV
Empire Southwest, LLC dba Empire Truck and Trailer 102811-ESW
Gresham Ford 102811-GFT
Husky Trucks, LLC 1002811-HTL
National Auto Fleet Group 102811-NAF
Northside Ford Trucks 102811-NSF
Oshkosh 102811-OKC
Ginger Line, Contracts Specialist

Date

1-5-12

Gregg Meierhofer, Bids and Contracts Officer

Date

1-5-12

Tracy Plinske, Contracts Specialist

Date

1-5-12

Keith Hanson, Accounting Manager, CPA

Date

1-5-12
RFP
National Joint Powers Alliance® (herein NJPA)
REQUEST FOR PROPOSAL (herein RFP)

for the procurement of

PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES

RFP Opening

October 28, 2011
8:00 AM Central TIME
At the offices of the
National Joint Powers Alliance®
200 First Street Northeast, Staples, MN 56479

RFP #102811

The National Joint Powers Alliance® (NJPA) issues this request for proposal (RFP) to provide PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES. Specifications and details of this RFP are available beginning September 6, 2011 and continuing until October 4, 2011. Details and specifications may be obtained by letter of request to Gregg Meierhofer, NJPA, 200 First Street Northeast, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until October 27, 2011 at 4:30 p.m. Central Time at the above address and opened October 28, 2011 at 8:00AM Central Time.

The text above is the Public Notice to Proposers to be used by NJPA.

RFP Timeline

September 6, 2011 and September 13, 2011
October 4, 2011
October 7, 2011 AM Central
October 27, 2011 4:30 PM. Central
October 28, 2011 8:00AM Central

- Publication of RFP in the print and online Minneapolis Star Tribune, the NJPA website, and on the website of noticetobidders.com
- Deadline for RFP requests
- Pre-Proposal Conference (webcast – conference call)
- Deadline for Submission of Proposals
- Public Opening of Proposals

Direct questions regarding this RFP to:

Gregg Meierhofer at gregg.meierhofer@njpacoop.org or (218)894-1930

RFP Procedures offers the methods for submitting questions.
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INTRODUCTION

A. ABOUT NJPA

1.1 The National Joint Powers Alliance®- (NJPA)- is a public agency serving as a national municipal contracting agency established under the Service Cooperative statute by Minnesota Legislative Statute §123A.21 with the authority to develop and offer, among other services, cooperative procurement services to its membership. Eligible membership includes states, cities, counties, governmental agencies, both public and non-public educational agencies, colleges, universities and non-profit organizations. This Minnesota Statute also allows for service to NJPA Member agencies in Minnesota and all other states.

1.2 To this end, NJPA has established a series of procurement contracts with various Vendors of products/services which NJPA Members desire to procure. These procurement contracts are created in compliance with applicable Minnesota Municipal Contracting Laws. A complete listing of NJPA cooperative procurement contracts can be found at www.njpacoop.org.

1.3 NJPA’s publicly elected Board of Directors calls for all proposals, awards all Contracts, and hosts those resulting Contracts and offers them for the benefit of its Membership.

1.3.1 Subject to Approval of the Board: Any award of Contract made by an authorized NJPA Employee will be subject to such action by the NJPA Board of Directors.

1.4 NJPA currently serves over 30,000 member agencies. Both membership and utilization of NJPA Contracts continues to expand at exponential rates. The value of our Contracts driven to our Members is reflected in our growth.

B. JOINT EXERCISE OF POWERS LAWS

1.5 NJPA cooperatively shares those contracts with its Members nationwide through various “Joint Exercise of Powers Laws” established in Minnesota and most other States. The Minnesota “Joint Exercise of Powers Law” is Minnesota Statute §471.59 which states “Two or more governmental units...may jointly or cooperatively exercise any power common to the contracting parties...” Similar Joint Exercise of Powers Laws for each State of the United States can be found on our website at http://www.njpacoop.org/LEARN/About/Legal.html and clicking on that state at the bottom of the webpage.

C. WHY RESPOND TO A NATIONAL COOPERATIVE PROCUREMENT CONTRACT

1.6 National Cooperative Procurement Contracts create value for both Municipal buyers and their Vendors of products/services in two ways:

1.6.1 We save the time and effort of many municipal buyers bringing individual procurement proposals AND the time and effort of the Vendors in responding individually to those invitations. A single invitation for a cooperatively held contract can replace potentially thousands of invitations for the same items from individual NJPA Members.

1.6.2 We earn volume purchasing discounts which are passed on to our Members. A single awarded Proposal is likewise exposed to thousands of potential Municipal purchasing units nationwide creating efficiency and savings to the business community as they sell products and services to government and education agencies.

1.7 State laws that permit or encourage cooperative purchasing contracts do so with the belief that lower prices, better overall value and time savings will be the result.
RFP 081411

1.8 The collective purchasing power of thousands of NJPA Members nationwide offers the opportunity for volume pricing discounts. Although no volume is guaranteed by a Contract resulting from this RFP, substantial volume is anticipated and volume pricing is requested and justified.

1.9 NJPA and its Members desire the best value for their procurement dollar as well as a competitive price. Pre-competed procurement contracts offer NJPA and its Members the ability to more directly compare non-price factors in their procurement analysis and it offers Vendors the opportunity to display those attributes without the timing and interpretation constraints of a typical individual proposal process.

D. THE INTENT OF THIS RFP

1.10 The intent of this RFP is to award an Exclusive Single Award Contract to a qualifying manufacturer or distributor Proposer demonstrating a solution which meets and/or exceeds the requirements of NJPA and its Members within the scope of PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES. Qualifying Proposers must be able to demonstrate the knowledge of any and all applicable industry standards, laws and regulations; and the ability to both market to and service NJPA Members in all 50 states. All proposals received will be evaluated based on (among several other factors) their ability to provide the greatest utility to NJPA and NJPA Members and across the widest spectrum of products and services.

1.11 NJPA desires a relationship with a vendor providing a broad array of equipment, products, supplies, accessories and services anticipated and generally requested and desired by NJPA members from the PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES industry. Those products and services must include those most commonly used and desired by NJPA and its Members. NJPA is seeking a Prime and Exclusive Vendor relationship to best serve the overall needs of NJPA and NJPA Members nationally.

1.12 Non-Manufacturer Awards: NJPA reserves the right to make an award related to this invitation to a non-manufacturer such as a dealer/distributor if such action is in the best interests of NJPA and its Members.

1.13 Multiple Awards: Although it is NJPA’s intent to award a contract to a single Vendor, NJPA reserves the right to award a Contract to multiple Proposers where the responding Proposers are deemed to lack the ability to appropriately service a national contract or such action is deemed to be in the best interests of NJPA and its Members

1.14 Award by Board of Directors: An Award of Contract may be made by the NJPA Board of Directors based on the recommendation of the NJPA Proposal Review Committee and on the best interests of NJPA and its Members. NJPA is seeking a Prime, Exclusive Vendor relationship(s) to meet this need. The goal and intent of this RFP is to follow through with a proposal award and contract to be marketed nationally through a cooperative effort between the awarded vendor(s) and NJPA to its participating members.

1.15 Best Responsive – Responsible Proposer: It is the intent of NJPA to award a Contract to the best responsible and responsive Proposer(s) offering the best overall quality and selection of products/services and services meeting the commonly requested specifications of the NJPA and NJPA Members, provided the Proposer’s Response has been submitted in accordance with the requirements of this RFP.

1.16 Sealed Proposals: NJPA will receive sealed proposal responses to this RFP in accordance with accepted standards set forth in the Minnesota Procurement Code and Uniform Municipal Contracting Law. Awards may be made to responsible and responsive Proposers whose proposals are determined in writing to be the most advantageous to NJPA and its current or qualifying future NJPA Members.

1.17 Use of Contract: Any Contract resulting from this solicitation shall be awarded with the understanding that it is for the sole convenience of NJPA and its Members. NJPA and/or its members
reserve the right to obtain like goods and services solely from this Contract or from another contract source of their choice.

**1.18 NJPA's interest in a contract resulting from this RFP:** Not withstanding its own use, to the extent NJPA issues this RFP and any resulting contract for the use of its Members, NJPA's interests and liability for said use shall be limited to the competitive proposal process performed and terms and conditions relating to said contract and shall not extend to the products, services, or warranties of the Awarded Vendor or the intended or unintended effects of the goods and services procured there from.

**1.19 Sole Source of Responsibility-** NJPA desires a “Sole Source of Responsibility” Vendor meaning the Vendor will take sole responsibility for the performance of delivered products/services. NJPA also desires sole responsibility with regard to:

**1.19.1 Scope of Products/Services:** NJPA desires a single provider for the broadest possible scope of the goods and services being proposed over the largest possible geographic area and to the largest possible cross-section of NJPA Members.

**1.19.2 Vendor use of sub-contractors in sourcing or delivering goods and services:** NJPA desires a single source of responsibility for products/services proposed. Proposer's are assumed to have sub-contractor relationships with all organizations and individuals whom are external to the Proposer and are involved in providing or delivering the goods and services being proposed. Vendor assumes all responsibility for the products/services and actions of any such Sub-Contractor.

**E. SCOPE OF THIS RFP**

**1.20 Additional Definition for the scope of this solicitation.**

**1.20.1** In addition to **PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES**, this solicitation should be read to include:

**1.20.1.1** OEM Production vehicles from the Manufacturer (OEM)

**1.20.1.2** Alt Fuel Vehicles and Vehicles utilizing leading edge technologies.

**1.20.1.3** Cab and Chassis Trucks

**1.20.1.2** Dump Trucks, Service Bodies, Flat Beds.

**1.20.1** NJPA reserves the right to limit the scope of this solicitation for market segments already being serviced by existing NJPA procurement contracts.

**1.21 Solutions Based Invitation:**

**1.21.1** All potential Proposers are assumed to be professionals in their respective fields. As professionals you are deemed to be intimately familiar with the spectrum of NJPA and NJPA Member’s needs and requirements with respect to the scope of this RFP.

**1.20.2** With this intimate knowledge of NJPA and NJPA Member’s needs, Proposers are instructed to provide their proposal response in a format describing their solutions to those current and future needs and requirements. Proposers should take care to be economical in their response to this RFP.
1.21.3 Multiple solutions to the needs of NJPA and NJPA Member's are possible. Examples could include:

1.21.3.1 Materials Only Solution: A Materials Only Solution may be appropriate for situations where NJPA or NJPA Members possess the ability, either in-house or through local third party contractors, to properly install and bring to operation those materials being proposed.

1.21.3.2 Turn-Key Solutions: A Turn-Key Solution is combination of materials and services which provides a single price for materials, delivery, and installation to a properly operating status. Generally this is the most desirable solution as NJPA and NJPA Members may not possess, or desire to engage, personnel with the necessary expertise to complete these tasks internally or through other independent contractors.

1.20.3.3 Good, Better, Best: Where appropriate and properly identified, Proposers are invited to offer the CHOICE of good – better – best multiple grade solutions to NJPA and NJPA Member’s needs.

1.21.3.4 Proven – Accepted – Leading Edge Technology: Where appropriate and properly identified, Proposers are invited to provide the CHOICE of an appropriately identified spectrum of technology solutions to NJPA and NJPA Member’s needs both now and into the future.

1.22 Geographic Area to be Proposed: This RFP invites proposals to provide PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES to NJPA and NJPA Members throughout the entire United States and possibly internationally. Proposers will be expected to express willingness to explore service to NJPA Members located abroad; however the lack of ability to serve Members outside of the United States will not be cause for non-award. The ability to serve Canada, for instance, will be viewed as a value-added attribute.

1.23 Manufacturer as a Proposer: If the Proposer is a Manufacturer or wholesale distributor, the response received will be evaluated on the basis of a response made in conjunction with that Manufacturer’s Dealer Network. Unless stated otherwise, a Manufacturer or wholesale distributor Proposer is assumed to have a documented relationship with their Dealer Network where that Dealer Network is informed of, and authorized to accept, purchase orders pursuant to any Contract resulting from this RFP on behalf of the Manufacturer or wholesale distributor Proposer. Any such dealer will be considered a sub-contractor of the Proposer/Vendor. The relationship between the Manufacturer and wholesale distributor Proposer and its Dealer Network may be proposed at the time of the proposed submission if that fact is properly identified.

1.24 Dealer/Re-seller as a Proposer: If the Proposer is a dealer or re-seller of the products and/or services being proposed, the response will be evaluated based on the Proposer’s authorization to provide those products and services from their manufacturer. Where appropriate, Proposers must document their authority to offer those products and/or services.

1.25 Contract Term: A contract resulting from this RFP will become effective the date established in the “Offering and Award” (Form D). NJPA is seeking a Contract base term of four years subject to annual renewals as allowed by Minnesota Contracting Law. Full term is expected, however will only occur through successful annual renewals. One additional one-year renewal-extension may be offered by NJPA to Vendor beyond the original four year term if NJPA deems such action to be in the best interests of NJPA and its Members.

1.26 Minimum Contract Value: NJPA anticipates considerable activity resulting from this RFP and subsequent award; however no commitment of any kind is made concerning actual quantities to be acquired. NJPA does not guarantee usage. Usage will depend on the actual needs of the NJPA Members.
RFP 081411

and the value of the awarded contract.

1.27 Estimated Contract Volume: Estimated quantities and sales volume are based on potential usage by NJPA and NJPA Members.

1.28 Largest Possible Solution: If applicable, Contracts will be awarded to Proposer(s) able to deliver a proposal meeting the entire needs of NJPA and its Members within the scope of this RFP. NJPA prefers Proposers submit their complete product line of products and services described in the scope of this RFP. NJPA reserves the right to reject individual, or groupings of specific products/services proposals as a part of the award.

1.29 Contract Availability: This Contract must be available to all current and potential NJPA Members who choose to utilize this NJPA Contract to include all governmental agencies, public and private primary and secondary education agencies, and all non-profit organizations nationally.

1.30 Proposer’s Commitment Period: In order to allow NJPA the opportunity to evaluate each proposal thoroughly, NJPA requires any response to this solicitation be valid and irrevocable for ninety (90) days after the date proposals were opened regarding this RFP.

F. EXPECTATIONS FOR PRODUCTS/SERVICES BEING PROPOSED

1.31 Industry Standards: Except as contained herein, the specifications or solutions for this RFP shall be those accepted guidelines set forth by the PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES industry, as they are generally understood and accepted within that industry across the nation. Submitted products/services, related services, and their warranties and assurances are required to meet and/or exceed all current, traditional and anticipated needs and requirements of NJPA and its Members.

1.31.1 Deviations from industry standards must be identified by the Proposer and explained how, in their opinion, the products/services they propose will render equivalent functionality, coverage, performance, and/or service. Failure to detail all such deviations may comprise sufficient grounds for rejection of the entire proposal.

1.31.2 Technical Descriptions/Specifications. Bidder’s must supply sufficient information to:

- Demonstrate the Bidder’s knowledge of industry standards, and
- identify the products and services being bid, and
- differentiate those products and services from others.

Excessive technical descriptions and specifications which, in the opinion of NJPA, unduly enlarges the bid response may reduce evaluation points awarded on Form G.

1.32 Important note: NJPA does not typically offer specific product and service specifications; rather NJPA is requesting an industry standard or accepted specification for the requested products and services. Where specific line items are specified, those line items should be considered the minimum which can be expanded by the Proposer to deliver the Proposer’s “Solution” to NJPA and NJPA Member’s needs.

1.33 Commonly used Goods and Services: It is important that the products/services submitted are the products/services commonly used by public sector entities.

1.34 New Current Model Goods: Proposals submitted shall be for new, current model products and services with the exception of certain close-out products allowed to be offered on the Proposer’s “Hot List” described herein.
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1.35 Compliance with laws and standards: All items supplied on this Contract shall comply with any current applicable safety or regulatory standards or codes.

1.36 Delivered and operational: Products offered herein are to be proposed based upon being delivered and operational at the NJPA Member’s site. Exceptions to “delivered and operational” must be explicitly disclosed in the “Total Cost of Acquisition” section of your proposal response.

1.37 Warranty: The Proposer/Vendor warrants that all products, equipment, supplies, and services delivered under this Contract shall be covered by the industry standard or better warranty. All products and equipment should carry a minimum industry standard manufacturer’s warranty that includes materials and labor. The Proposer has the primary responsibility to submit, as a part of Tab 7, product specific warranty as required and accepted by industry standards. Dealer/Distributors agree to assist the purchaser in reaching a solution in a dispute over warranty’s terms with the manufacturer. Any manufacturer’s warranty which is effective past the expiration of the warranty will be passed on to the NJPA member. Failure to submit a minimum warranty may result in the non-award.

1.38 Proposer’s Warrants: The Proposer warrants all goods and services furnished hereunder will be free from liens and encumbrances; and defects in design, materials, and workmanship; and will conform in all respects to the terms of this RFP including any specifications or standards. In addition, Proposer/Vendor warrants the goods and services are suitable for and will perform in accordance with the purposes for which they were intended.

G. CERTIFICATION – FIRM OFFER TO CONTRACT

1.39 By execution and delivery of a proposal, Proposer certifies:
   1. The submission of the offer did not involve collusion or any other anti-competitive practices;
   2. The Proposer/Vendor shall not discriminate against any employee or applicant for employment in violation of Federal and State Laws (see Federal Executive Order 11246);
   3. The Proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with the submitted offer (see Gratuities); and,
   4. The Proposer agrees to promote and offer to Members only those products/services and/or services as previously stated, allowed, and deemed a resultant of the contract(s) as NJPA contract items or services. This clause shall include any future product or service additions as allowed through Contract additions.

1.40 A response to this RFP is a firm offer to Contract with the NJPA based upon the goals, intent, terms, and conditions and scope of products/services contained in and referenced to in this invitation.

1.41 All stated terms and conditions, expectations to include the goals, intent and scope of this RFP as described as a part of this RFP, are to be considered binding under the signatures of authorized parties and are part of the Contract.

H. PRE-PROPOSAL CONFERENCE

1.42 A Pre-Proposal Conference (Webcast – Conference Call) will be held at the date and time identified on the title page for this proposal.

1.43 An invitation with access instructions will be sent via e-mail to all inquirer’s the morning following the deadline for proposal inquiries (the day before the conference).

1.44 The purpose for the conference is to allow for questions from the Potential Bidders AND to allow for input from the Potential Bidders regarding perceived improvements to this RFP.

I. DEFINITIONS
A. PROPOSER - VENDOR

2.1 Exclusive Vendor- A sole Vendor awarded in a product category. NJPA reserves the right to award to an Exclusive Vendor in the event that such an award is in the best interests of NJPA Members. Such a Proposer must exhibit the ability to offer an outstanding overall program and demonstrate the ability and willingness to serve NJPA Members in all 50 states, and comply with all other requirements of this RFP.

2.2 Potential Proposer- A person or entity requesting a copy of this RFP.

2.3 Proposer- A company, person, or entity delivering a timely response to this RFP.

2.4 Vendor- One of a number of Proposers whose proposal has been awarded a contract pursuant to this RFP.

2.5 Request for Proposal- Herein referred to as RFP

B. CONTRACT

2.6 “Contract” as used herein shall mean cumulative documentation consisting of this RFP, an entire Proposer’s response, and a fully executed “Acceptance and Award” pursuant to this RFP.

C. TIME

2.7 Periods of time, stated as number of days, shall be in calendar days.

D. PROPOSER’S RESPONSE

2.8 A Proposer’s Response is the entire collection of documents as they are received by NJPA from a Potential Proposer in response to this RFP.

E. CURRENCY

2.9 All transactions are payable in U.S. dollars on U.S. sales. All administrative fees are to be paid in U.S. dollars.

F. FOB

2.10 FOB stands for “Freight On Board” and defines the point at which responsibility for loss and damage of goods purchased are transferred from Seller to Buyer. “FOB Destination” defines the transfer of responsibility for loss are transferred from Seller to Buyer at the Buyer’s designated delivery point.

2.11 FOB does not identify whom is responsible for the costs of shipping. The responsibility for the costs of shipping is addressed elsewhere in this document.

2. INSTRUCTIONS TO PREPARING YOUR PROPOSAL

A. PRE-PROPOSAL CONFERENCE

3.1 A non-mandatory pre-proposal conference will be held at the date and time specified in the time line on page one of this RFP. Conference call and web connection information will be sent to all Potential Proposers through the same means employed in their inquiry. The purpose of this conference call is to allow Potential Proposers to ask questions regarding this RFP. Only answers issued in writing by NJPA
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to questions asked before or during the Pre-proposal Conference shall be considered binding.

B. IDENTIFICATION OF KEY PERSONNEL

3.2 Vendor will designate one senior staff individual who will represent the awarded Vendor to NJPA. This contact person will correspond with members for technical assistance, questions or problems that may arise including instructions regarding different contacts for different geographical areas as needed.

3.3 Individuals should also be identified (if applicable) as the primary contacts for the contents of this proposal, marketing, sales, and any other area deemed essential by the Proposer.

C. PROPOSER’S EXCEPTIONS TO TERMS AND CONDITIONS

3.4 Any exceptions, deviations, or contingencies a Proposer may have to the terms and conditions contained herein must be documented on Form C.

3.5 Exceptions, Deviations or contingencies stipulated in Proposer’s Response, while possibly necessary in the view of the Proposer, may result in disqualification of a Proposal Response.

D. FORMAL INSTRUCTIONS TO PROPOSERS

3.6 It is the responsibility of all Proposers to examine the entire RFP package, to seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a Proposal. Negligence in preparing a Proposal confers no right of withdrawal after the deadline for submission of proposals.

3.7 All proposals must be sent to “The National Joint Powers Alliance®, 200 1st ST NE Staples, MN 56479.”

3.8 Format for bid response: All proposals must be physically delivered to NJPA® at the above address in the following format:
   - 3.8.1 Hard copy Original signed, completed, and dated forms C,D, E, H, and I from this RFP,
   - 3.8.2 Hard copies of all addenda issued for the RFP with original counter signed by the Proposer,
   - 3.8.3 Certificate of insurance verifying the coverage identified in this RFP,
   - 3.8.4 Two complete copies of your response on A CD (Compact Disc) or flash drive containing completed Forms A,B,C,D,E,H, and I, and your statement of products and pricing together with all appropriate attachments

3.9 All Proposal forms must be legible. All appropriate forms must be executed by an authorized signatory of the Proposer. Blue ink is preferred for signatures.

3.10 Proposal submissions should be submitted using the electronic forms provided. If a Proposer chooses to use alternative documents for their response, the proposer will be responsible for ensuring the content is effectively equal to the NJPA form and the document is in a format readable by NJPA.

3.11 It is the responsibility of the Proposer to be certain the proposal submittal is in the physical possession of NJPA on or prior to the deadline for submission of proposals.

3.11.1 Proposals must be submitted in a sealed envelope or box properly addressed to NJPA and prominently identifying the proposal number, proposal category name, the message “Hold for Proposal Opening”, and the deadline for proposal submission. NJPA cannot be responsible for late receipt of proposals. Proposals received by the correct deadline for proposal submission will be opened and the name of each Proposer and other appropriate information will be publicly read.

3.12 Corrections, erasures, and interlineations on a Proposer’s Response must be initialed by the
authorized signer in original ink on all copies to be considered.

3.13 Addendums to the RFP: The Proposer is responsible for ensuring receipt of all addendums to this RFP.

3.13.1 Proposer’s are responsible for checking directly with NJPA, or checking the NJPA website for addendums to this RFP.

3.13.2 Addendums to this RFP can change terms and conditions of the RFP including the deadline for submission of proposals.

F. QUESTIONS AND ANSWERS ABOUT THIS RFP

3.14 Upon examination of this RFP document, Proposer shall promptly notify the Manager of Bids and Contracts of any ambiguity, inconsistency, or error they may discover. Interpretations, corrections and changes to this RFP must be made by addendum. Interpretations, corrections, or changes made in any other manner will not be binding and Proposer shall not rely upon such.

3.15 Submit all questions about this RFP, in writing, referencing “PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES” to Gregg Meierhofer, NJPA, 200 First Street NE, Staples, MN 56479 or RFP@njpacoop.org. Those not having access to the Internet may call Gregg Meierhofer at (218) 894-1930 to determine if addenda have been issued or to request copies of the RFP. Requests for additional information or interpretation of instructions to Proposers or technical specifications shall also be addressed to Gregg Meierhofer. NJPA urges Potential Proposers to communicate all concerns well in advance of the deadline to avoid misunderstandings. Questions received less than seven (7) days ending at 4:00 p.m. Central Time of the seventh (7th) calendar day prior to proposal due-date cannot be answered.

3.16 If the answer to a question is deemed by NJPA to have a material impact on other potential proposers or the RFP itself, the answer to the question will become an addendum to this RFP.

3.17 If the answer to a question is deemed by NJPA to be a clarification of existing terms and conditions and does not have a material impact on other potential proposers or the RFP itself, no further documentation of that question is required.

3.18 As used in this solicitation, clarification means communication with a Potential Proposer for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the RFP.

3.19 Addenda are written instruments issued by NJPA that modify or interpret the RFP. All addenda issued by NJPA shall become a part of the RFP. Addenda will be delivered to all Potential Proposers using the same method of delivery of the original RFP material. NJPA accepts no liability in connection with the delivery of said materials. Copies of addenda will also be made available on the NJPA website at www.njpacoop.org by clicking on “Current Proposals” and from the NJPA offices. No addenda will be issued later than five (5) days prior to the deadline for receipt of proposals, except an addendum withdrawing the request for proposals or one that includes postponement of the date of receipt of proposals. Each Potential Proposer shall ascertain prior to submitting a Proposal that it has received all addenda issued, and the Proposer shall acknowledge their receipt in its Proposal Response.

3.20 An amendment to a submitted proposal must be in writing and delivered to NJPA no later than the time specified for opening of all proposals.

G. MODIFICATION OR WITHDRAWAL OF A SUBMITTED PROPOSAL

3.21 A submitted proposal may not be modified, withdrawn from or cancelled by the Proposer for a period of ninety (90) days following the date proposals were opened regarding this RFP. Prior to the deadline for submission of proposals, any proposal submitted may be modified or withdrawn by notice to the NJPA Manager of Bids and Contracts. Such notice shall be submitted in writing and include the
signature of the Proposer and shall be delivered to NJPA prior to the deadline for submission of proposals and it shall be so worded as not to reveal the content of the original proposal. However, the original proposal shall not be physically returned to the Potential Proposer until after the official proposal opening. Withdrawn proposals may be resubmitted up to the time designated for the receipt of the proposals if they are then fully in conformance with the Instructions to Proposer.

H. VALUE ADDED ATTRIBUTES, PRODUCTS/SERVICES

3.22 Examples of Value Added Attributes: Value-Added attributes, products and services are items offered in addition to the products and services being proposed which adds value to those items being proposed. The availability of a contract for maintenance or service after the initial sale, installation, and set-up may, for instance, be “Value Added Services” for products where a typical buyer may not have the ability to perform these functions.

3.23 Where to document Value Added Attributes: The opportunity to indicate value added dimensions and such advancements will be available in the Proposer’s Questionnaire and Proposer’s product and service submittal and must be tabbed under Tab 5.

3.24 Value added products/services and expanded services, as they relate to this RFP, will be given positive consideration in the award selection. Consideration will be given to an expanded selection of PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES, and advances to provide products/services, supplies meeting and/or exceeding today’s industry standards and expectations. A value add would include a program or service that further serves the members needs above and possibly beyond standard expectation and complements the products/services and training. Value added could include areas of product and service, sales, ordering, delivery, performance, maintenance, technology, and service that furthers the functionality and effectiveness of the procurement process while remaining within the scope of this RFP.

3.25 Minority, Small Business, and Women Business Enterprise (WMBE) participation: It is the policy of some NJPA Members to involve Minority, Small Business, and WMBE contractors in the purchase of goods and services. Vendors should document WMBE status for their organization AND any such status of their affiliates (i.e. Supplier networks) involved in carrying out the activities invited. The ability of a Proposer to provide “Credits” to NJPA and NJPA Members in these subject areas, either individually or through related entities involved in the transaction, will be evaluated positively by NJPA. NJPA is committed to facilitating the realization of such “Credits” through certain structuring techniques for transactions resulting from this RFP.

3.26 Environmentally Preferred Purchasing Opportunities: There is a growing trend among NJPA Members to consider the environmental impact of the products/services they purchase. Please identify any “Green” characteristics of the goods and services in your proposal and identify the sanctioning body determining that characteristic. Where appropriate, please indicate which products have been certified as “green” and by which certifying agency.

3.27 On-Line Requisitioning systems: When applicable, on-line requisitioning systems will be viewed as a value-added characteristic. Proposer shall include documentation about user interfaces that make on-line ordering easy for NJPA Members as well as the ability to punch-out from mainstream eProcurement or Enterprise Resource Planning (ERP) systems that NJPA Members may currently utilize.

3.28 Financing: The ability of the Proposer to provide financing options for the products and services being proposed will be viewed as a Value Added Attribute.

I. CERTIFICATE OF INSURANCE

3.29 Proposer shall procure and maintain insurance which shall protect the Proposer and NJPA (as an additional insured) from any claims for bodily injury, property damage, or personal injury covered by the indemnification obligations set forth herein. The Proposer shall procure and maintain the insurance
policies described below at the Proposer’s own expense and shall furnish to NJPA an insurance certificate listing the NJPA as certificate holder and as an additional insured. The insurance certificate must document that the Commercial General Liability insurance coverage purchased by the Proposer includes contractual liability coverage applicable to this Contract. In addition, the insurance certificate must provide the following information: the name and address of the insured; name, address, telephone number and signature of the authorized agent; name of the insurance company (authorized to operate in all fifty United States); a description of coverage in detailed standard terminology (including policy period, policy number, limits of liability, exclusions and endorsements); and an acknowledgment of notice of cancellation to the NJPA.

3.30 Proposer is required to maintain the following insurance coverage’s during the term of the NJPA Contract:
(1) Workers Compensation Insurance (Occurrence) with the following minimum coverage’s: Bodily injury by accident—per employee $100,000; Bodily injury by disease—per employee $100,000; Policy limits $500,000. In addition, Proposer shall require all subcontractors occupying the premises or performing work under the contract to obtain an insurance certificate showing proof of Workers Compensation Coverage with the following minimum coverage’s: Bodily injury by accident—per employee $100,000; Bodily injury by disease—per employee $100,000; Policy limits $500,000.
(2) Commercial General Liability Policy per occurrence $1,000,000.
(3) Business Auto Policy to include but not be limited to liability coverage on any owned, non-owned and hired vehicle used by Proposer or Proposer’s personnel in the performance of this Contract. The Business Automobile Policy shall have a per occurrence limit of $1,000,000.

3.31 The foregoing policies shall contain a provision that coverage afforded under the policies will not be canceled, or not renewed or allowed to lapse for any reason until at least thirty (30) days prior written notice has been given to NJPA. Certificates of Insurance showing such coverage to be in force shall be filed with NJPA prior to commencement of any work under the contract. The foregoing policies shall be obtained from insurance companies licensed to do business nationally and shall be with companies acceptable to NJPA, which must have a minimum AM Best rating of A-. All such coverage shall remain in full force and effect during the term and any renewal or extension thereof.

3.32 Within ten (10) days of contract award, the Proposer must provide NJPA with two (2) Certificates of Insurance. Certificates must reference NJPA RFP 102811 by number.

J. ORDER PROCESS AND/OR FUNDS FLOW

3.33 Please propose an order process and funds flow in Tab 6 for your proposal. Please choose from one of the following:

3.33.1 B-TO-G: The Business-to-Government order process and/or funds flow model involves NJPA Members issuing Purchase Orders directly to a Vendor and pursuant to a Contract resulting from this RFP.

3.33.3 Other: Please fully identify.

K. ADMINISTRATIVE FEES

3.34 Proposer agrees to authorize and/or allow for an administrative fee payable to NJPA by an Awarded Vendor in exchange for its facilitation and marketing of a Contract resulting from this RFP to current and potential NJPA Members. This Administration Fee shall be:

3.34.1 Calculated as a percentage of the dollar volume of all products/services provided to and purchased by NJPA Members or calculated as reasonable and acceptable method applicable to the contracted transaction, and

3.34.2 Included in, and not added to, the pricing included in Proposer’s Response to this RFP, and
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3.34.3 Set based on the anticipated costs of NJPA’s involvement in facilitating the establishment, Vendor training, and the order/product/funds flow of the Contract resulting from this RFP.

3.34.3.1 Typical administrative fees for a B-TO-G order process and funds flow is 2.0%.

3.35 The opportunity to propose these factors and an appropriate administrative fee is available in the Proposer’s Questionnaire, and submitted in Tab 9 of your response.

4. PRICING STRATEGIES

4.1 NJPA requests Potential Proposers respond to this RFP only if they are able to offer a wide array of products/services and at prices lower and better value than what they would ordinarily offer to single government agency, larger school district, or regional cooperative.

4.2 RFP is an “Indefinite Quantity Product/Service Price Request” with potential national sales distribution and service. Proposers are agreeing to fulfill Contract obligations regarding each product/service to which you provide a description and a price. If Proposer’s solution requires additional supporting documentation, describe where it can be found in your submission. If Proposer offers the solution in an alternative fashion, describe your solution to be easily understood. All pricing must be tabbed and organized under Tab 9, and copied on a CD along with other requested information as a part of a Proposer’s Response.

4.3 Regardless of the payment method selected by NJPA or NJPA Member, a total cost associated with any purchase option of the products/services and being supplied must always be disclosed at the time of purchase.

4.4 Primary Pricing/Secondary Pricing Strategies- All Proposers will be required to submit “Primary Pricing” in the form of either “Line-Item Pricing,” or “Percentage Discount from Catalog Pricing,” or a combination of these pricing strategies. Proposers are also encouraged to offer OPTIONAL pricing strategies including “Hot List,” “Sourced Goods,” and “Volume Discounts,” as well as financing options such as leasing.

4.5 Government Price Assistance- It is understood that a component of the pricing to be offered to this solicitation is “Government Price Assistance” from the respective OEM manufacturers. Prices quoted on vehicles including “Government Price Assistance” are available only to NJPA Members qualifying for “Government Pricing Assistance”.

4.5.1 For NJPA Members not qualifying for “Governmental Price Assistance” (Non-Profits for example) all other manufacturer rebates applicable at the time of delivery.

A. LINE-ITEM PRICING

4.6 Line-Item pricing- A pricing format where specific individual products and/or services are offered at specific individual Contract prices. Products and/or services are individually priced and described by characteristics such as manufacture name, stock or part number, size, or functionality. This method of pricing offers the least amount of confusion as products and prices are individually identified, however Proposers with a large number of products to propose may find this method cumbersome. In these situations, a percentage discount from catalog or category pricing model may make more sense.

4.7 Format: Line Item vehicle pricing for this RFP must be submitted using attached “Price Form P1”. The intent here is to describe and price a “Base” vehicle in each of eight classes AND also offer, on an à la carte basis, options (both Manufacturer Options and Dealer Options) to customize each vehicle offered.

4.8 All Line-Item Pricing items must be numbered, organized, sectioned, including SKU’s (when applicable) and easily understood by the Proposal Review Committee and members.
4.9 Line-Item Pricing items are to be submitted in an Excel spreadsheet format provided and are to include all appropriate identification information necessary to discern the line item from other line items in each Proposer’s proposal.

4.10 The purpose for the excel spreadsheet format for Line-Item Pricing is to be able to use the “Find” function to quickly find any particular item of interest. For that reason, Proposers are responsible for providing the appropriate product and service identification information along with the pricing information which is typically found on an invoice or price quote for such products and services.

4.11 All products and services typically appearing on an invoice or price quote must be individually priced and identified on the line-item price sheet, including any and all ancillary costs.

4.12 Proposers are asked to provide both a “List” price as well as a “Proposed Contract Price” in their pricing matrix. “List” price will be the standard “quantity of one” price currently available to government and educational customers excluding cooperative and volume discounts.

B. MASS PRODUCED PRODUCTION VEHICLES

4.13 Original Equipment from the Manufacturer (OEM) mass production vehicles will be priced using the pricing sheets attached as “Attachment P” and executed according to the instructions contained on the first tab of that attachment.

C. ALL OTHER VEHICLES AND ACCESSORIES.

4.14 Please use the general descriptions for “Line Item Pricing”. A format is not specified for these items beyond those provided in “Line Item Pricing”. Please use a format which fully identifies and prices the goods and services being offered.

D. TAX AND OTHER CREDITS.

4.15 Tax and other credits accruing to the vehicle being purchased which are not applicable to an NJPA Member will accrue to the benefit of the Awarded Contractor.

E. HOT LIST PRICING

4.16 Where applicable, NJPA also invites the Vendor, at their option, to offer a specific selection of products/services, defined as a Hot List Pricing, at greater discounts than those listed in the standard Contract pricing. All product/service pricing, including the Hot List Pricing, must be submitted in hard copy as well as electronically provided in Excel format. Hot List pricing must be submitted in a Line-Item format. Providing a “Hot List” of products/services is optional. Products/services may be added or removed from the “Hot List” at any time provided that current “Hot List” prices are provided to NJPA at all times.

4.17 Hot List pricing when applicable may also be used to discount and liquidate close-out and discontinued products/services as long as those close-out and discontinued items are clearly labeled as such. Current ordering process and administrative fees apply. This option must be published and made available to all NJPA Members.

4.18 Hot List Pricing is allowed to change at the discretion of the Vendor within the definition of Hot List Pricing. The Vendor is responsible to maintain current Hot List product/service descriptions and Pricing with NJPA.
E. CEILING PRICE

4.19 Proposal pricing is to be established as a ceiling price. At no time may the proposed products/services be offered pursuant to this Contract at prices above this ceiling price without approval by NJPA. Prices may be reduced to allow for volume considerations and to meet the specific and unique needs of an NJPA Member.

4.20 Allowable specific needs may include certain purchase volume considerations or the creation of custom programs based on the individual needs of NJPA Members.

F. VOLUME PRICE DISCOUNTS

4.21 Proposers are free to offer volume discounts from the quantity-of-one pricing documented in a Contract resulting from this RFP. Volume considerations shall be determined between the Vendor and individual NJPA Members on a case-by-case basis.

4.22 Nothing in this Contract establishes a favored member relationship between the NJPA or any NJPA Member and the Vendor. The Vendor will, upon request by NJPA Member, extend this same reduced price offered or delivered to another NJPA Member provided the same or similar volume commitment, specific needs, terms, and conditions, a similar time frame, seasonal considerations and provided the same manufacturer support is available to the Vendor.

4.23 All price adjustments are to be offered equally to all NJPA Members exhibiting the same or substantially similar characteristics such as purchase volume commitments, and timing including the availability of special pricing from the Vendor’s suppliers.

G. SOURCED GOODS

4.24 NJPA and NJPA Members may, from time to time, request goods and/or products/services within the scope of this RFP which are not included in an awarded Vendor’s line-item product/service listing or “list or catalog” known as Sourced Goods.

4.25 An awarded Vendor resulting from this RFP may “Source” these products/services for NJPA or NJPA Member to the extent they:

4.25.1 Include in their bid response a cost-plus-percentage-of-cost pricing factor for such Sourced goods and services, and
4.25.2 Provide as many quotes for the Member’s “Total Cost of Acquisition” for the goods and services to be sourced as may reasonably be required by NJPA Member.

4.25.3 Provide “Sourced Goods” only to the extent that they are incidental to the total transaction being contemplated.

H. COST PLUS A PERCENTAGE OF COST

4.26 Except as provided in “Sourced Goods” above, cost plus a percentage of cost as a primary pricing mechanism is not desirable.

I. TOTAL COST OF ACQUISITION

4.27 The Total Cost of Acquisition for the products/services being proposed, including those payable by NJPA Members to either the Proposer or a third party, shall be disclosed in the Proposer’s Response including but not limited to:
- The capitalized cost of the listed products/services being proposed,
- The cost of accessories, alterations, and customizations typically incurred in the acquisition of the
products/services being proposed.

- The cost of delivery, setup and installation (where applicable) of the products/services and any accessories being proposed.
- Other costs, where applicable, typically associated with the purchase, delivery, set-up, and installation of the products/services being proposed and making it operational at the purchaser’s site.

4.28 The Total Cost of Acquisition is to be stated “As Proposed.” As an example, a materials only proposal, or portions of proposals, must include the total cost of acquisition for those materials delivered. In contrast, the Total Cost of Acquisition for a turn-key proposal must include the total costs to be incurred in the process of delivering that combination of products/services.

J. REQUESTING PRODUCT AND SERVICE ADDITIONS/DELETIONS

4.29 Requests for product, service, and price additions, deletions, or changes must be made in written form and shall be subject to approval by NJPA.

4.30 New products/services may be added to a Contract resulting from this RFP at any time during that Contract to the extent those products/services are within the scope of this RFP. Those requests are subject to review and approval of NJPA. Allowable new products/services generally include new updated models of products/services and or enhanced services previously offered which could reflect new technology and improved functionality.

4.31 Proposers representing multiple manufacturers, or carrying multiple related product lines may also request the addition of new manufacturers or product lines to their Contract to the extent they remain within the scope of this RFP.

4.32 NJPA’s due diligence in analyzing any request for change is to determine if approval of the request is 1) within the scope of the original RFP, and 2) in the “Best Interests of NJPA and NJPA Members.” We are looking for consistent pricing and delivery mechanisms and an understanding of what value the proposal brings to NJPA and NJPA Members.

4.33 Documenting the “Best Interests of NJPA and NJPA Members” when out-dated equipment is being deleted is fairly straightforward since the product is no longer available and not relevant to the procurement Contract.

4.34 Requests must be in the form of 1) a cover letter to NJPA a) asking to add the product line, b) making a general statement identifying how the products to be added are within the scope of the original RFP, and c) making a general statement identifying that, if appropriate, the pricing is consistent with the existing Contract pricing and 2) the detail as to what is being added at what price will then be an attachment to that cover letter.

4.35 NJPA’s intent here is to encourage Proposers to provide and document NJPA’s due diligence in a clear and concise one page format on which we can stamp and sign our acknowledgment and acceptance. This information must ultimately come from Proposers, and NJPA is requiring it in this format.

K. REQUESTING PRICING CHANGES

4.36 Price Decreases: Requests for standard Contract price decrease adjustments (percentage discount increases) are encouraged and will be allowed at any time based on market place efficiencies, market place competitiveness, improved technologies and/or improved methods of delivery or if Vendor engages in innovative procurement practices such as strategic sourcing, aggregate and volume purchasing. NJPA expects Vendors to propose their very best prices and anticipates price reductions due to the advancement of technologies and market place efficiencies. Documenting the “Best Interests of NJPA and NJPA Members” is pretty easy when we are documenting price reductions.
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4.37 **Price increases:** Requests for standard contract price increases (or the inclusion of new generation products/services/services at higher prices) can be made at any time. These requests will again be evaluated by NJPA based on the best interests of NJPA and NJPA Members. As an example, typically acceptable requests for price increases for existing products/services may cite increases to the Vendor of input costs such as petroleum or other applicable commodities. Typically acceptable requests for price increases for new products/services enhance or improve on the current solutions currently offered as well as cite increases in utility of the new compared to the old. Vendors are requested to reasonably document the claims cited in their requests. Your written request for a price increase, therefore, is an exercise in describing what you need, and a justification for why you need it in sufficient detail for NJPA to deem such change to be in the best interests of our self and our Members.

4.37 **Price Change Request Format:** An awarded Proposer will use the format of a cover letter requesting price increases in general terms (a 5% increase in product line X) and stating their justification for that price increase (due to the recent increase in petroleum costs) by product category. Specific details for the requested price change must be attached to the request letter identifying product/services where appropriate, both current and proposed pricing. Attachments such as letters from suppliers announcing price increases are appropriate for documenting your requests here.

**L. PRICE AND PRODUCT CHANGES FORMAT**

4.39 NJPA’s due diligence regarding product and price change requests is to consider the reasonableness of the request and document consideration on behalf of our members. We would appreciate it if you would send the following documentation to request a pricing change:

4.39.1 A cover letter:
   
a. Please address the following subjects in your cover letter:
   
i. What product/service prices are changing?
   ii. How much are the prices changing?
   iii. Why are the prices changing?
   iv. Any additions or deletions from the previous product list and the reason for the changes.

b. The specifics of the product/services and price changes will be listed in the excel spreadsheets indentified below. Please take a more general “Disclosure” approach to identifying changes in the cover letter.
   
i. If appropriate, for example, state, “All paper products/services increased 5% in price due to transportation costs.”
   ii. If appropriate, for instance, state, “The 6400 series floor polisher added to the product list is the new model replacing the 5400 series. The 6400’s 3% price increase reflects the rate of inflation over the past year. The 5400 series is now included in the “Hot List” at a 20% discount from previous pricing until remaining inventory is liquidated.”

4.39.2 An excel spreadsheet identifying all products/services being offered and their pricing. Each subsequent pricing update will be saved using the naming convention of “[Vendor Name] pricing effective XX/XX/XXXX.”
   
a. Include all products/services regardless of whether their prices have changed. By observing this convention we will:
   
i. Reduce confusion by providing a single, easy to find, current pricing sheet for each Vendor.
   ii. Create a historical record of pricing.

**M. SINGLE STATEMENT OF PRICING/HISTORICAL RECORD OF PRICING**

4.40 Initially; and with each request for product addition, deletion, and pricing change; all
products/services and services available, and the prices for those products/services and services will be stated in an Excel workbook. The request for price changes described above will serve as the documentation for those requested changes. Each complete pricing list will be identified by its “Effective Date.” Each successive price listing identified by its “Effective Date” will create a “Product and Price History” for the Contract.

4.41 Proposers may use the multiple tabs available in an Excel workbook to separately list logical product groupings or to separately list product and service pricing as they see fit.

4.42 All products/services together with their pricing, whether changed within the request or remaining unchanged, will be stated on each “Pricing” sheet created as a result of each request for product, service, or pricing change.

4.43 Each subsequent “Single Statement of Product and Pricing” will be archived by its effective date therefore creating a product and price history for any Contract resulting from this RFP.

N. PAYMENT TERMS

4.44 Payment terms will be defined by the Proposer in the Proposer’s Response. Proposers are encouraged to offer payment terms through P Card services.

4.45 Leasing- If available, identify any leasing programs available to NJPA and NJPA Members as part of your proposal. Proposers should submit an example of the lease agreement to be used. Proposers should identify:

- General leasing terms such as:
  - The percentage adjustment over/under an index rate used in calculating the internal rate of return for the lease; and
  - The index rate being adjusted; and
  - The “Purchase Option” at lease maturity ($1, or fair market value); and
  - The available term in months of lease(s) available.
- Leasing company information such as:
  - The name and address of the leasing company; and
  - Any ownership, common ownership, or control between the Proposer and the Leasing Company.

O. SALES TAX

4.46 Sales and other taxes and all applicable title transfer fees, where applicable, shall not be included in the prices quoted. Vendor will charge state and local sales and other taxes on items for which a valid tax exemption certification has not been provided. Each NJPA Member is responsible for providing verification of tax exempt status to Vendor. When ordering, if applicable, NJPA Members must indicate that they are tax exempt entities. Except as set forth herein, no party shall be responsible for taxes imposed on another party as a result of or arising from the transactions contemplated by a Contract resulting from this RFP.

P. SHIPPING AND SHIPPING PROGRAM

4.47 Shipping program for material only proposals, or sections of proposals, must be defined and tabbed under Tab 9 as a part of the cost of goods. If shipping is charged to NJPA or NJPA Member, only the actual cost of delivery may be added to an invoice. Shipping charges calculated as a percentage of the product price may not be used, unless such charges are lower than actual delivery charges. No COD orders will be accepted. It is desired that delivery be made within ninety-days (90) of receipt of the Purchase Order.
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4.48 Any shipping cost charged to NJPA or NJPA Members will be considered to be part of “proposal pricing.”

4.49 Additional costs for expedited deliveries or additional goods or services required by the end-user will be at the expense to the NJPA Member/End User.

4.50 Selection of a carrier for shipment will be the option of the party paying for said shipping. Use of another carrier will be at the expense of the requester.

4.51 Proposers must define their shipping programs for Alaska and Hawaii and any location not served by conventional shipping services. Over-size and over-weight items and shipments may be subject to custom freight programs.

4.52 Proposals containing restocking fees are less advantageous than those not containing re-stocking fees. That being said, certain industries cannot avoid restocking fees. Certain industries providing made to order goods may not allow returns. With regard to returns and restocking fees, Proposers will be evaluated based on the relative flexibility extended to NJPA and NJPA Members relating to those subjects. Where used, restocking fees in excess of 15% will not be considered excessive. Restocking fees may be waived, at the option of the Proposer/Vendor. Indicate all shipping and re-stocking fees in price program under Tab 9.

4.53 Proposer agrees shipping errors will be at the expense of the Vendor. For example, if a Vendor ships a product that was not ordered by the member, it is the responsibility of the Vendor to pay for return mail or shipment at the convenience of the member.

4.54 Unless specifically stated otherwise in the “Shipping Program” of a Proposer’s Response, all prices quoted must be F.O.B. destination with the freight prepaid by the Vendor. Time is of the essence on this Contract. If completed deliveries are not made at the time agreed, NJPA or NJPA Member reserves the right to cancel and purchase elsewhere and hold Vendor accountable. If delivery dates cannot be met, Vendor agrees to advise NJPA or NJPA Member of the earliest possible shipping date for acceptance by NJPA or NJPA Member.

4.55 Goods and materials must be properly packaged. Damaged goods and materials will not be accepted, or if the damage is not readily apparent at the item of delivery, the goods shall be returned at no cost to NJPA or NJPA Member. NJPA and NJPA Members reserve the right to inspect the goods at a reasonable time subsequent to delivery where circumstances or conditions prevent effective inspection of the goods at the time of delivery.

4.56 Vendor shall deliver Contract conforming products in each shipment and may not substitute products without approval from NJPA Member.

4.57 NJPA reserves the right to declare a breach of Contract if the Vendor intentionally delivers substandard or inferior products which are not under Contract and described in its paper or electronic price lists or sourced upon request to any member under this Contract. In the event of the delivery of a non-conforming product, NJPA Member will immediately notify Vendor and Vendor will replace non-conforming product with conforming product.

4.58 Throughout the term of the Contract, Proposer agrees to pay for return shipment on goods that arrive in a defective or inoperable condition. Proposer must arrange for the return shipment of damaged goods.

4.59 Unless contrary to other parts of this solicitation, if the goods or the tender of delivery fail in any respect to conform to this Contract, the purchasing member may: 1) reject the whole, 2) accept the whole or 3) accept any commercial unit or units and reject the rest.

Q. NORMAL WORKING HOURS
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4.60 Prices quoted are for products/services delivered during normal business hours. Normal Business hours will be as specifically defined herein, defined through industry standards OR defined through statement contained in the purchase/work order issued pursuant to a Contract resulting from this RFP.

5. MARKETING PLAN

5.1 Internal Marketing Plan: An award of Contract resulting from this RFP is an opportunity for the awarded contractor to pursue commerce with, and deliver value to NJPA and NJPA Members nationwide. An award of Contract is not an opportunity to see how much business NJPA can drive to an awarded Vendor’s door. Your internal marketing plan should serve to:

5.1.1 Identify the appropriate levels of sales management whom will need to understand the value of, and the internal procedures necessary to deliver this Contract opportunity to NJPA and NJPA Members through your sales force.

5.1.2 Identify, in general, your national foot print and dedicated feet-on-the-street sales force that will be carrying this Contract message and opportunity in the field to NJPA Members. Outline the sale force in terms of numbers and geographic distribution.

5.1.2.1 Identify whether your sales force are employees or independent contractors.

5.1.3 Identify your plan for delivering training to these individuals.

5.1.3.1 Will you have your sales force gathered at national or regional events in the near future? Does you sales force have the ability to participate in webinar or webcast events?

5.1.3.2 NJPA is prepared to provide our personnel in your location for sales training and/or on a webinar or webcast where sufficient efficiencies can be shown in reaching the appropriate groups within your employee base, and sufficient numbers of personnel trained.

5.1.4 Identify your personnel involved in training.

5.1.4.1 NJPA can provide personnel to deliver training regarding the Contract itself, the authority of NJPA to offer the Contract vehicle to its Members, the value the Contract vehicle delivers to NJPA and NJPA Members, the scope of NJPA Membership, and the authority of NJPA Members to utilize our procurement contracts.

5.1.4.2 Your personnel will be needed to provide training regarding employee compensation and internal procedures when delivering the Contract opportunity, and how this Contract purchasing opportunity relates with other such opportunities available.

5.2 Success in marketing is dependent upon 1) the delivery of value as defined in section 1.4, 2) the delivery of knowledge of the program and its proper use and utility, and 3) the delivery of opportunity and reward which creates a personal commitment to the program. NJPA desires a marketing plan that:

5.2.1 identifies the value delivered in a competitively proposed national cooperative procurement contract by relieving both the NJPA Member and the Vendor/Vendor’s sales staff of the responsibility for bringing and answering many similar and individual RFP’s; and

5.2.2 identifies the appropriate Vendor personnel from both management and sales staff’s who will be trained on the use and utility of such a contract and a general schedule of when and how those individuals will be trained; and

5.2.3 identifies in general how the reward system for the marketing, delivery, and service chain of
the Vendor will be affected by the implementation of the proposed Contract and how that will be proposed to those individuals in terms of the value created for them and their departments in 5.1.1 above.

5.3 External Marketing Plan: NJPA is seeking the ability to serve all our current and potential members nationwide. The Proposer must demonstrate the ability to both market and service their products/services/services nationwide. Please demonstrate your sales and service force contains sufficient people in sufficient proximities, to receive the knowledge, opportunity, and reward in order to make a personal commitment to serving NJPA and NJPA Members nationwide.

5.4 The Proposer must exhibit the willingness and ability to develop marketing materials and participate in marketing venues such as:

5.4.1 Printed Marketing Materials. Proposer will initially produce and thereafter maintain full color print advertisements in camera ready electronic format including company logos, identifying the Vendor, the Vendor’s general utility for NJPA and NJPA Members, and contact information to be used by NJPA and NJPA Members in a full page, half page, and quarter page formats. These advertisements will be used in the NJPA Catalog and publications.

5.4.2 Press releases and advertisements. Proposer will identify a marketing plan identifying their anticipated press releases, contract announcements, advertisements in industry periodicals, or other direct or indirect marketing activities.

5.4.3 Proposer’s Website. Proposer will identify how an Awarded Contract will be displayed on the Proposer’s website. An on-line shopping experience for NJPA and NJPA Members is desired when applicable and will be viewed as a value-added attribute to a Proposer’s Response.

5.4.4 Trade Shows. Proposer will outline their proposed involvement in the promotion of a Contract resulting from this RFP through trade shows. Vendors are encouraged to identify trade-show, and other appropriate venues, for the promotion of any such Contract. Vendors are strongly encouraged to participate in cooperation with NJPA at the following NJPA embraced trade shows:

- NAEP National Association of Education Procurement
- I-ASBO International Association of School Business Officials
- NIGP National Institute of Government Purchasing

5.5 Proposer must also work in cooperation with NJPA to develop a marketing strategy and provide avenues to equally market and drive sales through the Contract and program to all NJPA Members nationally. Awarded Vendor agrees to actively market in cooperation with NJPA all available products/services to current and potential NJPA Members. NJPA reserves the right to deem a proposer non-responsive or to waive an award based on an unacceptable marketing plan.

5.6 As a part of this response, submit a complete Marketing Plan on how you would help NJPA rollout this program to current and potential NJPA Members. NJPA requires the Vendor actively promote the Contract in cooperation with the NJPA. Vendors are advised to consider marketing efforts in the areas of 1) Website Link from Vendors website to NJPA’s website, 2) Attendance and participation with a display booth at national trade shows as agreed upon/required by NJPA, and 3) Sales team and sales training programs involving both Vendor sales management and NJPA staff. NJPA requires awarded Vendors to offer the NJPA Contract opportunity to all current and qualified NJPA Members.

5.7 Facilitating NJPA Membership: Proposer should express their commitment to determine the membership status of their customers whom are eligible for NJPA Membership, AND their commitment
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to establishing that membership.

5.7.1 Membership information: Proposer should further express their commitment to capturing sufficient member information as is deemed necessary by NJPA to appropriately facilitate membership and certain marketing activities as agreed to by NJPA and an Awarded contractor.

6. PROPOSAL OPENING PROCEDURE

6.1 Sealed and properly identified Proposer’s Responses for this RFP entitled “PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES” will be received by Gregg Meierhofer, Manager of Bids and Contracts, at NJPA Offices, 200 First Street NE, Staples, MN 56479 until the deadline for receipt of, and bid opening identified on page one of this RFP. The NJPA Director of Contracts and Marketing, or Representative from the NJPA Proposal Review Committee, will then read the Proposer’s names aloud. A summary of the responses to this RFP will be made available for public inspection in the NJPA office in Staples, MN. A letter or e-mail request is required to receive a complete RFP package. Send or communicate all requests to the attention of Gregg Meierhofer 200 1st Street Northeast Staples, MN 56479 or RFP@njpacoop.org to receive a complete copy of this RFP. Method of delivery needs to be indicated in the request; an email address is required for electronic transmission. Oral, facsimile, telephone or telegraphic Proposal Submissions or requests for this RFP are invalid and will not receive consideration. All Proposal Responses must be submitted in a sealed package. The outside of the package shall plainly identify “PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES” To avoid premature opening, it is the responsibility of the Proposer to label the Proposal Response properly.

7. EVALUATION OF PROPOSALS

A. PROPOSAL EVALUATION PROCESS

7.1 NJPA will use a 1,000 Point Evaluation System to help determine the best overall Proposer(s) selection. Bonus points may be available for specific proposal characteristics identified such as “Green Product Certifications.”

7.2 NJPA reserves the right to use a “Cost Scoring Evaluation” through a product comparison process of like products/services. This process will establish points for submitted price levels. See Cost Scoring Evaluation.

7.3 NJPA shall use a final overall scoring system to include consideration for best price and cost evaluation. The total possible score is 1,000 points. NJPA reserves the right to assign any number of point awards or penalties it considers warranted if a Proposer stipulates exceptions, exclusions, or limitations of liabilities.

7.4 To qualify for the final evaluation, a Proposer must have been deemed responsive as a result of the criteria set forth under “Proposer Responsiveness.”

7.5 Responses will be evaluated first for responsiveness and thereafter for content. The NJPA Board of Directors will make awards to the selected Proposer(s) based on the recommendations of the Proposal Review Committee.

7.6 The procurement activities of the NJPA Proposal Review Committee are limited to document preparation, answering Proposer questions, advertising the solicitation, distribution of this RFP upon request, conducting an evaluation and making recommendation for possible approval to NJPA Board of Directors.
B. PROPOSER RESPONSIVENESS

7.7 Proposer’s Responses received after the deadline for submission will be invalid and returned to the Potential Proposer unopened.

7.8 An essential part of the proposal evaluation process is an evaluation to qualify the Proposer being considered. All proposals must contain answers or responses to the information requested in the proposal forms. Any Proposer failing to provide the required documentation may be considered non-responsive.

7.9 Deviations or exceptions stipulated in Proposer’s Response may result in the proposal being classified as non-responsive.

7.10 To qualify for evaluation, a proposal must have been submitted on time and materially satisfy all mandatory requirements identified in this document. A proposal must reasonably and substantially conform to all the terms and conditions in the solicitation to be considered responsive.

7.11 The Proposal Review Committee shall utilize the following criteria to evaluate all proposals received. Items 1-4 constitute the test for “Level One Responsiveness” and are determined on the proposal opening date. “Level 2” responsiveness is determined through the evaluation of the remaining items listed below. These items are not arranged in order of importance and each item may encompass multiple areas of information requested.

1. The proposal response is received prior to the deadline for submission.
2. The proposal package was properly addressed and identified as a sealed bid with a specific opening date and time.
3. The proposal response contains the required certificate of liability insurance.
4. The proposal response contains original signatures on all documents requiring such.
5. Response’s conformance to terms and conditions as described in the solicitation, including documentation.
6. Possesses qualifications as a responding Proposer that meets or exceeds those set within the solicitation.
7. Information from references and past performance information including past member approval.
8. Demonstrates that they offer the most current industry standard products/services and/or services.
9. Demonstrates financial stability and a favorable banking line of credit.
10. Demonstrates their products/services and/or services proposed meet and/or exceed industry standards accepted by educational or governmental institutions.
11. Has demonstrated marketplace success and their past performance exhibit an acceptable reputation.
12. Demonstrates the company possesses the background, knowledge, capacity, and ability to sell, deliver, and support products/services offered to Members.
13. Has provided documentation defining, outlining, and describing their concept of a national marketing program they will be implementing to facilitate and coordinate the cooperative activities required by an awarded Contract.
14. Has provided all of the required and applicable documentation required i.e. insurance certificates, licenses, and/or registration certificates required to do business nationally.
15. Line-Item Pricing, in approved excel format, listing of all of the proposed products/services and warranty provisions with their associated units of costs.
16. Core List selection of products/services in Line-Item Pricing format
17. Hot List Pricing products/services in a Line-Item Pricing format (where applicable).
18. Contract Pricing submitted as requested to include core list or products/services, Line-Item Pricing and/or Percentage Discount from published government price list or Catalog.

C. PROPOSAL EVALUATION CRITERIA
7.12 If a manufacturer or supplier chooses not to produce or supply goods and services to meet the scope of this RFP, such action will be considered sufficient cause to reduce evaluation points.

7.13 Consideration will be given in the award based on the completion and degree of information provided regarding available products, equipment, and accessories, as well as, applicable parts of the Proposer Information and Questionnaire.

7.14 The fact a manufacturer or supplier chooses not to produce or provide equipment products or services to meet the intent and scope of this RFP will not be considered sufficient cause to adjudge this RFP as restrictive.

7.15 The Proposer is required to have extensive knowledge and at least three (3) years experience with the related activities surrounding the selling of the equipment, service or related products offered.

7.16 NJPA reserves the right to accept or reject newly formed companies solely based on information provided in the proposal and/or its own investigation of the company.

7.17 Consideration will be given in the proposal evaluation based upon the selection, variety, technological advances, and demonstrated quality of products submitted, technological advances, and pricing. The ability of the Proposer to communicate the value of these factors and to demonstrate how the depth and breadth of their product and service offerings provide NJPA and NJPA Members with a sole source of responsibility within the scope of this RFP will be positively reviewed.

7.18 Consideration will also be given to proposals demonstrating technological advances, provide increased efficiencies, expanded service and other related improvements beyond today’s NJPA member’s needs and applicable standards.

7.19 Strong consideration will be given to a Proposer’s past performance, distribution model, and the demonstration their ability to effectively market and service NJPA Membership nationally.

7.20 Strong consideration will be given to the best price as it relates to the quality of the product and service. However, price is ultimately one of the factors taken into consideration in evaluation and award.

7.21 Evaluation of a Proposer’s Responses will take into consideration as a minimum response but not necessarily limited to the following:

1. Adherence to all requirements of this RFP as defined by industry standards.
2. Prior knowledge of and experience with a Proposer in terms of past performance and market place success.
3. Capability of meeting or exceeding current and future needs or requirements of NJPA and NJPA Members.
4. Evaluation of Proposer’s ability to market to and provide service to all NJPA Members nationally.
5. Financial condition of the Proposer.
7. Quality of products, equipment, and services offered including value added related services.
8. History of member service to NJPA type customers.
9. Overall ability to perform sales, solutions and contract support as submitted.
10. Ability to meet service and warranty needs.
11. History of meeting shipping and delivery expectations of contracted products/services.
12. Technology advancements and related provisions.
13. Ability to market and promote the Contract within current business practices.
14. Willingness to develop and enter into NJPA Contract and business relations.
15. Favorable bond rating and applicable industry standard licensing ability.
16. Past market place successes and brand recognition.
17. Demonstrated warranty and product/service responsibility.

7.22 The Proposer’s ability to follow the proposal preparation instructions set forth in this solicitation will also be considered to be an indicator of the Proposer’s ability to follow other future instructions should they receive an award as a result of this solicitation. Any Contract between NJPA and a Proposer requires the delivery of information and data. The quality of organization and writing reflected in the proposal will be considered an indication of the quality of organization and writing which would be prevalent if a Contract was awarded. As a result, the proposal will be evaluated as a sample of data submission.

7.23 Proposer’s Financial Statements- The Proposer’s financial statements are requested and reviewed to get a general feel for the size, strength, and probable scope of the Proposer.

7.24 NJPA reserves the right to reject the Proposer’s Response of the apparent successful Proposer where the available evidence or information does not exhibit the ability or intent to satisfy NJPA that the potential Vendor is unable to properly carry out the terms of this RFP and potential Contract.

7.25 NJPA shall reserve the right to reject any or all proposals. NJPA also reserves the right to reject a proposal not accompanied by required certificate of insurance, other data required by this RFP, or if a Proposer’s Response is incomplete or irregular. The NJPA shall reject all proposals where there has been collusion among the Proposers.

7.26 Overall Evaluation (FORM G) - The NJPA Proposal Review Committee will evaluate proposal received based on a 1,000 point evaluation system. The Committee will establish both the evaluation criteria and designate the relative importance of those criteria by assigning possible scores for each category.

7.27 Bonus Evaluation Points- Bonus evaluation points may be awarded by the NJPA Proposal Review Committee based on criteria identified as being both “optional” and “having additional value”

D. COST SCORING EVALUATION

7.28 NJPA reserves the right to use this process in the event the evaluation committee feels it is necessary to make a final determination.

7.29 This process will be based on a point system with points being awarded for being low to high Proposer for each cost evaluation item selected. A “Market Basket” of identical (or substantially similar) products/services may be selected by the NJPA proposal Review Committee and the unit cost will be used as a basis for determining the point value. The “Market Basket” will be selected by NJPA from all product categories as determined appropriate by NJPA. The low priced Proposer will receive the full point value and all other Proposers will receive points as follows: Lowest price Proposal = 5 (where there are five proposers), and inferior proposals = 4, 3, 2, 1 points each. The Total Score for each proposer will be the sum of all points earned. The result of this process shall not be the sole determination for award.

E. PRODUCT TESTING

7.30 NJPA reserves the right to request and test products/services and/or services from the apparent successful Proposer. Prior to the award of the Contract, the apparent successful Proposer, if requested by NJPA, shall furnish current information and data regarding the Proposer’s resources, personnel, and organization within three (3) days.

F. PAST PERFORMANCE INFORMATION

7.31 Past performance information is relevant information regarding a Proposer’s actions under
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previously awarded contracts to schools, local, state, and governmental agencies and non-profit agencies. It includes the Proposer’s record of conforming to specifications and standards of good workmanship. The Proposer’s history for reasonable and cooperative behavior and commitment to member satisfaction shall be under evaluation. Ultimately, Past Performance Information can be defined as the Proposer’s businesslike concern for the interests of the NJPA Member.

G. WAIVER OF FORMALITIES

7.32 NJPA reserves the right to waive any minor formalities or irregularities in any proposal and to accept proposals, which, in its discretion and according to the law, may be in the best interest of its members.

8. POST AWARD OPERATING ISSUES

A. SUBSEQUENT AGREEMENTS

8.1 Purchase Order- Purchase Orders for goods and services may be executed between NJPA or NJPA Members (Purchaser) and awarded Vendor(s) or Vendor’s sub-contractors pursuant to this invitation and any resulting Contract. NJPA Members are instructed to identify on the face of such Purchase orders that “This purchase order is issued pursuant to NJPA procurement contract #XXXXXX.” A Purchase Order is an offer to purchase goods and services at specified prices by NJPA or NJPA Members pursuant to a Contract resulting from this RFP. Purchase Order flow and procedure will be developed jointly between NJPA and an Awarded Vendor after an award is made.

8.2 Governing Law- Purchase Orders, as identified above, shall be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the purchaser. Each and every provision of law and clause required by law to be included in the Purchase Order shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either part the Contract shall be physically amended to make such inclusion or correction. The venue for any litigation arising out of disputes related to Purchase Order(s) shall be a court of competent jurisdiction to the Purchaser.

8.3 Additional Terms and Conditions- Additional terms and conditions to a Purchase Order may be proposed by NJPA, NJPA Members, or Vendors. Acceptance of these additional terms and conditions is OPTIONAL to all parties to the Purchase Order. The purpose of these additional terms and conditions is to, among other things; formerly introduce job or industry specific requirements of law such as prevailing wage legislation. Additional terms and conditions can include specific local policy requirements and standard business practices of the issuing Member. Said additional terms and conditions shall not interfere with the general purpose and intent of this RFP.

8.4 Asset Management Contracts: Asset Management type contracts can be initiated pursuant to a Contract resulting from this RFP at any time during the term of said Contract. The establishment of such Asset Management Contracts cannot exceed the authorized term of a Contract resulting from this RFP; however the Asset Management Contract term may extend beyond the maturity date of a Contract resulting from this RFP.

8.5 Specialized Service Requirements- In the event service requirements or specialized performance requirements such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements not addressed in the Contract resulting from this RFP, NJPA Member and Vendor may enter into a separate, stand alone agreement, apart from a Contract resulting from this RFP. Any proposed service requirements or specialized performance requirements require pre-approval by Vendor. Any separate agreement developed to address these specialized service or performance requirements is exclusively between the NJPA Member and Vendor. NJPA, its agents, Members and employees shall not be made party to any claim for breach of such agreement. Product sourcing is not considered a service. NJPA Members will need to conduct procurements for any specialized services not identified in this Contract.
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8.6 **Performance Bond**: At the request of the member, a Vendor will provide all performance bonds typically and customarily required in their industry. These bonds will be issued pursuant to the requirements of Purchase Orders for goods and services. If a purchase order is cancelled for lack of a required performance bond, it shall be the recommendation of NJPA that pending Purchase Orders with all NJPA Members be considered for cancellation. Each member has the final decision on Purchase Order continuation. **ANY PERFORMANCE BONDING REQUIRED BY THE MEMBER OR CUSTOMER STATE LAWS OR LOCAL POLICY IS TO BE MUTUALLY AGREED UPON AND SECURED BETWEEN THE VENDOR AND THE CUSTOMER/MEMBER.**

B. NJPA MEMBER SIGN-UP PROCEDURE

8.7 Awarded Vendors will be responsible for familiarizing their sales and service forces with the various forms of NJPA Membership documentation and shall encourage and assist potential Members in establishing Membership

C. REPORTING OF SALE ACTIVITY

8.8 A report of the total gross dollar volume of all products/services purchased by NJPA Members as it applies to this RFP and Contract will be provided quarterly to NJPA. The form and content of this reporting will be developed by NJPA in cooperation with the Vendor to include, but not limited to, name and address of purchasing agency, amount of purchase, and a description of the items purchased.

D. AUDITS

8.9 During the Term, Vendor will, upon not less than fourteen (14) business days’ prior written request, make available to NJPA no more than once per calendar year, at Vendor’s corporate offices, during normal business hours, the invoice reports and/or invoice documents from Vendor pertaining to all invoices sent by Vendor and payments made by NJPA members for all products/services purchased under this Contract. NJPA may employ an independent auditor or NJPA may choose to conduct such audit on its own behalf. Vendor shall have the right to approve the independent auditor, which approval shall not be unreasonably withheld. Upon approval and after the auditor has executed an appropriate confidentiality agreement, Vendor will permit the auditor to review the relevant Vendor documents. NJPA shall be responsible for paying the auditor’s fees. The parties will make every reasonable effort to fairly and equitably resolve discrepancies to the satisfaction of both parties. Vendor agrees that the NJPA may audit their records with a reasonable notice to establish total compliance and to verify prices charged hereunder of the Contract are being met. Vendor agrees to provide verifiable documentation and tracking in a timely manner.

E. HUB PARTNER

8.10 **Hub Partner**: Where Applicable, NJPA Members may, from time to time, request to be served in some way through a “Hub Partner” for the purposes of complying with a Law, Regulation, or Rule to which that individual NJPA Member deems to be applicable in their jurisdiction. Hub Partners may bring value to the proposed transactions through consultancy, Disadvantaged Business Entity Credits, or other considerations.

8.11 **Hub Partner Fees**: Fees, costs, or expenses from this Hub Partner levied upon a transaction resulting from this contract, shall be payable by the NJPA Member provide that:

8.11.1 The fees, costs, or expenses levied by the Hub Vendor must be clearly itemized in the transaction and
8.11.2 To the extent that the he Vendor stands in the chain of title during a transaction resulting from this RFP, the documentation shall be documented to show it is “Executed for the Benefit of [NJPA Member Name]”.

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F. TRADE-INS

8.12 Where Appropriate, the value in US Dollars, of Trade-ins will be negotiated between NJPA or an NJPA Member, and an Awarded Vendor. That identified “Trade-In” value shall be credited in full against the NJPA purchase price identified in a purchase order issued pursuant to any Awarded NJPA procurement contract. The full value of the trade-in will be consideration to that purchase order.

G. OUT OF STOCK NOTIFICATION

8.13 Vendor shall immediately notify NJPA members upon receipt of order(s) when an out-of-stock occurs. Vendor shall inform the NJPA member regarding the anticipated date of availability for the out-of-stock item(s), and may suggest equivalent substitute(s).

- The ordering organization shall have the option of accepting the suggested equivalent substitute, or canceling the item from the order.
- Under no circumstance is Proposer permitted to make unauthorized substitutions.
- Unfilled or substituted item(s) shall be indicated on the packing list.

H. TERMINATION OF CONTRACT RESULTING FROM THIS RFP

8.14 NJPA reserves the right to cancel the whole or any part of a resulting Contract due to failure by the Vendor to carry out any obligation, term or condition as described in the below procedure. Prior to any termination for cause, the NJPA will provide written notice to the Vendor, opportunity to respond and opportunity to cure according to the steps in the procedure in this Cancellation Section. Some examples of material breach are the following:

- The Vendor provides material that does not meet reasonable quality standards and is not remedied under the warranty;
- The Vendor fails to ship the products or provide the services within a reasonable amount of time;
- NJPA has reason to believe the Vendor will not or cannot perform to the requirements of the Contract and issues a request for assurance as described herein and Vendor fails to respond;
- The Vendor fails to observe any of the material terms and conditions of the Contract; and/or,
- The Vendor fails to follow the established procedure for purchase orders, invoices and/or receipt of funds as established by the NJPA and the Vendor in the Contract.
- The Vendor fails to report quarterly sales volume;
- The Vendor fails to actively market this Contract within the guidelines provided in this RFP and the expectations of NJPA.

8.15 Each party shall follow the below procedure if the Contract is to be terminated for violations or non-performance issues:

Step 1: Issue a warning letter outlining the violations and/or non-performance and state the length of time (10 days) to provide a response and correct the problem(s) if reasonably possible in such time frame.

Step 2: Issue a letter of intent to cancel Contract, if the problem(s) is not resolved within fifty (50) days.

Step 3: Issue letter to cancel Contract for cause.

8.16 Upon receipt of the written notice of concern, the Vendor shall have ten (10) business days to provide a satisfactory response to the NJPA. Failure on the part of the Vendor to reasonably address all issues of concern may result in Contract cancellation pursuant to this Section.

8.17 Any termination shall have no effect on purchases that are in progress at the time the cancellation is received by the NJPA. The NJPA reserves the right to cancel the Contract immediately for convenience,
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without penalty or recourse, in the event the Vendor is not responsive concerning the remedy, the performance, or the violation issue within the time frame, completely or in part.

8.18 NJPA reserves the right to cancel or suspend the use of any Contract resulting from this RFP if the Vendor files for bankruptcy protection or is acquired by an independent third party. Prior to commencing services under this Contract, the Proposer/Vendor must furnish NJPA certification from insurer(s) proving level of coverage usual and customary to the specific industry. The coverage is to be maintained in full effect during the Contract period. Vendor must be willing to provide, upon request, certification of insurance to any NJPA member or member using this Contract.

8.19 Either party may execute Contract termination without cause with a required 60-day written notice of termination. Termination of Contract shall not relieve either party of financial, product or service obligations incurred or accrued prior to termination.

8.20 NJPA may cancel any Contract resulting from this solicitation without any further obligation if any NJPA employee significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the NJPA is found to be in collusion with any Proposer to this RFP for their personal gain. Such cancellation shall be effective upon written notice from the NJPA or a later date if so designated in the notice given. A terminated Contract shall not relieve either party of financial, product or service obligations due to participating member or NJPA.

8.21 Events of Automatic termination to include:

- Vendor’s or NJPA’s voluntary or involuntary bankruptcy or insolvency;
- Vendor’s failure to remedy a material breach of a Contract resulting from this RFP within sixty (60) days of receipt of notice from NJPA specifying in reasonable detail the nature of such breach; and/or,
- Receipt of written information from any authorized agency finding activities of Vendors engaged in pursuant to a Contract resulting from this RFP to be in violation of the law.

9. GENERAL TERMS AND CONDITIONS

A. ADVERTISEMENT OF RFP

9.1 As a policy, NJPA shall advertise this solicitation 1) for two consecutive weeks in both the print and on-line editions of the MINNEAPOLIS STAR TRIBUNE, 2) it shall be placed on a national wire service by the MINNEAPOLIS STAR TRIBUNE, 3) it shall be posted on NJPA’s website, 4) it shall be posted to the website of “Noticetobidders.com,” and 5) it shall be posted to other third-party websites deemed appropriate by NJPA. Other third party advertisers may include Onvia and Bidsync.

B. ADVERTISING OF A CONTRACT RESULTING FROM THIS RFP

9.2 Proposer/Vendor shall not advertise or publish information concerning this Contract prior to the award being announced by the NJPA. Once the award is made, a Vendor is expected to advertise the awarded Contract to both current and potential NJPA Members.

C. APPLICABLE LAW

9.3 NJPA Compliance with Minnesota Procurement Law: Contracts awarded through NJPA are intended to meet the procurement laws of all states and NJPA will exhaust all avenues to comply with as many state laws as possible. It is the responsibility of each participating NJPA member to insure to their satisfaction that these laws are satisfied. An individual NJPA member using these contracts is deemed by their own accord to be in compliance with proposal regulations. NJPA encourages the awarded Vendor to assist NJPA and the NJPA member in this research to the benefit of all involved.
9.4 **Governing Law:** All applicable portions of the Minnesota Uniform Commercial Code and all other applicable Minnesota laws shall govern contracts with the National Joint Powers Alliance®. Any claims pertaining to this RFP and any resulting Contract that develop between NJPA and any other party must be brought forth only in courts in Todd County in the State of Minnesota.

9.5 **Vendor Compliance with applicable law:** Vendor(s) shall comply with all federal, state, or local laws applicable to or pertaining to the sale of the products/services resulting from this RFP. All such laws, whether or not herein contained, shall be included by this reference. It shall be Proposer’s/Vendor’s responsibility to determine the applicability and requirements of any such laws and to abide by them.

9.6 **Indemnity:** Each party agrees it will be responsible for its own acts and the result thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. NJPA’s liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section §3.736, and other applicable law.

9.7 **Prevailing Wage:** It shall be the responsibility of the Vendor to comply, when applicable, with prevailing wage legislation in effect in the jurisdiction of the purchaser (NJPA or NJPA Member). It shall be the responsibility of the Vendor to monitor the prevailing wage rates as established by the appropriate department of labor for any increase in rates during the term of this Contract and adjust wage rates accordingly.

9.8 **Patent and Copyright infringement:** If an article sold and delivered to NJPA or NJPA Members hereunder shall be protected by any applicable patent or copyright, the Vendor agrees to indemnify and save harmless NJPA and NJPA Members against any and all suits, claims, judgments, and costs instituted or recovered against it by any person whatsoever on account of the use or sale of such articles by NJPA or NJPA Members in violation or right under such patent or copyright.

**D. ASSIGNMENT OF CONTRACT**

9.9 No right or interest in this Contract shall be assigned or transferred by the Proposer/Vendor without prior written permission by the NJPA. No delegation of any duty of the Proposer/Vendor shall be made without prior written permission of the NJPA. The NJPA shall notify the members within fifteen (15) days of receipt of written notice by the Vendor. After issuance the awarded Contract may be reassigned to a comparable Vendor at the discretion of NJPA.

9.10 If the original Vendor sells or transfers all assets or the entire portion of the assets used to perform this Contract, a successor in interest must guarantee to perform all obligations under this Contract. NJPA reserves the right to reject the acquiring person or entity as a Vendor. A simple change of name agreement will not change the contractual obligations of the Vendor.

**E. PROPOSERS LIST**

9.11 NJPA will not maintain or communicate to a proposers list. All interested proposers must respond to the solicitation as a result of one of the methods of proposal advertisements listed above. Because of the scope of the potential Members and national Vendors, NJPA has determined this to be the best method of fairly soliciting proposals.

**F. CAPTIONS, HEADINGS, AND ILLUSTRATIONS**

9.12 The captions, illustrations, headings, and subheadings in this solicitation are for convenience and ease of understanding and in no way define or limit the scope or intent of this request.
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G. CONFIDENTIAL INFORMATION

9.13 If a Proposer wishes to withhold any part of its proposal from public inspection, then a statement advising the NJPA of this fact shall accompany the submission. NJPA shall review the statement to determine whether the information shall be withheld. If NJPA determines to disclose the information, the Executive Director of NJPA shall inform the Proposer, in writing, of such determination prior to award of Contract to Proposer.

H. DATA PRIVACY

9.14 Proposer agrees to abide by all applicable STATE and FEDERAL laws and regulations including HIPPA concerning the handling and disclosure of private and confidential information regarding individuals. Proposer agrees to hold NJPA harmless from its unlawful disclosure and/or use of private/confidential information.

I. ENTIRE AGREEMENT

9.15 The Contract, as defined herein, shall constitute the entire understanding between the parties to that Contract.

9.16 A Contract resulting from this RFP is formed when the NJPA Board of Directors approves and signs the applicable Acceptance and Award Form document (see Form D).

J. FORCE MAJEURE

9.17 Except for payments of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party’s performance of this Contract is prevented due to force majeure. The term “force majeure” means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence including, but not limited to, the following: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, snow, earthquakes, tornadoes or violent wind, tsunamis, wind shears, squalls, Chinooks, blizzards, hail storms, volcanic eruptions, meteor strikes, famine, sink holes, avalanches, lockouts, injunctions-intervention acts, terrorist events or failures or refusals to act by government authority and/or other similar occurrences where such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with a Contract resulting from this RFP. Force majeure shall not include late deliveries of products/services caused by congestion at a manufacturer’s plant or elsewhere, an oversold condition of the market, inefficiencies, or other similar occurrences. If either party is delayed at any time by force majeure, then the delayed party shall notify the other party of such delay within forty-eight (48) hours.

K. GRATUITITIES

9.18 NJPA may cancel this Contract by written notice if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Proposer/Vendor or any agent or representative of the Proposer/Vendor, to any employee of the NJPA are deemed to be excessive with a view toward securing a contract or with respect to the performance of this Contract.

L. HAZARDOUS SUBSTANCES

9.19 Proper Material Safety Data Sheets (MSDS), in compliance with OSHA’s Hazard Communication Standard, must be provided by the Vendor to NJPA or NJPA Member at the time of purchase.
M. LEGAL REMEDIES

9.20 All claims and controversies between NJPA and Vendor shall be subject to the laws of the State of Minnesota and are to be resolved in Todd County, Minnesota, the county in which NJPA is domiciled.

N. LICENSES

9.21 Proposer/Vendor shall maintain a current status on all required federal, state, and local licenses, bonds and permits required for the operation of the business conducted by the Proposer/Vendor.

9.22 All responding Proposers must be licensed (where required) and have the authority to sell and distribute offered products/services to NJPA and NJPA Members in all states. Documentation of said licenses and authorities, if applicable, is requested.

O. MATERIAL SUPPLIERS AND SUB-CONTRACTORS

9.23 The apparent successful Vendor shall be required to supply the names and addresses of sourcing suppliers and sub-contractors when requested.

9.24 Awarded Vendors under this RFP will be the sole source of responsibility for transactions originating that award. The Awarded Vendor is solely responsible for products/services and services provided by third party sourcing or service providers.

P. NON-WAIVER OF RIGHTS

9.25 No failure of either party to exercise any power given to it hereunder, nor to insistence upon strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, nor any payment under a Contract resulting from this RFP shall constitute a waiver of either party’s right to demand exact compliance with the terms hereof. Failure by NJPA to take action or assert any right hereunder shall not be deemed as waiver of such right.

Q. PROTESTS OF AWARDS MADE

9.26 Protests shall be filed with the NJPA’s Executive Director and shall be resolved in accordance with appropriate state statutes of Minnesota. Protests will only be accepted from Proposers. A protest must be in writing and filed with NJPA. A protest of an award or proposed award must be filed within ten (10) days after the public notice or announcement of the award. No protest shall lie for a claim that the selected Proposer is not a responsible Proposer. A protest must include:

1. The name, address and telephone number of the protester;
2. The original signature of the protester or its representative;
3. Identification of the solicitation by RFP number;
4. Identification of the statute or procedure that is alleged to have been violated;
5. A precise statement of the relevant facts;
6. Identification of the issues to be resolved;
7. The aggrieved party’s argument and supporting documentation.

R. PROVISIONS REQUIRED BY LAW

9.27 Proposer/Vendor agrees in the performance of a Contract resulting from this RFP, it has complied with or will comply with all applicable statutes, laws, regulations, and orders of the United States and any State thereof.
S. PUBLIC RECORD

9.28 All proposals submitted to this invitation shall become the property of the NJPA and will become a matter of public record and available for review subsequent to the award notification. Proposals may be viewed by appointment at the NJPA offices Monday through Friday from 8:30 a.m. to 3:30 p.m.

T. RIGHT TO ASSURANCE

9.29 Whenever one party to this Contract has reason to question the other party’s intent to perform, he/she may demand a written assurance of this intent. In the event a demand is made and no written assurance is given, the demanding party may treat this failure as an anticipatory repudiation of the Contract provided, however, in order to be effective, any such demand shall be addressed to the authorized signer for the party from whom the assurance is being sought, and sent via U.S. Postal Service, certified mail, return receipt requested or national overnight delivery service with proof of delivery.

U. SUSPENSION OR DISBARMENT STATUS

9.30 If within the past five (5) years, any firm, business, person or Proposer submitting a proposal has been lawfully precluded from participating in any public procurement activity with a federal, state or local government, the Proposer must include a letter with its response setting forth the name and address of the public procurement unit, the effective date of the suspension or debarment, the duration of the suspension or debarment and the relevant circumstances relating to the suspension or debarment. Any failure to supply such a letter or to disclose pertinent information may result in the cancellation of any Contract. By signing the proposal affidavit, the Proposer certifies that no current suspension or debarment exists.

V. HUMAN RIGHTS CERTIFICATE

9.31 If Proposer is not domiciled in Minnesota and has NOT on any single working day in the past year, employed more than 40 employees in the State of Minnesota, Proposer must provide a statement to that effect.

9.32 If Proposer is not domiciled in Minnesota and has on any single working day in the past year, employed more than 40 employees in the State of Minnesota, Proposer must document their application for a Human Rights Certificate issued by the Minnesota Commissioner of Human Rights. Proposer must also document receipt by the Minnesota Commissioner of Human Rights of that application and the Proposer’s affirmative action plan for the employment of minority persons, women, and qualified disabled individuals.

9.33 If Proposer is domiciled in Minnesota and has on any single working day in the past year, employed more than 40 employees in the State of Minnesota, Proposer must provide a copy of their “Certificate of Compliance” from the Commissioner of the Minnesota Department of Human Rights.

W. SEVERABILITY

9.34 In the event that any of the terms of a Contract resulting from this RFP are in conflict with any rule, law, statutory provision or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, such terms shall be deemed stricken from a Contract resulting from this RFP, but such invalidity or unenforceability shall not invalidate any of the other terms of a Contract resulting from this RFP.

X. RELATIONSHIP OF PARTIES

9.35 No Contract resulting from this RFP shall be considered a contract of employment. The relationship between NJPA and an Awarded Contractor is one of independent contractors each free to exercise judgment and discretion with regard to the conduct of their respective businesses. The parties do not
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intend the proposed Contract to create, or is to be construed as creating a partnership, joint venture, master-servant, principal-agent, or any other relationship. Except as provided elsewhere in this RFP, neither party may be held liable for acts of omission or commission of the other party and neither party is authorized or has the power to obligate the other party by contract, agreement, warranty, representation or otherwise in any manner whatsoever except as may be expressly provided herein.
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PROPOSER QUESTIONNAIRE

Form A

Proposer Name: __________________________________________________________

Questionnaire completed by: _____________________________________________

Please provide an answer to all questions below and address all requests made in this RFP. Please use the Microsoft Word/Excel document version of this questionnaire to respond to the questions contained herein. Please provide your answer to each question indented below the question. Please supply any applicable supporting information and documentation you feel appropriate in addition to answers entered to the Word document. All information must be typed, organized, and easily understood by evaluators.

Company Information

1) Why did you respond to this RFP?
2) Provide a brief history of your company that includes its goals and philosophy.
3) Provide profiles and an organizational chart for key sales and marketing executives of your company that will oversee the implementation and operation of a Contract resulting from this RFP.
4) How long has your company has been in the PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES, industry?
5) Is your organization best described as a manufacturer or a distributor/dealer/re-seller for a manufacturer of the products and services being proposed?
   a) If the Proposer is best described as a re-seller, manufacturer aggregate, or distributor, please provide evidence of your authorization as a dealer/re-seller/manufacturer aggregate for the manufacturer of the products you are proposing.
   b) If the Proposer is best described as a manufacturer, please describe your relationship with your sales/service force and/or Dealer Network in delivering the products and services proposed. Are these people your employees, or the employees of a third party?
6) For public companies, provide your most recent annual report to shareholders.
7) For private companies, provide your most recent year-end financial statements, your bond rating, and/or a credit reference from your bank.
8) Provide a discussion of licenses and certifications both required to be held, and actually held by your organization in pursuit of the commerce contemplated by this RFP.
9) Provide a discussion of licenses and certifications both required to be held, and actually held by third parties and subcontractors to your organization in pursuit of the commerce contemplated by this RFP. If not applicable, please respond with “Not Applicable.”

Industry-Marketplace Successes

10) List and document recent industry awards and recognition.
11) Supply three references/testimonials from customers similar to NJPA Members. Please include the customer’s name, contact, and phone number.
12) Provide names and addresses of the top five (5) governmental or education customers and dollar volumes from the past year.
13) Provide documentation indicating the total dollar volume for each of your sales to government, education, and non-profit agencies for the last three (3) fiscal years.

Proposer’s ability to sell and service nationwide

14) Please describe your sales force in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the products/services contemplated in this RFP? a) Are these individuals your employees, or
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15) Please describe your service force in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the products/services contemplated in this RFP? a) Are these individuals your employees, or are they employees of a third party?

16) Describe in detail your customer service program regarding process and procedure. Please include, where appropriate, response time commitments.

17) Identify any geographic areas or NJPA market segments of the United States you will NOT be serving through the proposed contract.

18) Identify any of NJPA Member segments you will NOT be serving? (Government, Education, Non-profit)

Marketing Plan

19) Describe your training program for both greet-the-public and sales management levels relating to a NJPA award.

20) Describe your general marketing program strategy to promote the proposed Contract nationally.

21) Describe your marketing material, and overall marketing ability, relating to promoting this type of partnership and contract opportunity. As much as possible, please send marketing materials in electronic format only to save paper.

22) Describe your use of technology and the internet to provide marketing and product awareness.

23) Describe your perception of NJPA’s role in marketing the partnership and your products/services.

24) Describe the unique quality of the products/services in your proposal in relationship to others available in the market.

Value Added Attributes

25) Describe any training programs available as options for members.

26) Describe technological advances your proposal products/services offer.

27) Describe your “Green” program as it relates to your company, your products, and your recycling program, including a list of all green products accompanied by the certifying agency for each.

28) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations of your organization directly involved in a Contract resulting from this RFP.

29) Identify any other unique or custom value added attributes.

30) Identify any service contract options included in the proposed price, or offered as a proposed option, for the products or services being offered.

31) Identify your ability and willingness to service Canada specifically and internationally in general.

32) Describe any unique distribution method employed in your proposal.

Payment Terms and Financing Options

33) Identify your payment terms. (Net 30, etc.)

34) Identify any applicable leasing or other financing options as defined herein.

35) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member’s final Contract phase process).

Warranty

36) Describe, in detail, your Warranty Program including conditions to qualify, claims procedure, and overall structure.

37) Do all warranties cover all material and labor?

38) Do warranties impose usage limit restrictions?

39) Do warranties cover the technicians travel time to perform warranty repairs?

40) Please list any other limitations or circumstances that would not be covered under your warranty.

41) Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How do NJPA Members in these regions receive warranty work?

Other Cooperative Procurement Contracts Held

42) Identify all cooperative governmental procurement contracts which are marketed in more than one state held or utilized by the Proposer.
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43) Identify all government or state procurement contracts held or utilized by the Proposer with any State of the United States.
44) Identify any GSA Contracts held or utilized by the Proposer.
45) If you are awarded the NJPA contract, are there any market segments (e.g., higher education, county governments, etc.) or geographical markets where the NJPA contract will not be your primary contract purchasing vehicle? If so, please identify those markets and which cooperative purchasing agreement will be your primary vehicle.

Products/Services and Pricing

46) Provide a general narrative description of the products/services and services you are offering in your proposal.
47) Provide a general narrative description of your pricing model identifying how the model works (line item and/or percentage discount).
48) Propose a strategy, process, and specific method of facilitating “Sourced Goods” solution as defined herein.
49) Provide an overall statement of method of pricing for individual line items, catalogs and category pricing with regard to all products/services and being proposed. Provide a SKU number for each item being proposed.
50) Provide a “CORE LIST” of products/services (as anticipated and defined by Proposer to meet or exceed the NJPA members needs) as a separate and named spreadsheet. Include special pricing, if any, on these items.
51) Provide, if any, your volume rebate programs
52) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is NOT included “Pricing” submitted with your proposal response. Identify to whom these items are payable and their relationship to Proposer.
53) As an important part of the evaluation of your offer, you must indicate the level of pricing you are offering.
   Prices offered in this proposal are:
   ______ a. The same as typically offered to an individual municipality or school district.
   ______ b. The same as typically offered to cooperative procurement organizations or state purchasing departments.
   ______ c. Better than typically offered to cooperative procurement organizations or state purchasing departments.
   (Your proposal will be considered “Non-Responsive” if this question is not answered.)
54) Do you offer quantity or volume discounts? _____ YES _____ NO Outline guidelines and program.
55) Describe your shipping, exchange and return program(s) and policy(s). Also specifically identify those programs as they relate to Alaska and Hawaii.
56) Identify the Proposer's proposal for an administrative fee payable to NJPA for facilitation and promotion of the Contract opportunity invited here. This fee should be calculated as a percentage of Contract sales.

_________________________
Authorized Signature (Same signature as on Proposal Affidavit Signature and Acceptance Form)
PROPOSER INFORMATION

Company Name: ________________________________
Address: ______________________________________
City/State/Zip: _________________________________
Phone: __________________ Fax: __________________
Toll Free Number: __________________ E-mail: ____________
Web site: ______________________________________

Voids sometimes exist between management (those who respond to RFPs) and sales staff (those who contact NJPA Members) that result in communication problems. Due to this fact, provide the names of your key sales people, phone numbers, and geographic territories for which they are responsible.

COMPANY PERSONNEL CONTACTS

Contract Manager:

Email: ___________________________ Phone: ________________

Name: ___________________________ Title: __________________
Email: ___________________________ Phone: ________________

Name: ___________________________ Title: __________________
Email: ___________________________ Phone: ________________

Name: ___________________________ Title: __________________
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Name: ___________________________ Title: __________________
Email: ___________________________ Phone: ________________
**Form C**

Company Name: ____________________________

Note: **Original must be signed** and inserted in the inside front cover pouch. Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Please sign and date the bottom of each page of this document.

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Proposal Offering
And Acceptance and Award
RFP #102811

FORM D

PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED
ACCESSORIES.

Proposal Offering (To be completed Only by Proposer)

In compliance with the Request for proposal (RFP) for PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND
HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES, the undersigned warrants that I/we have examined this
RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical
specifications, service expectations and any special terms, do hereby offer and agree to furnish the defined
products/services and services in compliance with all terms, conditions of this RFP, any applicable amendments of this
RFP, and all Proposer’s Response documentation. Proposer further understands they are the sole offeror herein and that
the performance of any sub-contractors employed by the Proposer in fulfillment of this offer is the sole responsibility of
the Proposer.

Company Name: ___________________________ Date: ___________________________

Company Address: ___________________________

City: ____________ State: ____________ Zip: ___________________________

Contact Person: ___________________________ Title: ___________________________

Authorized Signature (ink only): ___________________________ (Name printed or typed)

Contract Acceptance and Award (To be completed only by NJPA)

Your proposal offering is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the
defined goods and services contained in your proposal offering according to all terms, conditions, and pricing set forth in
this RFP, any amendments to this RFP, and the Proposer’s Response. The effective date of the Contract be
__________, __________ and continue for four years thereafter AND which is subject to annual renewal at the
option of both parties.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: ___________________________ (Name printed or typed)

Title: __ Executive Director NJPA ___________________________

Awarded this ___________ day of ___________ ___________________________ Contract Number # 102811

NJPA Authorized signature: ___________________________ (Name printed or typed)

Title: ___________________________

Executed this ___________ day of ___________________________ Contract Number # 102811
PROPOSER ASSURANCE OF COMPLIANCE

Form E

Proposal Affidavit Signature Page

PROPOSER’S AFFIDAVIT

The undersigned, representing the persons, firms and corporations joining in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the “Proposer”), being duly sworn on his/her oath, states to the best of his/her belief and knowledge:

1. The undersigned certifies the Proposer is submitting their proposal under their true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, that the Proposer possesses, or will possess prior to the delivery of any goods and services, all applicable licenses necessary for such delivery, and that they are authorized to act on behalf of, and encumber the “Proposer” in this Contract, and

2. To the best of my knowledge, no Proposer or Potential Proposer, nor any person duly representing the same, has directly or indirectly entered into any agreement or arrangement with any other Proposers, Potential Proposers, any official or employee of the NJPA, or any person, firm or corporation under contract with the NJPA in an effort to influence either the offering or non-offering of certain prices, terms, and conditions relating to this RFP which tends to, or does, lessen or destroy free competition in the letting of the Contract sought for by this RFP, and

3. The Proposer or any person on his/her behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the proposal or award of the referenced contract, and

4. Neither I, the Proposer, nor, any officer, director, partner, member or associate of the Proposer, nor any of its employees directly involved in obtaining contracts with the NJPA or any subdivision of the NJPA, has been convicted of false pretenses, attempted false pretenses or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985, and

5. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the proposal submittal, and

6. If awarded a contract, the Proposer will provide the products/services and/or services to qualifying members of the NJPA in accordance with the terms, conditions, scope of this RFP, Proposer offered specifications and other documents of this solicitation, and

7. The undersigned, being familiar with expectations and specifications request outlined in this RFP under consideration, hereby proposes to deliver through valid service request, Purchase Orders or forms for NJPA Members per this RFP, only new, unused and first quality products/services and services to designated NJPA Members, and

8. The Proposer has carefully checked the accuracy of all items and listed total price per item in this proposal. In addition, the Proposer accepts all general terms and conditions of this RFP, including all responsibilities of commitment and delivery of services as outlined, and

9. In submitting this proposal, it is understood that the right is reserved by the NJPA to reject any or all proposals and it is agreed by all parties that this proposal may not be withdrawn during a period of 90 days from the date proposals were opened regarding this RFP, and

10. The Proposer certifies that in performing this Contract they will comply with all applicable provisions of the federal, state, and local laws, regulations, rules, and orders, and

11. If Proposer has more than 40 employees in the state in which their principal place of business is located, Proposer
hereby certifies their compliance with federal affirmative action requirements.

Company Name: ________________________________

Contact Person for Questions: __________________ Phone: __________________
(Must be individual who is responsible for filling out this Proposer’s Response form)

Address: ______________________________________

City/State/Zip: ________________________________

Telephone Number: __________________ Fax Number: __________________

E-mail Address: ________________________________

Authorized Signature: ___________________________

Authorized Name (typed): _______________________

Title: ________________________________________

Date: _________________________________________

Notarized

Subscribed and sworn to before me this __________ the day of _________________, 20_________

Notary Public in and for the County of __________________________ State of _________

My commission expires: __________________________

Signature: _____________________________________
Form G. OVERALL EVALUATION AND CRITERIA

In accordance with accepted standards of competitive sealed proposal awards as set forth in the Minnesota Procurement Code, competitive sealed proposals/awards will be made to responsible Proposers whose proposals are determined in writing to be responsive and also be the most advantageous to NJPA and its NJPA Members. To qualify for the final evaluation, a Proposer must have been deemed responsive as a result of the criteria set for “Proposer Responsiveness.” A proposal must have been submitted on time and materially satisfy all mandatory requirements identified in this document.

Evaluation for:

For the Proposed Subject PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES.

The evaluation criteria for this solicitation, not arranged in order of importance:

<table>
<thead>
<tr>
<th></th>
<th>Available Points</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conformance to terms and conditions to include documentation</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Pricing</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Industry and Marketplace Successes</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Bidder’s Ability to Sell and Service Contract Nationally</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Bidder’s Marketing Plan</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Value Added Attributes</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Invoicing Payment Terms and Financing Options</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Warranty Coverages and Information</td>
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<td></td>
</tr>
<tr>
<td>Selection and Variety of Products and Services Offered</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Total Points</td>
<td>1000</td>
<td>0</td>
</tr>
</tbody>
</table>

Bonus Points awarded for:

<table>
<thead>
<tr>
<th></th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidders “Green” characteristics</td>
<td>50</td>
</tr>
<tr>
<td>Bidders Dissadvantaged Business Entity Characteristics</td>
<td>50</td>
</tr>
<tr>
<td>Overall Evaluation Points</td>
<td>1100</td>
</tr>
</tbody>
</table>

Proposed

Reviewed by: ________________________________ Its ________________________________

______________________________ Its ________________________________

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FORM II

State Of Minnesota – Affirmative Action Certification

If your response to this solicitation is or could be in excess of $100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date and time of the proposal or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification BOX A – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to BOX B.

Your response will be rejected unless your business:

- has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)
- or-
- has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

☐ We have a current Certificate of Compliance issued by the MDHR. Proceed to BOX C. Include a copy of your certificate with your response.

☐ We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on ________ (date). If the date is the same as the response due date, indicate the time your plan was received: ________. Proceed to BOX C.

☐ We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. We acknowledge that our response will be rejected. Proceed to BOX C. Contact the Minnesota Department of Human Rights for assistance. (See below for contact information.)

Please note: Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

BOX B – For those companies not described in BOX A

Check below.

☐ We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. Proceed to BOX C.

BOX C – For all companies

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: __________ Date __________

Authorized Signature: ______ Telephone number: ____________________________

Printed Name: ______________________________ Title: __________________________

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail: 190 East 5th St., Suite 700 St. Paul, MN 55101
Web: www.humanrights.state.mn.us

TC Metro: (651) 296-5663 Toll Free: 800-657-3704
Fax: (651) 296-9042 TTY: (651) 296-1283
Form I

State of Minnesota — Immigration Status Certification


E-Verify program information can be found at http://www.dhs.gov/ximgltn/programs.

If any response to a solicitation is or could be in excess of $50,000, vendors and subcontractors must certify compliance with items 1 and 2 below. In addition, prior to the delivery of the product or initiation of services, vendors MUST obtain this certification from all subcontractors who will participate in the performance of the contract. All subcontractor certifications must be kept on file with the contract vendor and made available to the state upon request.

1. The company shown below is in compliance with the Immigration Reform and Control Act of 1986 in relation to all employees performing work in the United States and does not knowingly employ persons in violation of the United States immigration laws. The company shown below will obtain this certification from all subcontractors who will participate in the performance of this contract and maintain subcontractor certifications for inspection by the state if such inspection is requested; and

2. By the date of the delivery of the product and/or performance of services, the company shown below will have implemented or will be in the process of implementing the E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State of Minnesota.

I certify that the company shown below is in compliance with items 1 and 2 above and that I am authorized to sign on its behalf.

Name of Company: ___________________________ Date: ___________________________

Authorized Signature: ___________________________ Telephone Number: ___________________________

Printed Name: ___________________________ Title: ___________________________

If the contract vendor and/or the subcontractors are not in compliance with the Immigration Reform and Control Act, or knowingly employ persons in violation of the United States immigration laws, or have not begun or implemented the E-Verify program for all newly hired employees in support of the contract, the state reserves the right to determine what action it may take. This action could include, but would not be limited to cancellation of the contract, and/or suspending or debarring the contract vendor from state purchasing.

For assistance with the E-Verify Program
Contact the National Customer Service Center (NCSC) at 1-800-375-5283 (TTY 1-800-767-1833),

For assistance with this form, contact:
Mail: 112 Administration Bldg, 50 Sherburne Ave. St. Paul, MN 55155
E-mail: MMDHelpLine@state.mn.us
Telephone: 651.296.2600
Persons with a hearing or speech disability may contact us by dialing 711 or 1.800.627.3529
Pre-submission Checklist

- Have you read and understood the RFP?
- Have you attended the Pre-Bid Conference for this RFP?
- Have you completed the questionnaire (Form A) to the best of your ability?
- Have you submitted pricing for all of the goods and services you offer within the scope of this RFP?
- Have you submitted a "Sourced Goods Multiplier?"
- Have you packaged your bid submission identifying conspicuously "Competitive Bid Enclosed, Please hold for public opening XX-XX-XXX".
- Have you sent your package in sufficient time for physical delivery at 200 1st ST NE Staples, MN 56479 will occur prior to the deadline for delivery?
- Have you submitted original completed and executed forms C, D, E, H, and I from this RFP?
- Have you submitted verification of liability insurance with the coverage and limits required in the RFP?
- Have you provided an electronic copy (saved on a CD or flash drive) of your entire proposal including, but not limited to, Forms A, B, C, D, E, H, and I in your proposal?
CORRECTED Addendum 083111
To that certain
RFP#112811
Issued by

The National Joint Powers Alliance®
For the procurement of:

PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES.

Please read this solicitation to include the following:

- The deadline for submission of proposals shall be extended from October 27, 2011 at 4:30 PM Central Time to November 17, 2011 at 4:30PM Central Time.

- The public opening of proposals received shall be extended from October 28, 2011 at 8:00 AM Central Time to November 18, 2011 at 8:00 AM Central Time.

- With respect to compliance with the general baseline specifications issued on the Excel pricing spreadsheet, please identify the compliant equipment you are proposing for the parameter identified and identify it as compliant. In the event you do not have a compliant option please identify the equipment you want to propose for the parameter identified and identify it as "Non-Compliant" with that specification.

- NJPA has moved. Please update all addresses. We have moved from 200 1st ST NE Staples, MN to 202 12 Street NE Staples, MN 56479. This change will affect and include the address for delivery of your proposal to NJPA.
Addendum 100511
To that certain
RFP#102811
Issued by

The National Joint Powers Alliance®
For the procurement of:

PASSenger CARS, LIGHT DUTY, MEDIUM DUTy, AND HEAVY DUTY TRUCKS WITH RELATED ACCESSORIES.

Please read this solicitation to include the following:

The deadline for RFP Requests for this solicitation will be changed from Tuesday October 4, 2011 to Tuesday October 11, 2011.

[Signature] 10-5-11
CORRECTED Addendum 101411
To that certain
RFP#112811
Issued by

The National Joint Powers Alliance®
For the procurement of:

PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS
WITH RELATED ACCESSORIES.

Please read this solicitation to include the following:

- The deadline for submission of proposals shall be extended from October 27, 2011 at 4:30 PM Central Time to November 17, 2011 at 4:30PM Central Time.
- The public opening of proposals received shall be extended from October 28, 2011 at 8:00 AM Central Time to November 18, 2011 at 8:00 AM Central Time.
- With respect to compliance with the general baseline specifications issues on the Excel pricing spreadsheet, please identify the compliant equipment you are proposing for the parameter identified and identify it as complaint. IN the event you do not have a compliant option please identify the equipment you want to propose for the parameter identified and identify it as “Non-Compliant” with that specification.
- NJPA has moved. Please update all addresses. We have moved from 200 1st ST NE Staples, MN to 202 12 Street NE Staples, MN 56479. This change will affect and include the address for delivery of your proposal to NJPA.
CORRECTED Addendum 101811
To that certain
RFP#112811
Issued by

The National Joint Powers Alliance®
For the procurement of:

PASSENGER CARS, LIGHT DUTY, MEDIUM DUTY, AND HEAVY DUTY TRUCKS
WITH RELATED ACCESSORIES.

Please read this solicitation to include the following:

QUESTION:

I will address the current situation for Government agency Members in the State of Washington alone, just to give you an idea of the complexity.

- Sales tax must be paid by (even State) Government agencies. In the case where the selling dealer is located in the state, the sales tax charged is applicable to that which is charged at the location of the selling dealer.
- Sales taxes vary by county (and, in some cases, by city...so it's actually by Zip Code!), and if the selling dealer is located outside the state, then the Member must pay the sales tax that is applicable at their site.
  - In the case of vehicles that are purchased but as yet not complete vehicles (such as, cab/chassis that must have a service body installed), the sales tax must include the completed vehicle. If a Member chooses to purchase the chassis from me, and have someone else complete the truck, sales tax cannot be determined/collected until the unit is complete.
  - In addition, the licensing cannot be completed until the completed unit is weighed, and a weight slip is included in the licensing app.
  - The only way a dealer might be able to take on these responsibilities would be to:
    - Add a fee to consider the cost of flooring these vehicles through this extra time the vehicle is "on their inventory books."
    - Add an additional fee for a business, such as RoadReady (www.roadreadyregs.com) to take care of all the complexities of this task, ensuring the dealer has not erred in the process of serving the Members. The cost of a service such as this is $105/vehicle, and we will have to consider this cost in the rendering of our bid.
- Licensing is typically carried out by the Member for their vehicles.

I would hazard a guess that every state has different sales tax and licensing policies...although Washington is decidedly complex.

I would suggest to you that the Members would be best served to take the responsibility for taking care of the sales tax (where due), and the licensing as well. The alternative is for the supplier to require that the Member indicate the sales tax
that will be due to their purchase, as well as the cost of licensing, with the understanding that if the actual cost incurred has a variance, they will be charged (or reimbursed) for any difference.

**ANSWER:**

You can make your proposal any way you want it to be, however you need to disclose your exceptions to the "total cost of acquisition" costs which are not included in your proposed pricing. Sales tax and licensing are to be included in the total cost of acquisition.

Prior to working for NJPA I worked in banking. In our bank was a leasing department where we leased equipment in the underground directional boring industry nationwide. To accomplish this we purchased software which ensured our compliance with state and local sales taxes and helped us file sales tax returns in every state in the nation. My point is that there are solutions out there for this problem. If you want to play on a national scale, this may be something you want to look into investing in.

With regard to the titling issues, a motor vehicle, designed for use on a roadway, which cannot be legally operated on a roadway because it is not legally titled, is less valuable to NJPA Members than one that can. Our Members have not likely needed to be licensing experts in the past and do not likely desire to become an expert to utilize your contract. Therefore a proposal including titling will likely be superior to a proposal excluding titling from the Proposer’s responsibilities.
AGENDA DESCRIPTION:

Consideration and possible action to award a standard Public Works Contract to the lowest responsible bidder, American Asphalt South, Inc. for the slurry sealing of the streets in the area bounded by the north City Boundary, Sepulveda Boulevard, Mariposa Avenue, and Sheldon Street. Project No.: PW 16-09 (Fiscal Impact: $400,000.00)

RECOMMENDED COUNCIL ACTION:

1. Authorize the City Manager to execute a standard Public Works Contract in a form as approved by the City Attorney with American Asphalt South, Inc., in the amount of $307,485.70;
2. Approve an additional contingency of $92,514.30 for unforeseen conditions;
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Location Map

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $400,000.00
Additional Appropriation: Yes
Account Number(s): 106-400-8203-8357 (Gas Tax)

ORIGINATED BY: Floriza Rivera, Principal Civil Engineer
REVIEWED BY: Stephanie Katsouleas, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

The Public Works Department administers a slurry sealing program as a preventative measure to extend the life of pavement Citywide. The slurry sealing process consists of the application of a thin asphalt slurry layer on existing asphalt pavement to prevent water intrusion.

On February 16, 2016, City Council adopted the plans and specifications for Project No. PW 16-09, the FY 2015/16 Furnishing and Application of Slurry Seal on Various Streets Project, and authorized staff to advertise the project for receipt of construction bids. The location of the streets to be slurry sealed are the areas bounded by the north City Boundary, Sepulveda Boulevard, Mariposa Avenue, and Sheldon Street (the northeast residential quadrant, see attached map). Please note that due to other right-of-way work scheduled to occur in northeast quadrant this summer, several streets were eliminated from the base bid. They will instead be
slurried at the conclusion of the water main replacement project later this fall. These streets include:

- Center Street between Mariposa Avenue and Imperial Avenue
- Walnut Avenue between Center Street and California Street
- Maple Avenue between Center Street and California Street

Likewise, several streets in the northwest residential quadrant that were not slurried during the last cycle due to water and sewer main improvements have been included in this base bid. These streets include:

- Bayonne Street between Palm Avenue and Maple Avenue
- Oak Avenue between Bayonne Street and Virginia Street
- Virginia Street between Mariposa Avenue and Maple Avenue excluding the Virginia/Palm intersection

On March 15, 2016, the City Clerk received and opened six (6) bids as follows:

<table>
<thead>
<tr>
<th></th>
<th>Bidder</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>American Asphalt South, Inc.</td>
<td>$307,485.70</td>
</tr>
<tr>
<td>2</td>
<td>Roy Allan Slurry Seal, Inc.</td>
<td>$307,854.97</td>
</tr>
<tr>
<td>3</td>
<td>Mission Paving and Sealing</td>
<td>$330,882.65</td>
</tr>
<tr>
<td>4</td>
<td>Pavement Coatings Co.</td>
<td>$356,441.00</td>
</tr>
<tr>
<td>5</td>
<td>Doug Martin Contracting, Co.</td>
<td>$442,112.25</td>
</tr>
<tr>
<td>6</td>
<td>All American Asphalt</td>
<td>$472,792.45</td>
</tr>
</tbody>
</table>

Staff reviewed the bid package submitted by the lowest bidder. American Asphalt South has successfully completed the City's last two slurry seal projects and has satisfactorily completed a number of similar projects for other agencies. Staff recommends that the City Council 1) award a standard public works contract to American Asphalt South, Inc. in the amount of $307,485.70 for the base bid and authorize an additional contingency of up to $92,514.30 for unforeseen conditions. Any funds not expended will be returned to the Gas Tax fund at the end of the project.
AGENDA DESCRIPTION:

Consideration and possible action to authorize the City Manager to enter into Memorandum of Agreements (MOA) for Implementation of Coordinated Integrated Monitoring Programs (CIMP) for Jurisdictional Groups 2 & 3 of the Santa Monica Bay Watershed and for the Dominguez Channel Watershed.
(Fiscal Impact: $120,543.00 in FY 15/16 and $53,913.00 in FY 16/17)

RECOMMENDED COUNCIL ACTION:

1. Authorize the City Manager to enter into a Memorandum of Agreement, approved in form by the City Attorney, between the Cities of Los Angeles, Santa Monica and El Segundo, the Los Angeles County Flood Control District, and the County of Los Angeles for $104,391.00 for administration and cost sharing for Implementation of a Coordinated Integrated Monitoring Program (CIMP) for Jurisdictional Groups 2 & 3 of the Santa Monica Bay Watershed.

2. Authorize the City Manager to enter into a Memorandum of Agreement, approved in form by the City Attorney, between The South Bay Cities Council of Governments (SBCCOG), the Cities of Los Angeles, El Segundo, Hawthorne, Carson, Lawndale, Lomita and Inglewood, the Los Angeles County Flood Control District, and the County of Los Angeles for $70,065.00 for administration and cost sharing for development of a Coordinated Integrated Monitoring Program (CIMP) for the Dominguez Channel Watershed.

3. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

CIMP MOA for Santa Monica Bay Watershed (J 2/3)
CIMP MOA for Dominguez Channel Watershed

FISCAL IMPACT: FY 2015-16: $120,543.00, FY 2016-17: $53,913.00

Amount Budgeted: $206,600.00
Additional Appropriation: No
Account Number(s): 001-400-4302-6206 (Storm Drains: Contract Services)

ORIGINATED BY: Lifan Xu, Principal Civil Engineer
REVIEWED BY: Stephanie Katsouleas, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Permit Adoption History
In 1990, the California Regional Water Quality Control Board (Regional Board) adopted Order No. 90-079, which set in motion requirements for municipalities located in Los Angeles County to comply with provisions of the Clean Water Act for contaminated discharges (commonly
called storm water and urban runoff discharges) in Municipally Separate Storm Sewer Systems (MS4). This action was followed in 1992 by a provision requiring all Phase I cities, those with regional populations greater than 100,000, to begin implementing best available technologies to reduce or eliminate contaminated discharges. The Regional Board adopted new storm water permits in 1996 and 2001, and approved four amendments between 2006 and 2010 to the 2001 permit.

November 8, 2012, the Regional Board adopted a new storm water permit, Order No. R4-2012-0175, which includes and expands upon the provisions called for in earlier permits. That Order is still in effect today.

Current Requirements and Watershed Impacts
El Segundo belongs to two separate watersheds, which include Santa Monica Bay and Dominguez Channel discharge areas.

Previous storm water permits focused on implementation of pollution control measures, while the latest permit focuses on whether Permittees are actually achieving adopted water quality standards (referred to as total maximum daily loads, or TMDLs) for receiving waters. Confirmation of permit compliance will be substantially determined through monitoring of receiving water bodies to determine whether pollutant thresholds/limits are being achieved. This comprehensive monitoring program is referred to as a Coordinated Integrated Monitoring Program (CIMP), which is a primary component of the earlier adopted Enhanced Watershed Management Program (EWMP).

On October 15, 2013, City Council approved staff’s recommendation to participate in regional CIMPs and EWMPs in both the Santa Monica Bay J2/3 and Dominguez Channel Groups by authorizing the City Manager to enter into Memorandum of Understandings with respective participating agencies. Regional participation in developing and implementing an Enhanced Watershed Management Program allows Permittees to evaluate opportunities for collaboration on large regional, multi-benefit projects which retain, through infiltration or capture and reuse, the 85th percentile 24-hour storm event and all non-storm water runoff. The customized EWMP provides Permittees greater flexibility to implement control measures on a larger watershed scale. It also provides Permittees additional time to establish those coordinated efforts with other jurisdictions. Each watershed group is also required to develop and implement a monitoring program (the CIMP) to provide a means to measure compliance with permit discharge requirements and supply information to guide EWMP management decisions. The CIMP is composed of the following elements:

- Receiving water monitoring
- Stormwater outfall monitoring,
- Non-stormwater outfall monitoring
- New development and redevelopment effectiveness tracking,

1 The authority to regulate storm water and urban runoff falls under the National Pollutant Discharge Elimination System (NPDES) program, which is administered by the California Regional Water Quality Control Board
2 Enhanced Watershed Management Programs include development of a Work Plan to control pollution as well as a monitoring plan to track effectiveness of the pollution control measures implemented.
3 The 85 percentile 24-hour storm event, as determined from the Los Angeles County 85th Percentile Precipitation Isohyetal Map, establishes a rainfall depth that is equal or greater than 85 percent of all storm events during 24 hour periods. The 85th percentile 24-hour rainfall depths ranged from 0.90 to 0.99 inch throughout El Segundo.
- Regional studies
- Special studies as necessary

Final costs for developing El Segundo’s two watershed CIMPs and cost sharing plans based on tributary areas have been finalized and are summarized below. The costs also include non-recurring expenses such as design and construction of new monitoring stations.

<table>
<thead>
<tr>
<th>CIMP cost for Santa Monica Bay Watershed (J2&amp;3)</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>10 % cont.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMB J2 &amp;3</td>
<td>$761,940.00</td>
<td>$789,650.00</td>
<td>$573,848.00</td>
<td>$212,544.00</td>
<td>2,337,982.00</td>
</tr>
<tr>
<td>El Segundo Portion</td>
<td>$34,021.00</td>
<td>$35,258.00</td>
<td>$25,622.00</td>
<td>$9,490.00</td>
<td>$104,391.00</td>
</tr>
</tbody>
</table>

El Segundo’s cost in percentage of the total watershed cost 4.47%

<table>
<thead>
<tr>
<th>CIMP cost for Dominguez Channel Watershed</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>10 % cont.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominguez Watershed</td>
<td>$1,216,438.00</td>
<td>$1,337,951.00</td>
<td>$1,224,224.00</td>
<td>Included</td>
<td>$3,778,613.00</td>
</tr>
<tr>
<td>El Segundo Portion</td>
<td>$26,941.00</td>
<td>$24,323.00</td>
<td>$18,801.00</td>
<td>Included</td>
<td>$70,065.00</td>
</tr>
</tbody>
</table>

El Segundo’s cost in percentage of the total watershed cost 1.85%

Staff recommends that City Council:

- Authorize the City Manager to enter into a Memorandum of Agreement, approved in form by the City Attorney, between the Cities of Los Angeles, Santa Monica and El Segundo, the Los Angeles County Flood Control District, and the County of Los Angeles for $104,391.00 for administration and cost sharing for Implementation of a Coordinated Integrated Monitoring Program (CIMP) for Jurisdictional Groups 2 & 3 of the Santa Monica Bay Watershed.
- Authorize the City Manager to enter into a Memorandum of Agreement, approved in form by the City Attorney, between The South Bay Cities Council of Governments (SBCCOG), the Cities of Los Angeles, El Segundo, Hawthorne, Carson, Lawndale, Lomita and Inglewood, the Los Angeles County Flood Control District, and the County of Los Angeles for $70,065.00 for administration and cost sharing for development of a Coordinated Integrated Monitoring Program (CIMP) for the Dominguez Channel Watershed.

In accordance to the invoice billing schedules in the MOA, the CIMP invoices for FY 2015/16 and 2016/17 are due this fiscal year, and the CIMP invoices for FY 2017/18 are due within El Segundo’s 2016/17 fiscal year. The fiscal impacts for the City are summarized below:

<table>
<thead>
<tr>
<th>Amounts Due</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Monica Bay J2&amp;3 Watershed</td>
<td>$69,279.00</td>
<td>$35,112.00</td>
<td>$104,391.00</td>
</tr>
<tr>
<td>Dominguez Channel Watershed</td>
<td>$51,264.00</td>
<td>$18,801.00</td>
<td>$70,065.00</td>
</tr>
<tr>
<td>Total</td>
<td>$120,543.00</td>
<td>$53,913.00</td>
<td>$174,456.00</td>
</tr>
</tbody>
</table>
MEMORANDUM OF AGREEMENT
BETWEEN
CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, AND CITIES OF EL SEGUNDO AND SANTA MONICA
 REGARDING THE ADMINISTRATION AND COST SHARING OF IMPLEMENTING THE COORDINATED INTEGRATED MONITORING PROGRAM FOR JURISDICTIONAL GROUPS 2 AND 3 OF THE SANTA MONICA BAY WATERSHED

This Memorandum of Agreement ("Agreement") is made and entered into as of the date of the last signature set forth below by and between: the City of Los Angeles, a municipal corporation; the County of Los Angeles, a political subdivision of the State of California; the Los Angeles County Flood Control District (LACFCD), a body corporate and politic; the City of El Segundo, a municipal corporation; and the City of Santa Monica, a municipal corporation. Collectively, these entities shall be known herein as "Parties" or individually as "Party".

RECITALS

WHEREAS, the Regional Water Quality Control Board, Los Angeles Region ("LARWQCB") adopted the National Pollutant Discharge Elimination System Municipal Separate Storm Sewer System Permit No. R4-2012-0175 ("MS4 Permit") on November 8, 2012; and

WHEREAS, the MS4 Permit became effective on December 28, 2012 and requires that the County of Los Angeles, the LACFCD, and 84 of the 88 cities (excluding Long Beach, Avalon, Palmdale, and Lancaster) within Los Angeles County comply with the requirements of the MS4 Permit; and

WHEREAS, the MS4 Permit identified the Parties as permittees that are responsible for compliance with the MS4 Permit requirements pertaining to Jurisdictional Groups 2 and 3 of the Santa Monica Bay Watershed; and

WHEREAS, the Parties have submitted a draft Coordinated Integrated Monitoring Program (CIMP) in accordance with the MS4 Permit for Jurisdictional Groups 2 and 3 of the Santa Monica Bay watershed to the LARWQCB on June 28, 2014; and

WHEREAS, the Parties revised and resubmitted the draft CIMP to the LARWQCB on June 15, 2015, which was conditionally approved by the LARWQCB on July 10, 2015; and

WHEREAS, the Parties have agreed to collaboratively implement certain requirements of the CIMP ("Monitoring Services"); and
WHEREAS, the Monitoring Services include sample collection, in-situ measurements, laboratory analyses, design and construction of automated water sampling stations, source investigations, and water quality data reporting as provided in the CIMP, as well as the preparation of Annual Reports for the MS4 Permit that are due in December 2017 and 2018; and

WHEREAS, the City of Los Angeles has the expertise and equipment to perform the Monitoring Services consistent with the CIMP; and

WHEREAS, the Parties have agreed to cooperatively share and fully fund the estimated costs for implementation of the Monitoring Services, as contained in Exhibit A of this Agreement; and

WHEREAS, the Parties have agreed to retain the City of Los Angeles to perform the Monitoring Services on their behalf, the Parties have agreed to pay the City of Los Angeles for their share of the estimated costs of the Monitoring Services, and the City of Los Angeles is willing to provide, perform, and be reimbursed for such Monitoring Services on behalf of the Parties as indicated in Exhibit A; and

WHEREAS, the City of Los Angeles may elect to use a professional services contract with a consultant ("Consultant") to implement part or all of the Monitoring Services; and

WHEREAS, the Parties agree that each shall assume full and independent responsibility for ensuring its own compliance with the MS4 Permit despite the collaborative approach of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties do hereby agree as follows:

Section 1. Recitals. The recitals set forth above are fully incorporated as part of this Agreement.

Section 2. Purpose. The purpose of this Agreement is to cooperatively fund the implementation and to coordinate the payment of the Monitoring Services.

Section 3. Cooperation. The Parties shall fully cooperate with one another to attain the purposes of this Agreement.

Section 4. Voluntary Nature. This Agreement is voluntarily entered into for the implementation of the Monitoring Services.

Section 5. Term. This Agreement shall become effective on the date of final execution by the Parties and it shall remain and continue in effect until June 30, 2018.

Section 6. Cost sharing of Monitoring Services prior to Execution of this Agreement. The Parties agree that any substantiated costs incurred by the City of Los Angeles for performing Monitoring Services prior to the execution date of this Agreement be cost-shared under this
Agreement according to the amounts specified in Exhibit A and shall be included in the first invoice.

Section 7. The City of Los Angeles agrees:

a) Monitoring Services. – The City of Los Angeles will perform the Monitoring Services in accordance with the CIMP and its applicable provisions in the MS4 Permit. Any changes in the Monitoring Services as a result of new requirements of the LARWQCB or unforeseen challenges in the field will require approval by all Parties.

b) Water quality data reporting. – The City of Los Angeles will submit water quality data to the LARWQCB as required by the MS4 Permit. In addition, the City of Los Angeles will submit to the Parties the data used to prepare the reports. This data will be transmitted electronically in a format that contains the table structure and syntax agreed upon by the Parties, e.g., California Environmental Data Exchange Network format.

c) Annual Reports. – The City of Los Angeles will prepare two Annual Reports for the MS4 Permit on behalf of the Parties. The first Annual Report will be due to RWQCB in December 2016 and will cover the reporting period July 2015 – June 2016. The second Annual Report will be due to RWQCB in December 2017 and will cover the reporting period July 2016 – June 2017. The City of Los Angeles will distribute draft copies of the Annual Reports for review by all Parties prior to finalizing the reports for submittal to the LARWQCB.

d) Invoicing. - The City of Los Angeles will annually invoice the Parties as shown in Table 4 and Table 5 of Exhibit A. The City of Los Angeles will credit the County of Los Angeles the amounts shown in Table 5 of Exhibit A for performing trash assessments on Venice Beach on behalf of the City of Los Angeles.

Section 8. The Parties agree:

a) Payment. – The Parties agree to pay the City of Los Angeles for the Monitoring Services not exceeding the amounts shown in Table 4 of Exhibit A within sixty (60) days of receipt of the invoice from the City of Los Angeles.

b) Documentation. – The Parties agrees to provide the City of Los Angeles at no cost with all requested information and documentation that is available for release and deemed necessary to perform the Monitoring Services by the City of Los Angeles.

c) The Parties shall allow reasonable access and entry to the City of Los Angeles or its Consultant, on an as needed basis during the term of this Agreement, to their storm drains, channels, catch basins, and similar properties to achieve the purposes of this Agreement. Prior to entering any of a Party’s facilities, the City of Los Angeles or its
Consultant shall obtain all necessary permits and provide that Party with a written notice 72 hours in advance of entry.

d) The County of Los Angeles agrees to conduct trash and data collection on Venice Beach on behalf of the City of Los Angeles and according to the procedures specified in the City of Los Angeles Trash Monitoring and Reporting Program. Data analysis and reporting will be the responsibility of the City of Los Angeles.

Section 9. Invoice and Payment.

a) **Annual Payment.** – Each Party shall pay the City of Los Angeles for its proportional share of the estimated cost for Monitoring Services as shown in Table 4 of Exhibit A within sixty (60) days of receipt of the invoice from the City of Los Angeles. The cost estimates presented in Exhibit A have been agreed upon by all Parties, and are subject to changes in the CIMP and pursuant to LARWQCB new requirements and unforeseen challenges in the field. Any changes of annual invoices are subject to sections 9(e) and 12(e) of this Agreement.

b) **Invoice.** – The City of Los Angeles will invoice the Parties as shown in Table 4 of Exhibit A. The annual payments for the period of July 2015 – June 2018 will be invoiced in January of each year starting January 2016 or upon the execution of this Agreement, whichever is later.

c) **Contingency.** – The City of Los Angeles will notify the Parties a minimum of thirty (30) days in advance of invoicing if actual expenditures for Monitoring Services are anticipated to exceed the cost estimates contained in Table 1 of Exhibit A and obtain written approval of such expenditures from all Parties. Upon approval of the additional expenditures, the Parties agree to pay the City of Los Angeles for their proportional share of these additional expenditures in the next annual invoice at an amount not to exceed 10 percent of the original cost estimate for Monitoring Services as shown in Table 4 of Exhibit A. The 10 percent contingency will not be invoiced, unless actual expenditures exceed the original cost estimate for Monitoring Services. Expenditures that exceed the 10 percent contingency will require an amendment of this Agreement.

d) **Reconciliation of this Agreement.** – The City of Los Angeles will provide an accounting upon termination of this Agreement within 90 days of said termination. At the completion of the accounting, the City of Los Angeles shall return any unused portion of all funds deposited with the City of Los Angeles for variable costs within 180 days of said termination. Fixed costs in Exhibit A are not subject to reconciliation. Subject to agreement by the City of Los Angeles, any funds which are to be reimbursed to a Party may be reimbursed through credits towards future invoices and agreements, if requested in writing by that Party. At the end of each fiscal year, the City of Los Angeles will provide the Parties with a statement of the actual expenditures.
Section 10. **Indemnification.**

a) Each Party shall indemnify, defend, and hold harmless each other Party, including its special districts, elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the respective acts of each Party arising from or related to this Agreement; provided, however, that no party shall indemnify another party for that party's own negligence or willful misconduct.

b) In light of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement (as defined in Section 895 of said Code), each of the Parties hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, shall assume the full liability imposed upon it or any of its officers, agents, or employees, by law for injury caused by any act or omission occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above stated purpose, each Party indemnifies, defends, and holds harmless each other Party for any liability, cost, or expense that may be imposed upon such other Party solely by virtue of said Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if incorporated herein.

Section 11. **Early Withdrawal or Termination of Agreement.**

a) Each Party may withdraw from this Agreement for any reason, in whole or part, by giving the other Parties thirty (30) days written notice thereof. The withdrawing Party shall remain wholly responsible for its proportional share of the cost that was incurred up to the date of withdrawal. Completed work shall be owned by the Party or Parties who fund the completion of such work. Rights to uncompleted work by the Consultant still under contract will be held by the Party or Parties who fund the completion of such work.

b) The City of Los Angeles shall notify in writing all Parties within fourteen (14) days of receiving written notice from any Party that elects to withdraw from cost sharing of Monitoring Services before the end of the term of this Agreement.

c) The City of Los Angeles may notify the LARWQCB of any Party that has elected to withdraw from this Agreement before its end of the term. Each Party shall be responsible for the payment of its own fines, penalties, and costs incurred as a result of that Party's non-performance of the CIMP.

d) This Agreement may be terminated before the end of the term if agreed upon by all Parties to this Agreement.

Section 12. **General Provisions.**
a) **Notices.** Any notices, bills, invoices, or reports relating to this Agreement, and any request, demand, statement or other communication required or permitted hereunder shall be in writing and shall be delivered to the Representative of the Party at the address set forth in Exhibit B. Parties shall promptly notify each other of any change of contact information, including personnel changes, provided in Exhibit B. Written notice shall include notice delivered via email or fax. A notice shall be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours, or by confirmed facsimile or by email; or (b) on the third (3) business day following mailing by registered or certified mail (return receipt requested) to the addresses set forth in Exhibit B.

b) **Administration.** For the purposes of this Agreement, the Parties hereby designate as their respective Party Representatives, the persons named in Exhibit B. The designated Party Representatives, or their respective designees, shall administer the terms and conditions of this Agreement on behalf of their respective Party. Each of the persons signing below on behalf of a Party represents and warrants that they are authorized to sign this Agreement on behalf of such Party.

c) **Relationship of Parties.** The Parties are and shall remain at all times as to each other, wholly independent entities. No Party to this Agreement shall have power to incur any debt, obligation, or liability on behalf of another Party unless expressly provided to the contrary by this Agreement. No employee, agent, or officer of a Party shall be deemed for any purpose whatsoever to be an agent, employee, or officer of another Party.

d) **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of each Party to this Agreement and their respective heirs, administrators, representatives, successors and assigns.

e) **Amendment.** The terms and provisions of this Agreement may not be amended, modified or waived, except by an instrument in writing signed by all non-delinquent Parties. For purposes of this subsection, a Party shall be considered delinquent if that Party fails to timely pay an invoice as required by Sections 8(a) and 9(a), or withdraws pursuant to Section 11(a). Such amendments may be executed by those individuals listed in Exhibit B or by a responsible individual as authorized by the governing body of each Party.

f) **Waiver.** Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party to any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement.

g) **Law to Govern; Venue.** This Agreement shall be interpreted, construed, and governed according to the laws of the State of California. In the event of litigation
between the Parties, venue in the state trial courts shall lie exclusively in the County of Los Angeles.

h) **No Presumption in Drafting.** The Parties to this Agreement agree that the general rule that an Agreement is to be interpreted against the Party drafting it, or causing it to be prepared shall not apply.

i) **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, whether written or oral, with respect thereto.

j) **Severability.** If any term, provision, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and this Agreement shall be read and constructed without the invalid, void, or unenforceable provision(s).

k) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same instrument, provided, however, that such counterparts shall have been delivered to all Parties to this Agreement.

l) All Parties have been represented by counsel in the preparation and negotiation of this Agreement. Accordingly, this Agreement shall be construed according to its fair language. Any ambiguities shall be resolved in a collaborative manner by the Parties and shall be rectified by amending this Agreement as described in Section 12(e).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on their behalf, respectively, as follows:
CITY OF LOS ANGELES

Date: ____________________________

By: ____________________________
   Kevin L. James, President
   Board of Public Works

ATTEST:

By: ____________________________
   Holly L. Wolcott
   City Clerk

APPROVED AS TO FORM:

By: ____________________________
   Michael N. Feuer
   City Attorney

By: ____________________________
   Laurie Rittenberg
   Assistant City Attorney
CITY OF SANTA MONICA

Date: ____________________________  By: ____________________________

Rick Cole, City Manager

ATTEST:

By: ____________________________
Sarah P. Gorman
City Clerk

APPROVED AS TO FORM:

By: ____________________________
Marsha Jones Moutrie,  
City Attorney
CITY OF EL SEGUNDO

Date: ____________________________  By: ____________________________

By: ____________________________  Greg Carpenter
   City Manager

ATTEST:

By: ____________________________  Tracy Weaver
   City Clerk

APPROVED AS TO FORM:

By: ____________________________  Mark D. Hensley
   City Attorney
LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

By ________________________________
GAIL FARBER
Chief Engineer

Date

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By ________________________________
Deputy

Date
COUNTY OF LOS ANGELES

By ____________________________
   GAIL FARBER
   Director of Public Works

Date

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By ____________________________
   Deputy

Date

12712
EXHIBIT A
Total Estimated Cost-Sharing for Santa Monica Bay Jurisdictions 2 and 3 CIMP and Invoicing by City of Los Angeles

Table 1. Total Estimated Cost of Monitoring Services.

<table>
<thead>
<tr>
<th>CIMP Component(1)</th>
<th>Fiscal Year 15-16(4)</th>
<th>Fiscal Year 16-17</th>
<th>Fiscal Year 17-18</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving Water Monitoring</td>
<td>$248,500</td>
<td>$171,000</td>
<td>$171,000</td>
<td>$590,500</td>
</tr>
<tr>
<td>Storm Water Outfall Monitoring</td>
<td>$34,000</td>
<td>$66,000</td>
<td>$66,000</td>
<td>$166,000</td>
</tr>
<tr>
<td>Non-Storm Water Outfall Monitoring</td>
<td>$25,500</td>
<td>$15,500</td>
<td>$8,500</td>
<td>$49,500</td>
</tr>
<tr>
<td>Reporting &amp; Data Management(2) (15%)</td>
<td>$46,000</td>
<td>$38,000</td>
<td>$37,000</td>
<td>$121,000</td>
</tr>
<tr>
<td>Capital Expenses</td>
<td>$139,000</td>
<td>$206,000</td>
<td>$6,000</td>
<td>$351,000</td>
</tr>
<tr>
<td>Operation &amp; Maintenance Expense(2) (6%)</td>
<td>$8,500</td>
<td>$20,500</td>
<td>$20,500</td>
<td>$49,500</td>
</tr>
<tr>
<td>Contracted Services: Annual Report, Data Tools, On-call support</td>
<td>$210,000</td>
<td>$206,000</td>
<td>$206,000</td>
<td>$622,000</td>
</tr>
<tr>
<td>Program Management(2) (5%)</td>
<td>$35,500</td>
<td>$36,150</td>
<td>$25,750</td>
<td>$97,400</td>
</tr>
<tr>
<td><strong>General Monitoring Cost (Sub-Total)</strong></td>
<td><strong>$747,000</strong></td>
<td><strong>$759,150</strong></td>
<td><strong>$540,750</strong></td>
<td><strong>$2,046,900</strong></td>
</tr>
<tr>
<td>Annual Escalation(2) (2%, 2%, 2%) (3)</td>
<td>$14,940</td>
<td>$30,500</td>
<td>$33,098</td>
<td>$78,538</td>
</tr>
<tr>
<td><strong>Annual Monitoring Cost (Total)</strong></td>
<td><strong>$761,940</strong></td>
<td><strong>$789,650</strong></td>
<td><strong>$573,848</strong></td>
<td><strong>$2,125,438</strong></td>
</tr>
</tbody>
</table>

(1) Costs not including contingency.
(2) Fixed costs are not subject to reconciliation.
(3) Cost estimates were developed in 2014 dollars.
(4) Costs incurred prior to execution of this Agreement are included in FY 2015-16

Table 2. LACFCD Contribution.

<table>
<thead>
<tr>
<th>Cost(1)</th>
<th>Fiscal Year 15-16</th>
<th>Fiscal Year 16-17</th>
<th>Fiscal Year 17-18</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Estimated Annual Cost</td>
<td>$761,940</td>
<td>$789,650</td>
<td>$573,848</td>
<td>$2,125,438</td>
</tr>
<tr>
<td>LACFCD contribution (5%)</td>
<td>$38,097</td>
<td>$39,483</td>
<td>$28,692</td>
<td>$106,272</td>
</tr>
<tr>
<td>Remaining cost for Santa Monica Bay Jurisdictions 2 and 3</td>
<td>$723,843</td>
<td>$750,167</td>
<td>$545,156</td>
<td>$2,019,166</td>
</tr>
</tbody>
</table>

(1) Costs not including contingency.
Table 3. Cost Allocation Formula and Total Cost for Other Agencies.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Acres(^{(1)})</th>
<th>% of Area</th>
<th>Total Cost(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles</td>
<td>18,934.64</td>
<td>75.02</td>
<td>$1,514,778</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>130.40</td>
<td>0.52</td>
<td>$10,500</td>
</tr>
<tr>
<td>City of Santa Monica</td>
<td>4987.47</td>
<td>19.76</td>
<td>$398,987</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>1185.63</td>
<td>4.7</td>
<td>$94,901</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,238.14</strong></td>
<td><strong>100</strong></td>
<td><strong>$2,019,166</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Land areas as defined in the Santa Monica Bay J2&3 CIMP.
\(^{(2)}\) Costs not including contingency.

Table 4. Invoicing by City of Los Angeles and Contingency.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Fiscal Year 15-16(^{(1)})</th>
<th>Fiscal Year 16-17(^{(1)})</th>
<th>Fiscal Year 17-18(^{(1)})</th>
<th>Total</th>
<th>Contingency(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>LACFCD</td>
<td>$ 38,097</td>
<td>$ 39,483</td>
<td>$ 28,692</td>
<td>$ 106,272</td>
<td>$ 10,627</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>$ 543,027</td>
<td>$ 562,775</td>
<td>$ 408,976</td>
<td>$ 1,514,778</td>
<td>$ 151,478</td>
</tr>
<tr>
<td>County of Los Angeles(^{(3)})</td>
<td>$ 3,764</td>
<td>$ 3,901</td>
<td>$ 2,835</td>
<td>$ 10,500</td>
<td>$ 1,050</td>
</tr>
<tr>
<td>City of Santa Monica</td>
<td>$ 143,031</td>
<td>$ 148,233</td>
<td>$ 107,723</td>
<td>$ 398,987</td>
<td>$ 39,899</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>$ 34,021</td>
<td>$ 35,258</td>
<td>$ 25,622</td>
<td>$ 94,901</td>
<td>$ 9,490</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 761,940</strong></td>
<td><strong>$ 789,650</strong></td>
<td><strong>$ 573,848</strong></td>
<td><strong>$ 2,125,438</strong></td>
<td><strong>$ 212,544</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Invoicing will be in January of each fiscal year or upon the execution of this agreement, whichever comes later.
\(^{(2)}\) Contingency will not be invoiced unless there is a need for using it, as agreed upon by all Parties.
\(^{(3)}\) These amounts are to be adjusted for credits for performing trash monitoring on Venice Beach as shown in table 5.

Table 5. Reimbursement Venice Beach monitoring and final invoices for the County of Los Angeles.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Fiscal Year 15-16(^{(1)})</th>
<th>Fiscal Year 16-17(^{(1)})</th>
<th>Fiscal Year 17-18(^{(1)})</th>
<th>Total</th>
<th>Contingency(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>County of Los Angeles annual CIMP cost(^{(3)})</td>
<td>$ 3,764</td>
<td>$ 3,901</td>
<td>$ 2,835</td>
<td>$ 10,500</td>
<td>$ 1,050</td>
</tr>
<tr>
<td>Annual cost Venice Beach monitoring(^{(2)})</td>
<td>$ 4,085</td>
<td>$ 2,163</td>
<td>$ 2,216</td>
<td>$ 8,464</td>
<td>NA</td>
</tr>
<tr>
<td>Credit to County of Los Angeles(^{(3)})</td>
<td>$ 3,764</td>
<td>$ 2,484</td>
<td>$ 2,216</td>
<td>$ 8,464</td>
<td>NA</td>
</tr>
<tr>
<td>County of Los Angeles invoice(^{(4)})</td>
<td>$ -</td>
<td>$ 1,417</td>
<td>$ 619</td>
<td>$ 2,036</td>
<td>NA</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Costs from Table 4.
\(^{(2)}\) Cost estimate for Venice Beach trash monitoring as provided by County of Los Angeles
\(^{(3)}\) Amount that City of Los Angeles will credit County of Los Angeles by Fiscal Year. The balance of $321 owed to the County in FY 2015-16 will be credited in FY 2016-17.
\(^{(4)}\) Final invoice of City of Los Angeles to County of Los Angeles by Fiscal Year.
EXHIBIT B
Santa Monica Bay Jurisdictional Groups 2 and 3
Party Representatives

1. City of Los Angeles
   Watershed Protection Division
   1149 South Broadway Blvd.
   Los Angeles, CA 90015
   Mail Stop: 1149-756
   Party Representative: Hubertus H.J. Cox
   Hubertus.Cox@lacity.org
   Phone No.: (213) 485-3984
   Fax: (213) 485-3939

2. County of Los Angeles,
   Department of Public Works
   Watershed Management Division, 11th floor
   900 South Fremont Ave.
   Alhambra, CA 91803-1331
   Party Representative: Paul Alva
   PALVA@dpw.lacounty.org  Phone No.: (626) 458-4325
   Fax: (626) 457-1526

3. Los Angeles County Flood Control District Department
   Department of Public Works
   Watershed Management Division, 11th Floor
   900 South Fremont Ave.
   Alhambra, CA 91803-1331
   Party Representative: Angela George AGORGE@dpw.lacounty.org
   Phone No.: (626) 458-4300
   Fax: (626) 457-1526

4. City of Santa Monica
   Office of Sustainability & the Environment
   1717 4th Street, Suite 100
   Santa Monica, CA 90401
   Party Representative: Neal Shapiro, Urban Runoff Management Coordinator
   Neal.Shapiro@smgov.net, www.santa-monica.org/environment
   Phone No.: (310) 458-8223
   Fax: (310) 393-1279

5. City of El Segundo, Public Works
   350 Main Street
   El Segundo, CA 90245
   Party Representative: Lifan Xu
MEMORANDUM OF AGREEMENT


REGARDING THE ADMINISTRATION AND COST SHARING FOR IMPLEMENTING THE COORDINATED INTEGRATED MONITORING PROGRAM (CIMP) FOR THE DOMINGUEZ CHANNEL WATERSHED MANAGEMENT AREA

This Memorandum of Agreement (MOA), made and entered into as of the date of the last signature set forth below by and between THE SOUTH BAY CITIES COUNCIL OF GOVERNMENTS (SBCCCOG), a California Joint Powers Authority, and THE CITY OF LOS ANGELES (CITY), a municipal corporation, THE CITY OF CARSON, a municipal corporation, THE CITY OF EL SEGUNDO, a municipal corporation, THE CITY OF HAWTHORNE, a municipal corporation, THE CITY OF INGLEWOOD, a municipal corporation, THE CITY OF LAWNDALE, a municipal corporation, THE CITY OF LOMITA, a municipal corporation, LOS ANGELES COUNTY FLOOD CONTROL DISTRICT (LACFCD), a body corporate and politic, and the COUNTY OF LOS ANGELES (COUNTY), a political subdivision of the State of California.

WITNESSETH

WHEREAS, for the purpose of this MOA, the term PARTIES shall mean the Cities of Los Angeles, Carson, El Segundo, Hawthorne, Inglewood, Lawndale, Lomita, Long Beach, the COUNTY, and the LACFCD; and the term CITY shall mean only the City of Los Angeles; and

WHEREAS, the U.S. Environmental Protection Agency (USEPA) and the California Regional Water Quality Control Board, Los Angeles Region (Regional Board), have classified the Greater Los Angeles County Municipal Separate Storm Sewer System (MS4) as a large MS4 pursuant to 40 CFR section 122.26(b)(4) and a major facility pursuant to 40 CFR section 122.2; and

WHEREAS, the Regional Board adopted National Pollutant Discharge Elimination System MS4 Permit Order No. R4-2012-0175 (MS4 Permit); and

WHEREAS, the MS4 Permit became effective on December 28, 2012, and requires that the LACFCD, the COUNTY, and 84 of the 88 cities (excluding Avalon, Long Beach, Palmdale, and Lancaster) within the County comply with the prescribed elements of the MS4 Permit; and
WHEREAS, the MS4 Permit identified the PARTIES as MS4 permittees that are responsible for compliance with the MS4 Permit requirements pertaining to the PARTIES' collective jurisdictional area in the Dominguez Channel Watershed Management Area as identified in Exhibit C of this MOA; and

WHEREAS, the PARTIES elected voluntarily to collaborate on the development of an Enhanced Watershed Management Program (EWMP) and a Coordinated Integrated Monitoring Program (CIMP) in accordance with the MS4 Permit for a portion of the Dominguez Channel Watershed Management Area as identified in Exhibit C of this MOA to comply with all applicable monitoring requirements of the MS4 Permit; and

WHEREAS, the PARTIES collaboratively prepared a final Scope of Work to obtain a consultant (Consultant) to assist the PARTIES in the development of a CIMP; and

WHEREAS, the CIMP was submitted to the Regional Board by the PARTIES on June 26, 2014 and was conditionally approved by the Regional Board on December 11, 2015; and

WHEREAS, the CITY will perform the monitoring services (sample collection, in-situ measurements, laboratory analyses and analyses reporting - collectively, "MONITORING SERVICES") consistent with the requirements of the approved CIMP and pursuant to the MS4 Permit; and

WHEREAS, the PARTIES have agreed that the total cost for this MOA shall not exceed $3,778,613; and.

WHEREAS, the PARTIES have agreed for the CITY to perform and coordinate the MONITORING SERVICES on the PARTIES' behalf, and the PARTIES have agreed to pay the CITY for its MONITORING SERVICES as indicated in Tables 1A-1E of Exhibit A of this MOA; and

WHEREAS, the PARTIES agree to implement the CIMP per the submitted schedule, and the CITY may perform some of the MONITORING SERVICES pursuant to the CIMP prior to the execution of this agreement by all PARTIES; and

WHEREAS, the CITY retains the right to outsource some or all of the elements of the MONITORING SERVICES, at a cost not to exceed those shown in Tables 1A-1E of Exhibit A; and

WHEREAS, the PARTIES desire to have the SBCCOG: (a) invoice and collect funds from each of the PARTIES to cover the costs of MONITORING SERVICES and pay the CITY; (b) administer this MOA; and (c) negotiate, enter into agreements with, and collect funds from individual NPDES permit holders for cost-sharing of MONITORING SERVICES as described in Section 7(e);
WHEREAS, the PARTIES have agreed to cooperatively share and fully fund the estimated costs of the implementation of the CIMP based on the Distributed Cost contained in Tables 1A-1E of Exhibit A of this MOA; and

WHEREAS, the PARTIES agree that each shall assume full and independent responsibility for ensuring its own compliance with the MS4 Permit despite the collaborative approach of the MOA; and

WHEREAS, individual NPDES permit holders that are not PARTIES may wish to participate in the MONITORING SERVICES for individual permit compliance; and

WHEREAS, the PARTIES contemplate allowing such individual NPDES permit holders to participate in the MONITORING SERVICES without being a party to this MOA, in order to minimize the costs of preparing and implementing the CIMP to each of the PARTIES; and

WHEREAS, the SBCCOG can enter into individual separate agreements with such individual NPDES permit holders (which shall not become parties to this MOA) for MONITORING SERVICES cost sharing purposes only; and

WHEREAS, if other individual NPDES permit holders participate in the cost sharing relating to the MONITORING SERVICES, the PARTIES contemplate that the cost sharing table in Exhibit A will be modified as appropriate and each PARTY’s proportional payment obligation reduced accordingly to reflect other individual NPDES permit holders’ payments.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the PARTIES, and of the promises contained in this MOA, the PARTIES, and SBCCOG agree as follows:

Section 1. Recitals. The recitals set forth above are true and correct and fully incorporated into this MOA.

Section 2. Purpose. The purpose of this MOA is to cooperatively fund the MONITORING SERVICES of the Dominguez Channel Watershed Management Area Group CIMP and to authorize the SBCCOG to administer the cost sharing.

Section 3. Cooperation. The PARTIES and the SBCCOG shall fully cooperate with one another to attain the purposes of this MOA.

Section 4. Voluntary. This MOA is voluntarily entered into for the implementation of the CIMP.
Section 5. **Term.** This MOA shall become effective on the last date of execution by either a PARTY or the SBCCOG and shall remain in effect for three (3) years from the effective date or until June 30th, 2018, or whichever is later. The MOA may be extended, through an amendment, for an additional three (3) years.

Section 6. **Commitment.** Once effective, all cooperating PARTIES and the SBCCOG agree to uphold the promises contained in this MOA for the duration of the agreed upon term.

Section 7. THE PARTIES AND SBCCOG AGREE:

a. **Monitoring Services.** The CITY will perform the MONITORING SERVICES to support the PARTIES’ submittal of the MS4 Permit Annual Report as detailed in Exhibit D and per the practices found in the approved CIMP. The CITY reserves the right to modify this MOA, through an amendment approved by all PARTIES, when conditions, such as, but not limited to, expansion of CIMP requirements, impact annual costs.

b. **Reporting.** The CITY will prepare and submit semi- and annual analytical monitoring reports to the Regional Board as described in the CIMP, as well as electronic files if requested by the Regional Board. The CITY will distribute copies of the annual reports to the PARTIES at least seven (7) business days prior to submittal to the Regional Board. The PARTIES may review and provide comments prior to submittal to the Regional Board.

c. **Invoicing.** The SBCCOG will invoice the PARTIES in annual amounts not exceeding the invoice amounts shown in Table 3 of Exhibit A. The annual invoices will be issued in July of each calendar year in anticipation of the expected monitoring cost for the fiscal year. The CITY shall provide SBCCOG an accounting of the MONITORING SERVICES completed during each annual payment term by October 31st of the following year. The PARTIES will form a subcommittee to verify the accounting, monitoring and other work completed and the amount of the invoices before the SBCCOG remits payment back to CITY.

d. **Additional Studies.** The PARTIES agree that conducting additional watershed-wide special studies, monitoring with other watershed groups, conducting necessary special studies, preparing grant applications, and/or conducting other collaborative activities for the purpose of complying with the MS4 Permit may be funded by the PARTIES subject to the terms of this MOU, provided that there are available excess contract funds or contingency funds available to fund these activities. Prior to the performance of any such activities, all PARTIES must provide written approval of the activities and revised Tables 1A-1E of Exhibit A showing which PARTIES will be funding the activities and in what amounts.

Page 4 of 33
e. **Additional NPDES Permit Holders Participating in Cost Sharing.** The PARTIES contemplate allowing other individual NPDES permit holders to participate in the MONITORING SERVICES without being a party to this MOA, in order to minimize the costs of preparing and implementing the CIMP to each of the PARTIES. In the event that another NPDES permit holder wants to participate in the MONITORING SERVICES, the SBCCOG may enter into an individual separate agreement with such individual NPDES permit holder (which shall not become a party to this MOA) for MONITORING SERVICES cost sharing purposes. If other individual NPDES permit holders participate in the cost sharing relating to the MONITORING SERVICES, the cost sharing tables in Exhibit A shall be modified as appropriate and each PARTIES’ proportional payment obligation reduced accordingly to reflect other individual NPDES permit holders' payments. The cost share breakdown will be updated in the watershed for which the NPDES Permit Holder is joining, i.e. if a NPDES Permit Holder is located in the Dominguez Channel Watershed, only PARTIES in the Dominguez Channel Watershed will realize a reduction in payment.

Section 8. **Payment.**

a. **Annual Payment.** The PARTIES shall pay the SBCCOG for their proportional share of the estimated cost for MONITORING SERVICES and SBCCOG fees as shown in Table 2 of Exhibit A, within sixty (60) days of receipt of the invoice from the SBCCOG. The SBCCOG will remit payment to the CITY within sixty (60) days of receipt of payments from the other PARTIES, noting any delinquent payments that remain due after deducting the SBCCOG’s administrative five percent (5%) fee as set forth in Table 2 of Exhibit A and six hundred fifteen dollars ($615) per individual permittee agreement.

b. **Contingency.** The CITY and the SBCCOG will attempt to notify the PARTIES if actual expenditures for MONITORING SERVICES are anticipated to exceed the cost estimates contained in Exhibit A. Inasmuch, the MONITORING SERVICES may be adaptable to sampling events during an event that may preclude the CITY from notifying the PARTIES, and the CITY may incur cost greater than the contract estimates contained in Exhibit A. The PARTIES agree to pay the CITY (through SBCCOG) for their proportional share of these additional expenditures at an amount not to exceed ten percent (10%) of their proportional annual cost as shown in Tables 1A-1E of Exhibit A. Any costs which exceed this ten percent (10%) contingency will require an amendment to this MOA.

c. **Reconciliation of this MOA.** Any unexpended funds held by SBCCOG at the termination of this MOA will be reimbursed or credited to the PARTIES by the SBCCOG as requested in writing by each PARTY and in accordance with the distributed cost formula set forth in Tables 1A-1E of Exhibit A. At the end of the MOA, the SBCCOG will provide the PARTIES with an accounting of actual expenditures within ninety (90) days.
d. **Late Payment Penalty.** Any payment that is not received within sixty (60) days following receipt of the SBCCOG invoice shall be subject to interest on the original amount from the date of the invoice at the rate of seven percent (7%) per annum.

e. **Delinquent Payments.** A PARTY’s or PARTIES’ payment is considered to be delinquent one hundred eighty (180) days after receipt of the invoice from the SBCCOG. The following procedure may be implemented to attain payments from the delinquent PARTY or PARTIES: 1) verbally contact/meet with the manager(s) from the delinquent PARTY or PARTIES; 2) submit a formal letter to the delinquent PARTY or PARTIES from SBCCOG counsel; and 3) notify the Regional Board that the delinquent PARTY or PARTIES are no longer a participating member of the CIMP. If the PARTY or PARTIES remain delinquent after the above procedures, then that PARTY’s participation in this MOA will be deemed terminated, and the remaining PARTIES' cost share allocation shall be adjusted in accordance with the cost allocation formula in Exhibit A.

Section 9. THE PARTIES FURTHER AGREE:

a. **Payment.** The PARTIES agree to pay the CITY, through the SBCCOG, for the MONITORING SERVICES not exceeding the amounts shown in Tables 1A-1E of Exhibit A, based on the distributed cost formula in Tables 1A-1E of Exhibit A, attached hereto and made a part of this MOA by this reference.

b. **Documentation.** The PARTIES agree to provide all requested information and documentation in their possession and available for release to the CITY that is deemed necessary by the PARTIES to perform the MONITORING SERVICES at no cost to the CITY.

c. Each PARTY shall allow reasonable access and entry to the CITY, on an as-needed basis during the term of this MOA, including but not limited to the PARTY’s storm drains, channels, catch basins, and similar properties (FACILITIES) to achieve the purposes of this MOA, provided, however, that prior to entering any of the PARTIES FACILITIES, the CITY shall provide written notice seventy-two (72) hours in advance of entry to the applicable PARTY, or in the cases where seventy-two (72) hour advanced notice is not possible, such as in cases of unforeseen wet weather, as early as reasonably possible. The CITY shall secure any required necessary permits prior to entry.

d. Each PARTY agrees that due to certain monitoring activities, such as toxicity testing, the total cost of this MOA is not inclusive of those activities that may be required to successfully complete the analyses. Thus, the PARTIES agree to fund the required additional work when the CITY notifies them that the activity has taken place. The PARTIES agree to pay the CITY (through the SBCCOG)
for their proportional share of these additional expenditures at an amount not to exceed their proportional annual cost plus the ten percent (10%) contingency as shown in Exhibit A. No PARTY will be obligated to pay for additional expenditures which exceed this amount absent an amendment to this MOA.

e. Each PARTY agrees that in the course of the MONITORING SERVICES, the results may require the participating PARTIES to seek technical consultant services. The total cost of this MOA is not inclusive of these technical consultant services. Thus, the PARTIES agree to fund the additional work and authorize the CITY to seek the technical consultant services. The PARTIES agree to pay the CITY (through the SBCCOG) for their proportional share of these additional expenditures at an amount not to exceed their proportional annual cost plus the ten percent (10%) contingency as shown in Exhibit A. No PARTY will be obligated to pay for additional expenditures which exceed this amount absent an amendment to this MOA.

Section 10. Indemnification

a. Each PARTY including the SBCCOG shall indemnify, defend, and hold harmless every other PARTY, including its special districts, elected and appointed officers, employees, agents, attorneys, and designated volunteers from and against any and all liability, including, but not limited to, demands, claims, actions, fees, costs, and expenses (including reasonable attorney’s and expert witness fees), arising from or connected with the respective acts of that PARTY arising from or related to this MOA; provided, however, that no PARTY shall indemnify another PARTY for that PARTY’s own negligence or willful misconduct.

b. In light of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement (as defined in Section 895 of said Code), each of the PARTIES hereto, pursuant to the authorization contained in Sections 895.4 and 895.6 of said Code, shall assume the full liability imposed upon it or any of its officers, agents, or employees, by law for injury caused by any act or omission occurring in the performance of this MOA to the same extent such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above stated purpose, each PARTY indemnifies, defends, and holds harmless every other PARTY for any liability, cost, or expense that may be imposed upon such other PARTY solely by virtue of said Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if incorporated herein.

Section 11. Withdrawal

a. Any PARTY including the SBCCOG may withdraw from this MOA for any reason, in whole or part, by giving the other PARTIES and the Regional Board thirty (30)
days written notice thereof. Withdrawing PARTIES shall remain wholly responsible for their share of the costs of MONITORING SERVICES for the extent of the effective term of this MOA. Each PARTY shall also be responsible for the payment of its own fines, penalties or costs incurred as a result of the non-performance of the CIMP. Upon withdrawal by the SBCCOOG, the PARTIES shall meet and confer to designate an alternate organization to accept the SBCCOOG’s responsibilities under this MOA.

b. The SBCCOOG shall notify in writing all PARTIES within fourteen (14) days of receiving written notice from any PARTY that intends to terminate this MOA.

c. If a PARTY fails to comply with any of the terms or conditions of this MOA, that PARTY shall forfeit its rights to the work completed through this MOA, but no such forfeiture shall occur unless and until the defaulting PARTY has first been given notice of its default and a reasonable opportunity to cure the alleged default.

Section 12. General Provisions

a. Notices. Any notices, bills, invoices, or reports relating to this MOA, and any request, demand, statement, or other communication required or permitted hereunder shall be in writing and shall be delivered to the representatives of the PARTIES and/or SBCCOOG at the addresses set forth in Exhibit B attached hereto and incorporated herein by reference. PARTIES and SBCCOOG shall promptly notify each other of any change of contact information, including personnel changes, provided in Exhibit B. Written notice shall include notice delivered via e-mail or fax. A notice shall be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours, or by confirmed facsimile or by e-mail; or (b) on the third (3) business day following mailing by registered or certified mail (return receipt requested) to the addresses set forth in Exhibit B.

b. Administration. For the purposes of this MOA, the PARTIES including SBCCOOG hereby designate as their respective representatives the persons named in Exhibit B. The designated representatives, or their respective designees, shall administer the terms and conditions of this MOA on behalf of their respective entities. Each of the persons signing below on behalf of a PARTY or the SBCCOOG represents and warrants that he or she is authorized to sign this MOA on behalf of such entity.

c. Relationship of the Parties. The parties to this MOA are, and shall at all times remain as to each other, wholly independent entities. No party to this MOA shall have power to incur any debt, obligation, or liability on behalf of any other party unless expressly provided to the contrary by this MOA. No employee, agent, or
officer of a party shall be deemed for any purpose whatsoever to be an agent, employee, or officer of another party.

d. **Binding Effect.** This MOA shall be binding upon, and shall be to the benefit of the respective successors, heirs, and assigns of each party to this MOA; provided, however, no party may assign its respective rights or obligations under this MOA without the prior written consent of the other parties.

e. **Amendment.** The terms and provisions of this MOA may not be amended, modified, or waived, except by an instrument in writing signed by all non-delinquent PARTIES and the SBCCOG. Such amendments may be executed by those individuals listed in Exhibit B or by a responsible individual as determined by each PARTY.

f. **Law to Govern.** This MOA is governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California. In the event of litigation related to this MOA, venue in the state trial courts shall lie exclusively in the County of Los Angeles.

g. **No Presumption in Drafting.** The parties to this MOA agree that the general rule that an MOA is to be interpreted against the party drafting it, or causing it to be prepared shall not apply.

h. **Severability.** If any provision of this MOA shall be determined by any court to be invalid, illegal, or unenforceable to any extent, then the remainder of this MOA shall not be affected, and this MOA shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in this MOA.

i. **Entire Agreement.** This MOA constitutes the entire agreement of the parties to this MOA with respect to the subject matter hereof.

j. **Waiver.** Waiver by any party to this MOA of any term, condition, or covenant of this MOA shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party to this MOA of any breach of the provisions of this MOA shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this MOA.

k. **Counterparts.** This MOA may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same instrument, provided, however, that such counterparts shall have been delivered to all parties to this MOA.

l. All parties to this MOA have been represented by counsel in the preparation and negotiation of this MOA. Accordingly, this MOA shall be construed according to its fair language. Any ambiguities shall be resolved in a collaborative manner by
the PARTIES and SBCCOG and shall be rectified by amending this MOA as described in Section 12(e).

IN WITNESS WHEREOF, the PARTIES and SBCCOG hereto have caused this MOA to be executed by their duly authorized representatives and affixed as of the date of signature of the PARTIES:
COUNTY OF LOS ANGELES

By ____________________________ ____________________________
   GAIL FARBER, Director of Public Works Date

APPROVED AS TO FORM:

Mark J. Saladino
County Counsel

By ____________________________ ____________________________
   Deputy Date
CITY OF CARSON

By
KENNETH C. FARFSING,
City Manager

Date

ATTEST:

By:
City Clerk

APPROVED AS TO FORM:

By
City Attorney

Date
CITY OF EL SEGUNDO

Greg Carpenter
City Manager

ATTEST:

Tracy Weaver
City Clerk

APPROVED AS TO FORM:

By:  Mark D. Hensley
     City Attorney
CITY OF LAWNDALE

Date: ____________________  By: ____________________

Robert Pullen-Miles
Mayor

ATTEST:

________________________
Bernadette Suarez
City Clerk

APPROVED AS TO FORM:

By: ____________________

Tiffany J. Israel
City Attorney
CITY OF LOS ANGELES

Date: ____________________  By: ____________________
Kevin James, President
Board of Public Works

ATTEST:

Holly Wolcott
Interim City Clerk

APPROVED AS TO FORM:

Michael N. Feuer
City Attorney

By: ____________________
Laurie Rittenberg
Assistant City Attorney
CITY OF HAWTHORNE

Arnold Shadbehr
Interim City Manager

ATTEST:

Norbert Huber
City Clerk

APPROVED AS TO FORM:

By:
   ________________________
   Russell Miyahira
   City Attorney
CITY OF INGLEWOOD

Date: ________________________________

By: ________________________________
James T. Butts
Mayor

ATTEST:

By: ________________________________
Yvonne Horton
City Clerk

APPROVED AS TO FORM:

By: ________________________________
Kenneth R. Campos
City Attorney
CITY OF LOMITA

Date: ______________________  By: ______________________

Jim Gazeley
Mayor

ATTEST:

By: ______________________
   Sandra Medina
   City Clerk

APPROVED AS TO FORM:

By: ______________________
   Christi Hogin
   City Attorney
South Bay Cities Council of Governments

Date: __________________ By: __________________

ATTEST:

By: __________________

APPROVED AS TO FORM:

By: __________________

Counsel for the SBCCOG
EXHIBIT A
Dominquez Channel Enhanced Watershed Management Area CIMP

Table 1A. CIMP Implementation Cost

<table>
<thead>
<tr>
<th>Agency</th>
<th>Fiscal Year 15-16</th>
<th>Fiscal Year 16-17</th>
<th>Fiscal Year 17-18</th>
<th>Total over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost of DC WMA CIMP</td>
<td>$1,148,989</td>
<td>$1,269,477</td>
<td>$1,161,166</td>
<td>$3,579,632</td>
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<tr>
<td>LACFCD</td>
<td>$63,232</td>
<td>$69,372</td>
<td>$63,959</td>
<td>$196,562</td>
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<tr>
<td>City of Los Angeles</td>
<td>$439,786</td>
<td>$478,175</td>
<td>$447,396</td>
<td>$1,365,357</td>
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<tr>
<td>County of Los Angeles</td>
<td>$167,046</td>
<td>$198,508</td>
<td>$185,430</td>
<td>$550,984</td>
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<tr>
<td>City of El Segundo</td>
<td>$25,364</td>
<td>$22,722</td>
<td>$17,327</td>
<td>$65,414</td>
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<tr>
<td>City of Inglewood</td>
<td>$78,681</td>
<td>$70,485</td>
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<td>$78,836</td>
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<td>City of Lomita</td>
<td>$26,325</td>
<td>$70,884</td>
<td>$86,751</td>
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<tr>
<td>City of Lawndale</td>
<td>$25,513</td>
<td>$22,856</td>
<td>$17,428</td>
<td>$65,797</td>
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<td>City of Carson</td>
<td>$244,206</td>
<td>$265,850</td>
<td>$235,274</td>
<td>$745,330</td>
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Total Cost = Universal Costs (Shared Items) + Dominguez Channel Watershed Costs + Machado Lake Watershed Costs + LA Harbor Costs

Table 1B. Universal CIMP Costs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 15-16</th>
<th>Fiscal Year 16-17</th>
<th>Fiscal Year 17-18</th>
<th>Total over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Costs (shared)</td>
<td>50,886.10</td>
<td>100%</td>
<td>$826,506</td>
<td>$719,725</td>
<td>$571,317</td>
<td>$2,117,548</td>
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<tr>
<td>LACFCD¹</td>
<td>--</td>
<td>--</td>
<td>$41,325</td>
<td>$35,986</td>
<td>$28,566</td>
<td>$105,877</td>
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<tr>
<td>City of Los Angeles</td>
<td>9,243.21</td>
<td>37.82%</td>
<td>$296,926</td>
<td>$258,564</td>
<td>$205,248</td>
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<tr>
<td>County of Los Angeles</td>
<td>8,140.91</td>
<td>16.00%</td>
<td>$125,616</td>
<td>$109,387</td>
<td>$86,831</td>
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<tr>
<td>City of El Segundo</td>
<td>1,252.18</td>
<td>2.46%</td>
<td>$19,321</td>
<td>$16,825</td>
<td>$13,356</td>
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<tr>
<td>City of Inglewood</td>
<td>3,884.28</td>
<td>7.63%</td>
<td>$59,935</td>
<td>$52,192</td>
<td>$41,430</td>
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<tr>
<td>City of Hawthorne</td>
<td>3,891.93</td>
<td>7.65%</td>
<td>$60,053</td>
<td>$52,294</td>
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<td>City of Lomita</td>
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<td>$18,944</td>
<td>$16,496</td>
<td>$13,095</td>
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<tr>
<td>City of Lawndale</td>
<td>1,259.37</td>
<td>2.48%</td>
<td>$19,434</td>
<td>$16,924</td>
<td>$13,434</td>
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<tr>
<td>City of Carson</td>
<td>11,986.38</td>
<td>23.56%</td>
<td>$184,952</td>
<td>$161,057</td>
<td>$127,847</td>
<td>$473,855</td>
</tr>
</tbody>
</table>

¹ LACFCD is responsible for 5% of the Universal Costs, which is subtracted before distributing the cost among the other agencies.
### Table 1C. Dominguez Channel Watershed Monitoring Costs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 15-16</th>
<th>Fiscal Year 16-17</th>
<th>Fiscal Year 17-18</th>
<th>Total over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominguez Channel Monitoring</td>
<td>33,785.82</td>
<td>100%</td>
<td>$171,636</td>
<td>$167,496</td>
<td>$112,781</td>
<td>$451,913</td>
</tr>
<tr>
<td>LACFCD(^1)</td>
<td>--</td>
<td>--</td>
<td>$8,582</td>
<td>$8,375</td>
<td>$5,639</td>
<td>$22,596</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>5,986.68</td>
<td>17.72%</td>
<td>$28,892</td>
<td>$28,195</td>
<td>$18,985</td>
<td>$76,073</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>6,755.80</td>
<td>20.00%</td>
<td>$32,604</td>
<td>$31,818</td>
<td>$21,424</td>
<td>$85,846</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>1,252.18</td>
<td>3.71%</td>
<td>$6,043</td>
<td>$5,897</td>
<td>$3,971</td>
<td>$15,911</td>
</tr>
<tr>
<td>City of Inglewood</td>
<td>3,884.28</td>
<td>11.50%</td>
<td>$18,746</td>
<td>$18,294</td>
<td>$12,318</td>
<td>$49,358</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>3,891.93</td>
<td>11.52%</td>
<td>$18,783</td>
<td>$18,330</td>
<td>$12,342</td>
<td>$49,455</td>
</tr>
<tr>
<td>City of Lawndale</td>
<td>1,259.51</td>
<td>3.73%</td>
<td>$6,079</td>
<td>$5,932</td>
<td>$3,994</td>
<td>$16,005</td>
</tr>
<tr>
<td>City of Carson</td>
<td>10,755.44</td>
<td>31.83%</td>
<td>$51,907</td>
<td>$50,655</td>
<td>$34,108</td>
<td>$136,670</td>
</tr>
</tbody>
</table>

\(^1\) LACFCD is responsible for 5% of the Dominguez Channel Watershed Cost, which is subtracted before distributing the cost among the other agencies.

### Table 1D. Machado Lake Watershed Monitoring Costs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 15-16</th>
<th>Fiscal Year 16-17</th>
<th>Fiscal Year 17-18</th>
<th>Total over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machado Lake Watershed Monitoring(^1)</td>
<td>5,669.61</td>
<td>100%</td>
<td>$36,318</td>
<td>$267,606</td>
<td>$362,415</td>
<td>$666,339</td>
</tr>
<tr>
<td>LACFCD(^2)</td>
<td>--</td>
<td>--</td>
<td>$1,816</td>
<td>$13,380</td>
<td>$18,121</td>
<td>$33,317</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>1,998.43</td>
<td>35.25%</td>
<td>$12,161</td>
<td>$89,610</td>
<td>$121,357</td>
<td>$223,128</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>1,250.88</td>
<td>22.06%</td>
<td>$7,612</td>
<td>$56,089</td>
<td>$75,961</td>
<td>$139,663</td>
</tr>
<tr>
<td>City of Carson</td>
<td>1,207.37</td>
<td>21.30%</td>
<td>$7,347</td>
<td>$54,138</td>
<td>$73,319</td>
<td>$134,805</td>
</tr>
<tr>
<td>City of Lomita</td>
<td>1,212.93</td>
<td>21.39%</td>
<td>$7,381</td>
<td>$54,388</td>
<td>$73,657</td>
<td>$135,426</td>
</tr>
<tr>
<td>Wilmington Drain Bed Sediment Monitoring (LACFCD)(^3)</td>
<td>--</td>
<td>--</td>
<td>$6,087</td>
<td>$6,209</td>
<td>$6,211</td>
<td>$18,506</td>
</tr>
</tbody>
</table>

\(^1\) Machado Lake Watershed Monitoring includes: In-Lake monitoring for the Nutrients & Toxics TMDLs, Non-Stormwater Outfall Screening & Monitoring, Stormwater Outfall Monitoring in Project 510 and 77 drains, and Dry & Wet Weather monitoring in Wilmington Drain.

\(^2\) LACFCD is responsible for 5% of Machado Lake Watershed Monitoring cost which is subtracted before distributing the cost among the other agencies.

\(^3\) LACFCD is responsible for 100% of Wilmington Drain Bed Sediment Monitoring
Table 1E. LA Harbor Watershed Monitoring Costs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Area (acres)</th>
<th>% of Total Area</th>
<th>Fiscal Year 15-16</th>
<th>Fiscal Year 16-17</th>
<th>Fiscal Year 17-18</th>
<th>Total over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA Harbor Monitoring</td>
<td>11,392.33</td>
<td>100%</td>
<td>$108,442</td>
<td>$108,442</td>
<td>$108,442</td>
<td>$325,326</td>
</tr>
<tr>
<td>LACFCD¹</td>
<td>--</td>
<td>--</td>
<td>$5,422</td>
<td>$5,422</td>
<td>$5,422</td>
<td>$16,266</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>11,258.10</td>
<td>98.82%</td>
<td>$101,806</td>
<td>$101,806</td>
<td>$101,806</td>
<td>$305,418</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>134.23</td>
<td>1.18%</td>
<td>$1,214</td>
<td>$1,214</td>
<td>$1,214</td>
<td>$3,641</td>
</tr>
</tbody>
</table>

¹ LACFCD is responsible for 5% of the LA Harbor Cost, which is subtracted before distributing the cost among the other agencies.

Notes:
LA Harbor Monitoring includes the cost of monitoring the Main Ship Channel (HW-07).
Monitoring for the LA Harbor Bacteria TMDL at Cabrillo Beach (CB-01 and CB-02) is the sole responsibility of City of Los Angeles and is not covered in this MOA.
Monitoring for the Greater Harbors portion of the Dominguez Channel Toxics TMDL is funded under a separate MOA.

Table 2. South Bay Cities Council of Governments Fee

<table>
<thead>
<tr>
<th></th>
<th>FY 15-16</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIMP Implementation Invoice Amount per year</td>
<td>$1,148,989</td>
<td>$1,269,477</td>
<td>$1,161,166</td>
</tr>
<tr>
<td>SBCCOG Contract Management Fee (5%)</td>
<td>$57,449</td>
<td>$63,474</td>
<td>$58,058</td>
</tr>
<tr>
<td>SBCCOG Attorney Fee</td>
<td>$10,000</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,216,438</td>
<td>$1,337,951</td>
<td>$1,224,224</td>
</tr>
</tbody>
</table>

*Note: The SBCCOG yearly attorney fee will be $5,000. The attorney fee is doubled for FY15-16 to account for costs in developing MOA.
### Table 3. Invoice Schedule: SBCCOG to invoice Agencies

<table>
<thead>
<tr>
<th>Agency</th>
<th>January 2016 ¹²</th>
<th>July 2016 ³</th>
<th>July 2017 ⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>LACFCD</td>
<td>$66,604.34</td>
<td>$72,795.61</td>
<td>$67,111.62</td>
</tr>
<tr>
<td>City of Los Angeles</td>
<td>$464,017</td>
<td>$502,775</td>
<td>$470,050</td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>$177,297</td>
<td>$208,915</td>
<td>$195,014</td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>$26,941</td>
<td>$24,323</td>
<td>$18,801</td>
</tr>
<tr>
<td>City of Inglewood</td>
<td>$83,572</td>
<td>$75,451</td>
<td>$58,320</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>$83,737</td>
<td>$75,600</td>
<td>$58,435</td>
</tr>
<tr>
<td>City of Lomita</td>
<td>$27,871</td>
<td>$72,453</td>
<td>$88,197</td>
</tr>
<tr>
<td>City of Lawndale</td>
<td>$27,099</td>
<td>$24,466</td>
<td>$18,911</td>
</tr>
<tr>
<td>City of Carson</td>
<td>$259,300</td>
<td>$281,173</td>
<td>$249,385</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,216,438</strong></td>
<td><strong>$1,337,951</strong></td>
<td><strong>$1,224,224</strong></td>
</tr>
</tbody>
</table>

¹ This includes the cost for monitoring preparation and FY 15-16
² Or upon execution of this agreement, whichever is later
³ This includes all costs for FY 16-17
⁴ This includes all costs for FY 17-18

### Table 4. City of Los Angeles Invoice Schedule to SBCCOG

<table>
<thead>
<tr>
<th>Invoice Date</th>
<th>Period of Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2016¹</td>
<td>All costs incurred for FY 14-15 and FY 15-16</td>
</tr>
<tr>
<td>July 2016:</td>
<td>Between 7/1/2016 to 6/30/2017</td>
</tr>
<tr>
<td>July 2017:</td>
<td>Between 7/1/2017 to 6/30/2018</td>
</tr>
</tbody>
</table>

¹ Or upon execution of this agreement, whichever is later
EXHIBIT B

Domínguez Channel Enhanced Watershed Management Area CIMP
Responsible Agencies Representatives and SBCCCOG Contact

<table>
<thead>
<tr>
<th>Agency Address</th>
<th>Agency Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles</td>
<td>Shahram Kharaghani</td>
</tr>
<tr>
<td>Department of Public Works</td>
<td>E-mail: <a href="mailto:Shahram.Kharaghani@lacity.org">Shahram.Kharaghani@lacity.org</a></td>
</tr>
<tr>
<td>Bureau of Sanitation, Watershed Protection Division</td>
<td>Phone: (213) 485-0587</td>
</tr>
<tr>
<td>1149 S. Broadway</td>
<td>Fax: (213) 485-3939</td>
</tr>
<tr>
<td>Los Angeles, CA 90015</td>
<td></td>
</tr>
<tr>
<td>County of Los Angeles</td>
<td>Angela George</td>
</tr>
<tr>
<td>Department of Public Works</td>
<td>E-mail: <a href="mailto:ageroge@dpw.lacounty.gov">ageroge@dpw.lacounty.gov</a></td>
</tr>
<tr>
<td>Watershed Management Division, 11th Floor</td>
<td>Phone: (626) 458-4304</td>
</tr>
<tr>
<td>900 South Fremont Avenue</td>
<td>Fax: (626) 457-1526</td>
</tr>
<tr>
<td>Alhambra, CA 91803-1331</td>
<td></td>
</tr>
<tr>
<td>Los Angeles County Flood Control District</td>
<td>Angela George</td>
</tr>
<tr>
<td>Department of Public Works</td>
<td>E-mail: <a href="mailto:ageroge@dpw.lacounty.gov">ageroge@dpw.lacounty.gov</a></td>
</tr>
<tr>
<td>Watershed Management Division, 11th Floor</td>
<td>Phone: (626) 458-4304</td>
</tr>
<tr>
<td>900 South Fremont Avenue</td>
<td>Fax: (626) 457-1526</td>
</tr>
<tr>
<td>Alhambra, CA 91803-1331</td>
<td></td>
</tr>
<tr>
<td>City of Carson</td>
<td>Kenneth C. Farfsing, Interim City Manager</td>
</tr>
<tr>
<td>Office of the City Manager</td>
<td>E-mail: <a href="mailto:kfarfsing@carson.ca.us">kfarfsing@carson.ca.us</a></td>
</tr>
<tr>
<td>701 E. Carson Street</td>
<td>Phone: (310) 835-7261</td>
</tr>
<tr>
<td>Carson, CA 90749</td>
<td></td>
</tr>
<tr>
<td>City of El Segundo</td>
<td>Lifan Xu</td>
</tr>
<tr>
<td>350 Main Street</td>
<td>E-mail: <a href="mailto:lxu@elsegundo.org">lxu@elsegundo.org</a></td>
</tr>
<tr>
<td>El Segundo, CA 90245-3895</td>
<td>Phone: (310) 524-2368</td>
</tr>
<tr>
<td>City of Hawthorne</td>
<td>Doug Krauss</td>
</tr>
<tr>
<td>4455 West 126th Street</td>
<td>E-mail: <a href="mailto:dkrauss@cityofhawthorne.org">dkrauss@cityofhawthorne.org</a></td>
</tr>
<tr>
<td>Hawthorne, CA 90250-4482</td>
<td>Phone: (310) 349-2987</td>
</tr>
<tr>
<td>Arnold Shadbehr, P.E., Interim City Manager</td>
<td>E-mail: <a href="mailto:ashadbehr@cityofhawthorne.org">ashadbehr@cityofhawthorne.org</a></td>
</tr>
<tr>
<td>Phone: (310) 349-2980</td>
<td></td>
</tr>
<tr>
<td>City of Inglewood</td>
<td>Lauren Amimoto</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>1 W. Manchester Blvd. 3rd Floor</td>
<td>E-mail: <a href="mailto:laimimoto@cityofinglewood.org">laimimoto@cityofinglewood.org</a></td>
</tr>
<tr>
<td>Inglewood, CA 90301-1750</td>
<td>Phone: (310) 412-5192</td>
</tr>
<tr>
<td></td>
<td>FAX: (310) 412-5552</td>
</tr>
<tr>
<td></td>
<td>Louis A. Atwell, Public Works Director</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:latwell@cityofinglewood.org">latwell@cityofinglewood.org</a></td>
</tr>
<tr>
<td></td>
<td>Phone: (310) 412-5333</td>
</tr>
<tr>
<td>City of Lawndale</td>
<td>Steve Mandoki</td>
</tr>
<tr>
<td>Office of the City Manager</td>
<td>E-mail: <a href="mailto:smandoki@lawndalecity.org">smandoki@lawndalecity.org</a></td>
</tr>
<tr>
<td>14717 Burin Avenue</td>
<td>Phone: (310) 371-3202</td>
</tr>
<tr>
<td>Lawndale, CA 90260</td>
<td>Fax: (310) 371-8877</td>
</tr>
<tr>
<td>City of Lomita</td>
<td>Mark McAvoy, Public Works Director</td>
</tr>
<tr>
<td>24300 Narbonne Avenue</td>
<td>E-mail: <a href="mailto:mmcavoy@lomita.city.com">mmcavoy@lomita.city.com</a></td>
</tr>
<tr>
<td>Lomita, CA 90717</td>
<td>Phone: (310) 325-7110 ext. 210</td>
</tr>
<tr>
<td>South Bay Council of Governments</td>
<td>Jacki Bacharach</td>
</tr>
<tr>
<td>20285 S. Western Ave., #100</td>
<td>E-mail: <a href="mailto:Jacki@southbaycities.org">Jacki@southbaycities.org</a></td>
</tr>
<tr>
<td>Torrance, CA 90501</td>
<td>Phone: (310) 293-2612</td>
</tr>
</tbody>
</table>
EXHIBIT C
Dominguez Channel Enhanced Watershed Management Area Group

LEGEND
Dominguez Channel
Dominguez Channel WMA Boundary
Flood Control District Territory
Dominguez Channel WMA Group
DC Agencies Participating BWMP
Other DC Agencies not Participating BWMP
Watershed Management Area Boundaries
Dominguez Channel Watershed
Machado Lake Watershed
LA-LB站立oos Watershed

Dominguez Channel Watershed Management Area Group

DRAWN BY:
DATE CREATED:
CHECKED BY:
DATE REVISED:
ENRIQUE C. SANCHEZ
DIRECTOR
JEBALI
PROGMAN
WATER RESOURCES PROTECTION DIVISION

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LA-LB站立oos Watershed

Total Area of Dominguez Channel 51,328.71
100%

Los Angeles County 1,100,581
45.66%

City of Los Angeles 3,241,721
77.85%

City of Long Beach 3,241,721
77.85%

City of Lawndale 1,237.50
3.76%

City of Inglewood 3,891.53
7.56%

City of Hawthorne 3,891.53
7.56%

City of El Segundo 1,252.18
2.44%

City of Gardena 2,995.30
23.95%

City of Carson 2,995.30
23.95%

City of Torrance 2,995.30
23.95%

Total Area of Dominguez Channel

City of Torrance

158
## EXHIBIT D
Detail of Monitoring Services to support the PARTIES submittal of the MS4 Permit Annual Report

### Program Contact Information

<table>
<thead>
<tr>
<th>Permittee Name</th>
<th>City of Los Angeles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permittee Program Supervisor</td>
<td>Stormwater Program Manager</td>
</tr>
<tr>
<td>Title</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td>1149 S. Hope St., Los Angeles, CA 90015</td>
</tr>
<tr>
<td>City / Zip Code</td>
<td>Los Angeles / 90015</td>
</tr>
<tr>
<td>Phone / Fax Number</td>
<td>(213) 485-0587 / (213) 485-3939</td>
</tr>
</tbody>
</table>

### XVIII.A.1. Stormwater Control Measures

<table>
<thead>
<tr>
<th>Effective Impervious Area (acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 28, 2012 (baseline)</td>
</tr>
<tr>
<td>Dec. 28, 2013</td>
</tr>
<tr>
<td>Dec. 28, 2014</td>
</tr>
<tr>
<td>Dec. 28, 2015</td>
</tr>
<tr>
<td>Dec. 28, 2016</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>2013 / 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Num. of Projects Constructed</td>
</tr>
<tr>
<td>New Development Projects (a)</td>
<td></td>
</tr>
<tr>
<td>(k)</td>
<td></td>
</tr>
<tr>
<td>Redevelopment Projects (a) (b) (c)</td>
<td></td>
</tr>
<tr>
<td>Other Projects that intercept runoff</td>
<td></td>
</tr>
<tr>
<td>Riparian buffer/wetland restoration projects</td>
<td></td>
</tr>
<tr>
<td>Watershed TMOL related projects (a) Los Angeles River (b) Ballona Creek (c) Santa Monica Bay (d) Marina del Rey (e) Dominguez</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>

Summary of other MCMs implemented

---

Page 28 of 33
## XVIII.A.2. Effectiveness Assessment of Storm Water Control Measures

### Rainfall Summary

<table>
<thead>
<tr>
<th>FISCAL YEAR 2013 / 2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of Storm Events</td>
<td></td>
</tr>
<tr>
<td>Highest Volume Event (in/24 hr)</td>
<td></td>
</tr>
<tr>
<td>Highest No. of Consecutive days of rainfall</td>
<td></td>
</tr>
<tr>
<td>Total Rainfall</td>
<td></td>
</tr>
</tbody>
</table>

### Rainfall: Stormwater Outfall & Wet-weather Receiving Water Monitoring Events

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Storm start time</th>
<th>Storm Duration</th>
<th>Highest storm intensity - 15min</th>
<th>TOTAL Storm Volume</th>
<th>Span between sample event &amp; previous storm event (hr)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(XX/XX/XXXX)</td>
<td>(AM/PM)</td>
<td>(hrs)</td>
<td>(in/hr)</td>
<td>(in)</td>
<td></td>
</tr>
</tbody>
</table>

Provide hydrographs or flow data of pre- and post-control activity for the 85th percentile, 24-hour rain event, if available, if control measures were designed to reduce impervious cover or storm water peak flow and flow duration.

**NOT INCLUDED IN CIMP MOU**

Comparison of reference watershed flow duration curve and flow duration curve for subwatershed under current conditions.

**NOT INCLUDED IN CIMP MOU**

ASSESSMENT: Quality of storm water discharges as measured at designed outfalls is improving, staying the same or declining.
**EXHIBIT D**

<table>
<thead>
<tr>
<th>ASSESSMENT: Wet-weather receiving water quality within the jurisdiction of the Permittee is improving, staying the same or declining, when normalized for variations in rainfall patterns.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>STATUS: Multi-year efforts, including TMDL implementation (no Trash TMDL), that were not completed in the current year and will continue into the subsequent year(s).</th>
</tr>
</thead>
</table>

**NOT INCLUDED IN CIMP MOU**

<table>
<thead>
<tr>
<th>STATUS: Multi-year efforts for Trash TMDL that were not completed in the current year and will continue into the subsequent year(s).</th>
</tr>
</thead>
</table>

**NOT INCLUDED IN CIMP MOU**
### EXHIBIT D

#### XVIII.A.3. Non-Storm Water Control Measures

<table>
<thead>
<tr>
<th>Subwatershed</th>
<th>No. of major outfalls</th>
<th>No. of outfalls screen</th>
<th>Total No. of outfalls screen since Dec. 28, 2012</th>
<th>Confirmed Outfalls</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total Identified</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total attributed to allowable sources</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total No. Abated</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total No. being monitored</td>
</tr>
</tbody>
</table>

**STATUS:** Multi-year efforts, including TMDL implementation, that were not completed in the current year and will continue into the subsequent year(s).

**NOT INCLUDED IN CIMP MOU**

#### XVIII.A.4. Effectiveness Assessment of Non-Storm Water Control Measures

**ASSESSMENT:** Whether receiving water quality within the jurisdiction of the Permittee is impaired, improving, staying the same or declining during dry-weather conditions.

**ASSESSMENT:** Effectiveness of the Permittee(s) control measures in effectively prohibiting non-storm water discharges through the MS4 to the receiving water.

**NOT INCLUDED IN CIMP MOU**

**STATUS:** multi-year efforts that were not completed in the current year and will continue into the subsequent year(s).

**NOT INCLUDED IN CIMP MOU**
EXHIBIT D

XVIII.A.5. Integrated Monitoring Compliance Report

<table>
<thead>
<tr>
<th>Monitoring Data</th>
<th>ID Exceedances Section X.I.F &amp; G of MRP</th>
<th>If aquatic toxicity was confirmed and a TIE was conducted</th>
<th>Description of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outfall-based storm water</td>
<td>Based on: - RWL water limitations - water quality-based effluent limitations - nonstorm water action levels - aquatic toxicity thresholds</td>
<td>▪ ID toxic chemicals as determined by the TIE. - Include all relevant data to allow the RB to review the adequacy and findings of the TIE.</td>
<td>▪ Describe efforts to mitigate and/or eliminate all non-storm water discharges that exceeded one or more applicable water quality-based effluent limitations, non-storm water action levels, or caused contributed to Aquatic Toxicity.</td>
</tr>
<tr>
<td>Wet weather receiving water</td>
<td></td>
<td></td>
<td>To address storm water discharges that exceeded one or more applicable water quality based effluent limitations, or caused contributed to Aquatic Toxicity.</td>
</tr>
<tr>
<td>Dry weather receiving water</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-storm water outfall</td>
<td>All sample results that exceeded one or more applicable thresholds shall be readily identified.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

XVIII.A.6. Adaptive Management Strategies

<table>
<thead>
<tr>
<th>Control Measure</th>
<th>Description of</th>
<th>Significant Changes to Control Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Effect Year</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td>NOT INCLUDED</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>NOT INCLUDED</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>NOT INCLUDED</td>
</tr>
</tbody>
</table>

Detailed description of control measures to be applied to New Development or Re-development projects disturbing more than 50 acres.

NOT INCLUDED IN CIMP MOU

Page 32 of 33
EXHIBIT D

Status of all multi-year efforts that were not completed in the current year and will continue into the subsequent year(s).

NOT INCLUDED IN CIMP MOU

XVIII.A.7. Supporting Data and Information

Example of Excel spreadsheet column headers that would need to be prepared and submitted with Annual Report.

<table>
<thead>
<tr>
<th>Date</th>
<th>Parameter</th>
<th>Value</th>
<th>Unit</th>
<th>Analytical Method</th>
<th>Station ID</th>
<th>Watershed</th>
<th>Type</th>
<th>Start Time</th>
<th>End Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2/14</td>
<td>Cu</td>
<td>4</td>
<td>mg/l</td>
<td>SM-??</td>
<td>LA-1</td>
<td>LAR</td>
<td>grab</td>
<td>15:30</td>
<td>19:45</td>
</tr>
</tbody>
</table>

XVIII.A.2. Rainfall: Stormwater Outfall & Wet-weather Receiving Water Monitoring Events
(Date field must be linked to a database summarizing the weather data already prepared)

Permittee may at its option, provide an additional detailed summary table describing control measures that are not otherwise described in the reporting requirements.

NOT INCLUDED IN CIMP MOU
AGENDA DESCRIPTION:

Consideration and possible action to receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC")§ 1-7-12 and 1-7A-4. (Fiscal Impact: $50,000.00)

RECOMMENDED COUNCIL ACTION:

(1) Receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC")§ 1-7-12 and 1-7A-4.

(2) Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

None

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $50,000.00
Additional Appropriation: No
Account Number(s): 405-400-0000-6215 (Facilities Maintenance: Repairs and Maintenance)

ORIGINATED BY: Stephanie Katsouleas, Director of Public Works

REVIEWED BY: Gregg Kovacevich, Assistant City Attorney

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Construction to replace three sliding glass doors has been completed. Work will commence next week on the deck modifications such that the deck slopes are improved, which will better direct flow from the sliding glass doors to the floor drains. That work is expected to take approximately three weeks to complete due to stripping the existing deck surfaces off and product cure times of the new deck surface that will be installed.

Public Contracts Code § 22050 (c) requires that the City Council receive updates at every regularly scheduled meeting until the emergency repair is completed. Therefore, staff recommends that City Council receive and file this report on the status of the emergency repair to address the water intrusion issues at Park Vista Senior Housing Facility.
AGENDA DESCRIPTION:

Consideration and possible action to 1) waive the bidding process for Joslyn Center Refurbishment/Modernization Project and 2) award a standard Public Works Contract to Excelsior Elevator to complete the required work. PW 16-19 (Fiscal Impact: $95,000.00)

RECOMMENDED COUNCIL ACTION:

1. Waive the bidding process for refurbishment based on the "no competitive advantage" exemption to Public Contract Code bid requirements for the Joslyn Center Refurbishment/Modernization Project;

2. Award a standard Public Works contract in the amount of $85,582.00 to Excelsior Elevator to complete the required work;

3. Authorize an additional contingency of $9,418.00; or

4. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Scope of Work

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $350,000.00
Additional Appropriation: N/A
Account Number(s): 405-400-0000-6215 (Facilities Maintenance Fund)

ORIGINATED BY: Stephanie Katsouleas, Public Works Director
REVIEWED BY: David King, Assistant City Attorney
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

The Joslyn Center Elevator was installed in 1980 to provide an alternative path of travel between the Recreation Park parking lot, the Joslyn Center and other park facilities. On a daily basis it is used by senior citizens, persons with disabilities, parents with strollers and the community at large. The elevator was refurbished and modernized in 1997, and is now in need of another refurbishment due to the age and chronic use of the equipment installed 19 years ago.

In April 2013, the City awarded an elevator maintenance, repair and on-call service agreement to Excelsior Elevator. Since that time, they have successfully maintained the City’s five (5) elevators and quickly responded to repair and emergency issues. However, over the past year, the Joslyn Center elevator began experiencing greater than normal problems and mechanical failures. Following the most recent operational problems with the Joslyn Center elevator this past January, Excelsior advised the City that it was time upgrade the fatigued mechanical equipment in order to truly restore elevator performance to acceptable standards, i.e., it needed to be modernized. A life expectancy of public elevators is approximately 15-20 years for those that
receive regular use and maintenance. Thus, this timing is appropriate. Please note that the proposed modernization does not include replacement of the physical structure (e.g., the cab, tower, etc.), but rather is an upgrade to the mechanical and electrical components that operate the elevator.

Excelsior Elevator provided staff with a quote to complete the needed modernization for $76,262.00 with an option to install Fire Recall System for an additional $9,320.00. When considering an approximately 3% annual escalation factor, Excelsior’s quote is substantially similar to the quote received by Amtech Elevator in 2008 to modernize Park Vista’s rear elevator, and thus staff believes the estimate is reasonable.

Repairs of this magnitude typically require staff to put the project out to bid using Public Contracting Code bidding procedures, which entails adopting plans and specifications and advertising for the receipt of construction bids. However, staff recommends that City Council waive the bidding procedures required by the Public Contracting Code and award the project directly to Excelsior Elevator for the following reasons:

- Elevators require monthly inspections by the State of California. Any issues that are found during inspections require immediately attention in order for the elevator to remain operational. This is handled through our current on-call maintenance and repair contract with Excelsior Elevator. As such, they remain liable for any work they perform and are the responsible party for failures should they occur.

- Due to the nature of elevator operations, elevator companies will warranty their work as long as no other company performs maintenance or repairs on the equipment during the established warranty period. Once elevator equipment is “touched” by a different elevator company, the warranty becomes void given the potential liabilities associated with elevator equipment. Staff believes that it is in the best interest of the City to ensure the full warranty value of the new equipment. If City staff advertises the project, and Excelsior Elevator is not the low bid, the City will likely need to choose between voiding the warranty due to required maintenance by Excelsior Elevator, or retain a new company for maintenance during the warranty period. It is worth noting that Excelsior was the low bidder for on-call maintenance and repair work and City staff is satisfied with their workmanship and services to date.

- One exemption to competitive bidding requirements is if the public agency finds that the bidding process would result in no competitive advantage (see, e.g., Graydon v. Pasadena Redevelopment Agency (1980) 104 Cal.App.3d 631). Excelsior Elevator has proven to be highly competitive in its pricing and it is unlikely that any other company would bid a lesser amount. Moreover, as mentioned above, using another company other than Excelsior Elevator for the refurbishment of the elevator would result in the loss of warranty for the work performed on the elevator thus far and increased costs to the City over both the short and long-term.
Therefore, based on the foregoing, staff recommends that City Council:

1. Adopt the attached resolution approving the plans and specifications for refurbishment/modernization of the Joslyn Center elevator located in Recreation Park;
2. Waive the bidding process for refurbishment of the Joslyn Center Elevator;
3. Award a standard Public Works contract to Excelsior Elevator in the amount of $85,582.00 for the project; and
4. Authorize an additional contingency of $9,418.00 for unforeseen events.
March 24, 2016

Martin Whitehead
City of El Segundo
150 Illinois Street
El Segundo, CA 90245

PROJECT LOCATION: 339 Sheldon Street
El Segundo, Ca
NUMBER OF UNITS: One (1) Hydraulic Elevator
STATE ID NUMBER(S): 070921

We are pleased to submit a quotation for the elevator scope of work for the above referenced project for One (1) total unit(s). Please be advised, our bid for the work as conditioned below is:

Our bid is conditioned on the following clarifications:

1. We are a qualified MBE/WBE/DBE/SBE/ WOSB contractor.
2. We shall not accept any special, indirect, liquidated or consequential damages of any kind.
3. Payment requirements shall be 25% due upon acceptance for processing, 25% due upon ordering of equipment, the remaining portion shall be paid upon completion.
4. Insurance coverage requirements in excess of $1 million are subject to additional costs.
5. Our bid is based upon providing Excelsior Elevator standard equipment and standard submittal package as outlined on the attached "Scope of Work." No special governmental submittal or calculations are included. Submittal lead time is approximately four (4) weeks after processing is completed and initial 25% payment is received.
6. Payments are due upon receipt of invoice and may be subject to late fees and interest penalties if not paid within 30 days. Payment to us shall not be contingent on payment from owner.
7. Turnover of equipment will require 100% payment before we release the elevator for use.
8. Any modification to the building structure or building systems that is required in order to install the equipment is not included.
9. All work specified in any "Related Work" portion of the specification is considered to be work to be performed by other trades and not included in our bid unless specified.
10. No temporary use of the elevators will be permitted.
11. Please see Attachment "A" for pricing.

If you have any questions regarding this bid, please feel free to give us a call.

Sincerely,
EXCELSIOR ELEVATOR CORPORATION

Matthew Rough
Sales Manager
**SCOPE OF WORK:**

We will provide labor and material to furnish and install on the above referenced unit(s) the following **only**:

<table>
<thead>
<tr>
<th>Controller</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microprocessor Controller</td>
<td>New</td>
</tr>
<tr>
<td>Landing System (Stainless Tape)</td>
<td>New</td>
</tr>
<tr>
<td>Limit Switches</td>
<td>New</td>
</tr>
<tr>
<td>Solid State Starter</td>
<td>New</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Machine Room</th>
<th>Retain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tank Unit</td>
<td>Retain</td>
</tr>
<tr>
<td>Motor</td>
<td>Retain</td>
</tr>
<tr>
<td>Pump Unit</td>
<td>Retain</td>
</tr>
<tr>
<td>Control Valve</td>
<td>Retain</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hoistway and Pit Equipment</th>
<th>Replace if Necessary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rails and Rail Brackets</td>
<td>Retain</td>
</tr>
<tr>
<td>Car Sling and Platform</td>
<td>Retain</td>
</tr>
<tr>
<td>Cab Shell</td>
<td>Retain</td>
</tr>
<tr>
<td>Cab Interior</td>
<td>Retain</td>
</tr>
<tr>
<td>Car Sill(s)</td>
<td>Retain</td>
</tr>
<tr>
<td>Car Flooring</td>
<td>Retain</td>
</tr>
<tr>
<td>Buffers and Pit Channels</td>
<td>Retain</td>
</tr>
<tr>
<td>Traveling Cable and Hatch Wiring</td>
<td>New</td>
</tr>
<tr>
<td>Toe Guard</td>
<td>Replace if Necessary</td>
</tr>
<tr>
<td>Top of Car Inspection Station</td>
<td>New</td>
</tr>
<tr>
<td>Pit Stop Switch</td>
<td>Retain</td>
</tr>
<tr>
<td>Car Guides</td>
<td>Retain</td>
</tr>
<tr>
<td>Hydraulic Shut off Valve</td>
<td>Retain</td>
</tr>
<tr>
<td>Pit Ladder(s)</td>
<td>Retain</td>
</tr>
<tr>
<td>Pit Outlet and Light</td>
<td>Retain</td>
</tr>
<tr>
<td>Rupture Valve</td>
<td>New</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Door Equipment</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Door Operator – Closed Loop</td>
<td>New</td>
</tr>
<tr>
<td>Car Door Tracks</td>
<td>New</td>
</tr>
<tr>
<td>Car Door Clutch</td>
<td>New</td>
</tr>
<tr>
<td>Hoistway Door Tracks</td>
<td>New</td>
</tr>
<tr>
<td>Hoistway Door Closers</td>
<td>New</td>
</tr>
<tr>
<td>Hoistway Door Interlocks</td>
<td>New</td>
</tr>
<tr>
<td>Door Rollers and Gibs</td>
<td>New</td>
</tr>
<tr>
<td>Car Door Protection Device</td>
<td>New</td>
</tr>
<tr>
<td>Car Door Panels</td>
<td>Retain</td>
</tr>
<tr>
<td>Door Restrictor</td>
<td>New</td>
</tr>
<tr>
<td>Dust Covers/Fascia</td>
<td>Retain</td>
</tr>
<tr>
<td>Sight Guards</td>
<td>Retain</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixtures</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Operating Panel</td>
<td>New</td>
</tr>
<tr>
<td>ADA Compliant Emergency Phone</td>
<td>New</td>
</tr>
<tr>
<td>Emergency Light (in COP)</td>
<td>New</td>
</tr>
<tr>
<td>Code Required Phase II Cabinet</td>
<td>New</td>
</tr>
<tr>
<td>Digital Position Indicator (in COP)</td>
<td>New</td>
</tr>
<tr>
<td>Hall Riser (1 per floor) – Vandal Resistant</td>
<td>New</td>
</tr>
<tr>
<td>Access Key switches (in Top and Bottom Hall Risers)</td>
<td>New</td>
</tr>
<tr>
<td>Hall Lanterns</td>
<td>N/A</td>
</tr>
<tr>
<td>Car Riding Lanterns</td>
<td>New</td>
</tr>
<tr>
<td>Other</td>
<td>Fire Recall System</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Sprinklers</td>
<td>By Others</td>
</tr>
<tr>
<td>Electrical (Disconnects, GFCI Outlets)</td>
<td>By Others</td>
</tr>
<tr>
<td>Phone Line</td>
<td>By Others</td>
</tr>
</tbody>
</table>

No other equipment or modifications are included and shall be considered an additional cost to this proposal.

The proposed equipment is subject to the capabilities of the existing equipment. If modification or replacement of any existing equipment other than that specified is required or if additional engineering and/or calculations are required, it shall be done at an additional cost to this proposal.

All work to be performed during regular Excelsior Elevator working hours during regular Excelsior Elevator working days.

WORK BY OTHERS

The following items must be performed by others and you agree to:

1. Our bid is based upon utilizing the existing conduit from the machine room to the hoistway. If this conduit requires modification, replacement or is inadequate to utilize for any reason, it shall be considered an extra to this proposal.
2. Provide electrical power for light, tools, hoists, etc. during installation as well as electrical current for starting, testing and adjusting the elevator.
3. All cutting and patching of surface areas required for underground piping shall be the responsibility of the owner. We shall not be responsible for any damages caused by cutting through any unexposed pipes, conduits or any other conditions which exist on the jobsite.
4. Provide a safe and dry on-site storage area for elevator material.
5. Owner shall be responsible for any structural calculation or evaluations, which may be required because of the new equipment.
6. Any modification or installation of lights and/or electrical outlets in the machine room and/or pit shall be performed by others.
7. Make any necessary modifications to the building structure, which may be required for installation of the new equipment.
8. Removal of any hazardous material such as, but not limited to, asbestos prior to start of work.
9. Where conditions require, we will provide protection for floors, walls and the elevator entrances, for the normal activities associated with this work. Should special drilling or excavation of contaminant material equipment be required, the owner will be responsible for all building protection required to bring this equipment in, use and take off of the premises.
10. Owner to provide full access to the work area for the contractors works and their agents at all times during the agreed upon work hours for the duration of the project.
11. Owner to provide all necessary permits for use of welding and gas burning & cutting in the elevator hoistway.
12. Owner will be responsible of deactivating and reactivating all fire, smoke and/or combustion sensors in the area of work that may be activated by the effects of the operations required to complete this work.

LIMITATIONS

Under no circumstances shall the Excelsior Elevator Corporation Elevator Company be liable for indirect, consequential, or special damages resulting from the installation or use of this product.
ATTACHMENT "A"

COST PROPOSAL

Recommended Modernization of equipment as described in the "scope of work" section:

Total: $76,262.00 (Seventy Six Thousand Two Hundred Sixty Two and 00/100).
- Includes performance and payment bonds

Additional Modernization: Alternate #1 - Fire Recall System as described below – Additional $9,320.00 (Nine Thousand Three Hundred Twenty and 00/100) per elevator (as conditioned below):

Scope of Work for new fire recall system per elevator:
1. Provide wire and conduit for new fire detection devices and relays.
2. Install one (1) new fire alarm annunciator panel.
3. Install one (1) fire protection device at each elevator lobby and one (1) fire protection device in the elevator machine room per code – features include relays for proper elevator recall functions.

Note: Elevator Recall System only - enables phase 1 and phase 2 functions on elevator and is not intended for any other use. **This is a stand-alone system.** If the fire detection devices need to be tied into the building fire panel, it will need to be done by the owner’s fire alarm company at their cost.

The extent of the work to be performed is either described above or in the attached specification, which is incorporated into and made a part of this document.

This proposal, including the provisions printed on the pages following, shall be a binding contract between you, or the party identified below for whom you are authorized to contract (collectively referred to herein as "you"), and us when accepted by you through execution of this proposal by you and approved by our authorized representative; or by your authorizing us to perform work for the project and our commencing such work.

**CUSTOMER**
Approved by Authorized Representative

Date: ____________________________
Signed: ____________________________
Print Name: ____________________________
Title: ____________________________

**EXCELSIOR ELEVATOR CORPORATION**
Approved by Authorized Representative

Date: ____________________________
Signed: ____________________________
Print Name: ____________________________
Title: ____________________________

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1. The work shall be performed for the sum stated on front and all sales or use taxes imposed.

2. In addition to the agreed price, you shall pay to us any future applicable tax imposed on us in connection with the performance of the work described.

3. This quotation is subject to change or withdrawal by us prior to acceptance.

4. We warrant to you that the work performed by us hereunder shall be free from defects, not inherent in the quality required or permitted, in material and workmanship for one year from the date of completion. Our duty and your remedy under this warranty are limited to our correcting any such defect you report to us within the warranty period by, at our option, repair or replacement, provided all payments due under the terms of this contract have been made in full. All parts used for repair or replacement under this warranty shall be good quality and furnished on an exchange basis. Printed circuit boards used for replacement parts under this warranty may be refurbished boards. Exchanged parts become our property.

5. We shall perform the work during our regular working hours of our regular working days unless otherwise agreed in writing. You shall be responsible for providing suitable storage space at the site for our material.

6. You shall obtain title to all the equipment furnished hereunder when final payment for such material is received by us. In addition, you shall be granted a license to use any software incorporated into any such equipment solely for operating such equipment.

7. Any drawings, illustrations or descriptive matter furnished with the proposal are submitted only to show the general style, arrangement and dimensions of the equipment.

8. Payments shall be made as follows: Twenty-five percent (25%) of the price shall be paid as a down payment. Twenty-five percent (25%) after we have completed processing your equipment's requirements, and orders are placed; the balance shall be paid on completion if the work is completed. We will not release the elevator for use until 100% of the contract price is paid. If the work is not completed within a thirty day period, monthly progress payments shall be made based on the value of any equipment ready or delivered, if any, and labor performed through the end of the month less a five percent (5%) retainer and the aggregate of previous payments. The retainer shall be paid when the work is completed. We reserve the right to discontinue our work, including work and services covered under the maintenance agreement referenced on this contract, at any time until payments shall have been made as agreed and we have assurance satisfactory to us that subsequent payments will be made when due. Payments not received within thirty (30) days of the date of invoice shall be subject to interest accrued at the rate of eighteen percent (18%) per annum or at the maximum rate allowed by applicable law, whichever is less. We shall also be entitled to reimbursement from you of the expenses, including attorney's fees, incurred in collecting any overdue payments.

9. Any material removed by us in the performance of the work shall become our property.

10. Our performance is conditioned upon your securing any required governmental approvals for the installation of any equipment provided hereunder and your providing our workmen with adequate electrical power at no cost to us with a safe place in which to work, and we reserve the right to discontinue our work in the building whenever in our opinion the conditions are unsafe. If overtime work is mutually agreed upon and performed, an additional charge thereof, at our usual rates for such work, shall be added to the contract price. The performance of our work hereunder is conditioned on your performing your preparatory work and supplying the necessary data specified on the front of this proposal or in the attached specification, if any. Should we be required to make an unscheduled return to your site to begin or complete the work due to your request, acts or omissions, then such visit returns shall be subject to additional charges at our current labor rates.

11. We shall retain a security interest in all material furnished hereunder and not paid for in full. You agree that a copy of this Agreement may be used as a financing statement for the purpose of placing public record our interest in any material furnished hereunder, and you agree to execute a UCC-1 form or any other document reasonably requested by us for that purpose.

12. Except insofar as your equipment may be covered by an Excelsior Elevator Corporation maintenance or service contract, it is agreed that we will make no examination of your equipment other than that necessary to do the work described in this contract and assume no responsibility for any part of your equipment except that upon which work has been done under this contract.

13. Neither you nor we shall be liable to the other party hereto for any loss, damage or delay due to any cause beyond your or our reasonable control, including, but not limited to, acts of government, strikes, lockouts, fire, explosion, theft, floods, riot, civil commotion, war, malicious mischief, or act of God; provided, however, that, should loss of or damage to our material or work occur at the site, you shall compensate us therefor, unless such loss or damage results from our acts or omissions.

14. We do not agree under our warranty to bear the cost of repairs or replacements due to vandalism, abuse, misuse, neglect, normal wear and tear, modifications not performed by us, improper or insufficient maintenance by others, or any cause beyond our control.

15. We shall conduct, at our own expense, the entire defense of any claim, suit or action alleging that, without further combination, the use by you of any equipment provided hereunder directly infringes any patent, but only on the conditions that (a) we receive prompt written notice of such claim, suit or action and full opportunity to assume the sole defense thereof, including settlement and appeal, and all information available to you for such defense; (b) said equipment is made according to a specification or design furnished by us; and (c) the claim, suit or action is brought against you. Provided all of the foregoing conditions have been met, we shall, at our own expense, either settle said claim, suit or action or shall pay all damages resulting from such claims or actions by us.

16. THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT ARE THE EXCLUSIVE WARRANTIES GIVEN: WE MAKE NO OTHER WARRANTIES EXPRESS OR IMPLIED, AND SPECIFICALLY MAKE NO WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE; AND THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ANY SUCH WARRANTIES AND ANY OTHER OBLIGATION OR LIABILITY ON OUR PART.

17. Under no circumstances shall we be liable for any special, indirect or consequential damages of any kind including, but not limited to, loss of profit, loss of good will, loss of business opportunity, additional financing costs, or loss of use of any equipment or property, whether in contract, in tort (including negligence), in warranty or otherwise.

18. Your remedies set forth herein are exclusive and our liability with respect to any contract, or anything done in connection therewith such as performance or breach thereof, or from the manufacture, sale, delivery, installation, repair or use of any equipment furnished under this contract, whether in contract, in tort (including negligence), in warranty or otherwise, shall not exceed the price for the equipment or services rendered.

19. It is agreed that after completion of our work, you shall be responsible for ensuring that the operation of any equipment furnished hereunder is periodically inspected. The interval between such inspections shall not be longer than may be required by the applicable governing safety code.

20. By accepting delivery of parts incorporating software you agree that the transaction is not a sale of such software but merely a license to use such software solely for operating the unit(s) for which the part was provided, not to copy or let others copy such software for any purpose whatsoever, to keep such software in confidence as a trade secret, and not to transfer possession of such part to others except as a part of a transfer of ownership of the equipment in which such part is installed, provided that you inform us in writing about such ownership transfer and the transferee agrees in writing to abide by the above license terms prior to any such transfer.

21. Our work shall not include the identification, detection, abatement, encapsulation or removal of asbestos, polychlorinated biphenyl (PCB), or products or materials containing asbestos, PCB's or other hazardous substances. In the event we encounter any such product or materials in the course of performing work, we shall have the right to discontinue our work and remove your employees from the project until you have taken the appropriate action to abate, encapsulate or remove such products or materials, and any hazards connected therewith, or until it is determined that no hazard exists (as the case may require). We shall receive an extension of time to complete the work hereunder and compensation for delays encountered as a result of such situation.

22. This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and may not be modified by any terms on your order form or any other document, and supersedes any prior written or oral communication relating to the same subject. Any amendment or modifications to this Agreement shall not be binding upon either party unless agreed to in an authorized representative of each party. Both parties agree that any form issued by you that contains any terms that are inconsistent with those contained herein shall not modify this Agreement, nor shall it constitute an acceptance of any additional terms.
AGENDA DESCRIPTION:
Consideration and possible action regarding the approval of a Fifth Amendment to a Professional Services Agreement with Michael Baker International, Inc., to increase the contract amount to provide environmental review services required by the California Environmental Quality Act (CEQA) for the Raytheon El Segundo South Campus Specific Plan Project. (Fiscal Impact: up to $663,173.47 Developer Reimbursed Trust Fund)

RECOMMENDED COUNCIL ACTION:
1. Approve a budget appropriation of up to $663,173.47 to provide environmental review services;
2. Authorize the City Manager to execute a Fifth Amendment to a Professional Services Agreement for environmental review services, in a form approved by the City Attorney, in an amount not to exceed $663,173.47; and/or;
3. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: $663,173.47

Amount Budgeted: $598,721
Additional Appropriation: $64,452.47
Account Number(s): Developer Reimbursed Trust Fund established for this project

ORIGINATED BY: Paul Samaras, Acting Planning Manager
REVIEWED BY: Sam Lee, Director of Planning and Building Safety
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
On January 19, 2016, the City Council approved the Raytheon El Segundo South Campus Specific Plan Project. The required environmental review covered a Specific Plan for the 142.28 acre Raytheon site located south of El Segundo Boulevard generally between South Sepulveda Boulevard and South Douglas Street. The Specific Plan allows the property to be built out to a 0.6 floor area ratio (FAR). The project allows for up to an additional 1,843,630 net square feet of development in addition to the existing 1,874,591 net square feet of development on the campus site. The project entitlements include a General Plan Amendment, General Plan Map Amendment,
Zone Change, Zone Text Amendment and Specific Plan. The project also includes a Development Agreement and a Vesting Tentative Tract Map to divide the property into 24 parcels.

The City Council previously directed Planning and Building Safety staff to obtain Council approval on any planning consulting services contracts over $200,000 for the preparation of the necessary environmental review pursuant to the California Environmental Quality Act (CEQA).

On March 16, 2011, the City entered into a Professional Services Agreement with Michael Baker International, Inc. (formerly RBF Consulting) for the preparation of an Environmental Impact Report (EIR) for the project. Due to the size, scope, and complexity of the project, which necessitated extensive consultation with other responsible agencies, the City approved four amendments to the original agreement, including three for the purpose of extending the term of the agreement (1st, 3rd, and 4th amendments) and one to increase the budget for the agreement to $598,721 (2nd amendment). Additional work, including attendance at public hearings, preparing new traffic-related exhibits, and project coordination, resulted in costs ($64,452.47) not covered in the previously approved budget. An amendment to the existing agreement is necessary to complete the processing of the Raytheon project and to compensate Michael Baker International, Inc. for services provided outside the scope of the previously approved agreement. Planning Division staff seeks approval to enter into a fifth amendment to the existing agreement for CEQA review of the project.

The applicant is responsible for reimbursing the City for all costs pursuant to an existing reimbursement agreement between the applicant and the City. The funds to compensate Michael Baker International, Inc. for its work under this agreement come from a developer funded trust account established for the Raytheon project, not the General Fund.

Recommendation

Staff recommends that the Council: 1) approve a budget appropriation of $663,173.47 from a developer funded trust account for planning consulting services; and 2) authorize the City Manager to execute a Fifth Amendment to a Professional Services Agreement with Michael Baker International, Inc., in a form approved by the City Attorney, for an amount not to exceed $663,173.47.
March 22, 2016

Mr. Paul Samaras  
Interim Planning Director  
Planning & Building Safety Department  
CITY OF EL SEGUNDO  
350 Main Street  
El Segundo, California 90245

Subject: Proposal to Provide Environmental Consulting Services for the Raytheon El Segundo  
So. Campus SP Project EIR, 2015 Out-of-Scope Services & Contract Amendment 5

Dear Mr. Samaras:

Michal Baker International (Baker) is pleased to submit this Proposal to the City of El Segundo to provide environmental consulting services for the Raytheon El Segundo South Campus Specific Plan Project EIR. This Scope of Work pertains to the 2015 out-of-scope services and Contract Amendments 5A and 5B, as described below.

- **2015 Out-Of-Scope Services**: Out-of-scope services (including traffic-related) were provided in 2015 for Project coordination/management, and meeting/hearing attendance. Additionally, these fees cover the overall scope creep due to the Project's lifespan extending from 1.5 years to 5 years; see attached Fees Table.

- **Amendments 5A and 5B**: These services involved the following:
  - Baker Team attendance at the remaining public hearings and associated consulting services in support of City Staff through completion of the hearing process, as detailed in the attached Fees Table.
  - Preparation of new Traffic Exhibits, a new PowerPoint Presentation, and multiple conference calls for the November 17, 2015 Public Hearing; and
  - Preparation (including conference calls) and attendance of an additional Public Hearing (December 1, 2015), which was cancelled the same day.

It is noted, although these services are a continuation of an existing project, this Scope of Work/Fees is in addition to the Scope of Work/Fees detailed in the February 13, 2013 Second Amendment to Agreement No. 4133 between the City and RBF Consulting (currently Baker). The undersigned is an agent authorized to submit proposals on behalf of Baker and is authorized to negotiate with the City of El Segundo on this Project.

Please do not hesitate to contact me at 949.855.3663 or at GAL@mbakerintl.com if you have any questions or would like additional information.

Sincerely,

Glenn Lajoie, AICP  
Vice President  
Planning and Environmental Services

14725 Alton Parkway | Irvine, CA 92618  
Office 949 472-3505 | Fax 949 472-8373
### Raytheon El Segundo South Campus Specific Plan Project EIR

**Contract Amendment**

<table>
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<tr>
<th>Task</th>
<th>GL</th>
<th>RG</th>
<th>BM</th>
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<td></td>
<td></td>
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<td>Task 1: Public Hearings</td>
<td></td>
<td></td>
<td></td>
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<td>4</td>
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<td>8</td>
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<td>43</td>
<td>56</td>
<td>129</td>
<td><strong>$27,412.47</strong></td>
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**AMENDMENT 5A**

| Task 1: Public Hearings |    |    |    |    |             |            |
| 1.1: Prepare for Public Hearing (3 Hearings @ 4 Hours Each) | 12 | 12 | 10 | 34 | $7,450     |
| 1.2: Attend Public Hearing (3 Hearings @ 8 Hours Each) | 24 | 24 | 24 | 72 | $15,600    |
| **Subtotal 5A-1** | 0  | 36 | 36 | 34 | 106        | **$23,050** |

**Task 2: Project Management**

| 2.1: Team Management & Coordination (3 Months) | 1  | 6  | 7  | $1,685 |
| **Subtotal 5A-2** | 1  | 6  | 0  | 0  | 7  | $1,685 |

**Task 3: Other Direct Costs**

| 3.1: Other Direct Costs | $250 |
| **Subtotal 5A-3** | $250 |

| **SUBTOTAL 5A** | 1  | 42 | 36 | 34 | 113 | **$24,985.00** |

**AMENDMENT 5B**

| Task 1: Public Hearings |    |    |    |    |             |            |
| 1.1: Prepare for Public Hearing | 13 | 32 | 45 | $8,720 |
| 1.2: Attend Public Hearing | 6  | 6  | 12 | $2,490 |
| **Subtotal 5B-1** | 0  | 0  | 19 | 38 | 57 | **$11,210** |

**Task 2: Project Management**

| 2.1: Team Management & Coordination | 1  | 2  | 3  | $745 |
| **Subtotal 5B-2** | 1  | 2  | 0  | 0  | 3  | $745 |

**Task 3: Other Direct Costs**

| 3.1: Other Direct Costs | $100 |
| **Subtotal 5B-3** | $100 |

| **SUBTOTAL 5A & 5B** | 1  | 2  | 19 | 38 | 60 | **$12,055.00** |

**TOTAL FEES**

| $37,040.00 |

| Amendment 2 Contract Value (CV) | $598,721.00 |

**TOTAL NEW CV**

| $663,173.47 |

GL = Glenn Lajoie; RG = Rita Garcia; BM = Bob Matson; AT = Alex Tabrizi
AGENDA DESCRIPTION:
Consideration and possible action to approve and adopt the updated Investment Policy, which has been revised to include an updated list of Authorized Investments, with City of El Segundo-imposed Restrictions, and add Benchmarks to compare Portfolio performance.
  (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Approve Proposed Resolution;
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Proposed Resolution and Investment Policy with glossary, Investment Broker/Dealer Questionnaire

FISCAL IMPACT: $ None

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PREPARED BY: Dino Marsocci, Deputy City Treasurer
REVIEWED BY: Crista Binder, Treasurer
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
The City of El Segundo Investment Policy (Policy) establishes the cash management and investment guidelines for the City Treasurer. The City of El Segundo invests public funds in a prudent manner with the primary objectives of, in priority order, safety of principal, adequate liquidity and investment return, in conformance with all applicable state laws (Gov. Code §§53600 and 53635 et seq.) and local statutes governing the investment of public funds.

The City of El Segundo last updated and adopted the Investment Policy in 2011. State law provides that any change in the City’s Investment Policy is to be considered by the City Council at a public meeting. (Gov. Code §53646(a)(2)). In addition, on an annual basis, the City Treasurer will report to the City Council any material changes to the policy as reviewed and approved by the City’s Investment Advisory Committee (IAC). The IAC is required to review and approve the policy annually.

Current updates to the Policy include:
-Expanded Policy description to include State of California code references and delegation of investment authority.
-Updated list of Authorized Investments, with City of El Segundo Imposed Restrictions.
- Added Benchmarks to compare Portfolio performance.
- Updated the Reporting and Investment Advisory Committee sections to reflect current practices.
- Added Continuing Education for staff on an annual basis.
- Updated and added the Investment Broker/Dealer Questionnaire.

The City Treasurer and staff recommend the City Council adopt the attached, proposed resolution, approving the Investment Policy.
RESOLUTION NO.______

A RESOLUTION ADOPTING THE STATEMENT OF INVESTMENT POLICY EFFECTIVE APRIL 1, 2016

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

1. The City of El Segundo is required to have a Statement of Investment Policy that regulates the investment of public funds.

2. Pursuant to Government Code §53646(a), the City Treasurer may submit the Investment Policy to the local agency’s legislative body as an agenda item at a public meeting.

SECTION 2: Approval. The City Council of the City of El Segundo approves the Statement of Investment Policy, attached as Exhibit A. The Statement of Investment Policy will take effect retroactively, as of April 1, 2016.

SECTION 3: The City Clerk is directed to certify the adoption of this Resolution, record this Resolution in the book of the City’s original resolutions, and make a minute of this adoption of the Resolution in the City Council’s records and the minutes of this meeting.

SECTION 4: This Resolution will become effective immediately and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 5th day of April, 2016.

______________________________
Suzanne Fuentes,
Mayor

ATTEST:

STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  )  SS
CITY OF EL SEGUNDO  )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ____ was duly passed and adopted by said City Council, approved and
signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2016, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

___________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

___________________________
Mark D. Hensley, City Attorney
CITY OF EL SEGUNDO

STATEMENT OF INVESTMENT POLICY

EFFECTIVE April 1, 2016

Crista Binder, CTP, CFIP
City Treasurer
# CITY OF EL SEGUNDO
# INVESTMENT POLICY
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Attachments

- Glossary of Investment Terms
- Questionnaire – Financial Dealers
City of El Segundo
Investment Policy

1.0 Policy

The City of El Segundo Investment Policy (Policy) establishes the cash management and investment guidelines for the City Treasurer. The City of El Segundo invests public funds in a prudent manner with the primary objectives of, in priority order, safety of principal, adequate liquidity and investment return, in conformance with all State of California Code Sections (53600 and 53635 et seq.) and local statutes governing the investment of public funds.

State of California Code 53646 (a) (2) does not mandate that investment policies be updated annually. However, on an annual basis, the City Treasurer will report to the City Council any material changes to the policy as reviewed and approved by the City's Investment Advisory Committee (IAC). The IAC will be required to review and approve the policy annually.

The City Treasurer will prepare a quarterly report to the City council, City Manager and Director of Finance listing investment transactions made during the reporting period pursuant to Government Code Section 53607.

State of California Code (53607) still requires that the City Council delegate investment authority to the City Treasurer on an annual basis.

2.0 Scope

This investment policy applies to all investment activities and financial assets of the City under management by the City Treasurer. This policy pertains to the City funds which are pooled for investment purposes and funds held in depository agencies.

It is the City's policy to pool funds for investment purposes to maximize efficiencies, reduce transaction costs, streamline cash flow forecasting, and provide greater access to the market.

The pooled funds include:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Debt Service Funds
Assets not under management of the City Treasurer are investments in the City’s defined benefit plans, health savings plans, and pension plans.

3.0 **Prudence**

State of California Government Code Section 53600.3 states that "...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing in public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The City Treasurer and persons that the City Treasurer delegates to manage City investments, shall use the "Prudent Investor" standard. Investment officers acting in accordance with this Policy, written portfolio guidelines and procedures, and exercising due diligence shall be relieved of personal responsibility for individual security’s credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment reports to the City Council, and appropriate action is taken to control adverse developments.

When investing and managing City funds, the City Treasurer and employees shall act with care, skill, prudence and diligence to meet the aims of the investment objectives listed in order in Section 5.0, Investment Objectives.

4.0 **Ethics and Conflict of Interest**

The City Treasurer, employees involved in the investment process, and the members of IAC shall refrain from all personal business activity that could conflict with the management of the investment program. All individuals involved with the investment of City funds, or review of investment transactions, will be required to file a Form 700 – Statement of Economic Interests on an annual basis in accordance with California state law.

5.0 **Investment Objectives**

Safety: Safety of principal is the foremost objective of the investment program. Investments of the City of El Segundo shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City shall only invest in high quality securities and it shall diversify its investments in order that potential losses on individual securities do not exceed the income generated
from the remainder of the portfolio so as not to harm the City’s cash flow and principal. The City shall also structure its portfolio so as to prevent the need to sell securities prior to maturity and it shall not take short positions, that is, selling securities that the City does not own.

Two risks are monitored to help ensure safety of the investments. They are credit risk and market or interest rate risk.

Credit Risk: Credit risk is defined as the risk of loss due to the failure of an issuer to redeem the outstanding debt at the stated maturity date. Within this concept, credit risk also applies to the overall market perception of the financial strength and capacity of the issuer. Diversification of the investment portfolio by issuer, maturity date and amount invested will ensure that in the event of a failure of any one issuer, the event will not unduly harm or compromise the City’s cash flow.

Market or Interest Rate Risk: Market or Interest Rate risk is the risk that the market value of investment securities in the portfolio may decline due to changes in general interest rates. Market rate risk can be mitigated by diversifying the investment of funds by maturity date and by investing funds to a specific cash requirement that would reduce the need to sell the security prior to maturity to meet immediate City cash flow needs.

Liquidity: The City of El Segundo's investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.

Return on Investments: The City of El Segundo shall manage funds to optimize the return on investments consistent with the two primary objectives of safety and liquidity. The rate of return on investment should be designed to attain a market rate of return through budgetary and economic cycles consistent with the risk limitations, prudent investment principles and cash flow requirements identified by the City's Investment Policy.

6.0 Delegation of Authority

Pursuant to State of California Code Section 53607, the City Council hereby authorizes the City Treasurer to invest and reinvest the City's funds, to sell or exchange securities so purchased, and to deposit securities for safekeeping in accordance with established procedures.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer. The City Treasurer may delegate all, or a portion of the investment authority to subordinates pursuant to State of California Government Code Section 41006. Such delegation by the City Treasurer shall not remove or abridge the Treasurer's investment responsibility.
The City Treasurer shall establish written procedures for the operation and management of the City's investment program consistent with this investment policy, including appropriate written agreements with financial institutions.
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<th>INVESTMENT TYPE</th>
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<tr>
<td>Non-negotiable Certificates of Deposit</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Placement Service Deposits</td>
<td>5 years</td>
<td>30% (inclusive of placement service CDs)</td>
<td>None</td>
<td>10%</td>
</tr>
<tr>
<td>Placement Service Certificates of Deposit</td>
<td>5 years</td>
<td>30% (combined with negotiable CDs)</td>
<td>None</td>
<td>10%</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>1 year</td>
<td>None</td>
<td>None</td>
<td>Not Permitted</td>
</tr>
<tr>
<td>Reverse Repurchase Agreements and Securities Lending Agreements</td>
<td>92 days</td>
<td>20% of the base value of the portfolio</td>
<td>None</td>
<td>Not Permitted</td>
</tr>
<tr>
<td>Medium-Term Notes</td>
<td>5 years</td>
<td>30%</td>
<td>&quot;A&quot; Rating &quot;if the issuer has issued long-term debt it must be rated &quot;A&quot; without regard to modifiers**</td>
<td>15% (no more than 3% per issuer)</td>
</tr>
<tr>
<td>Mutual Funds and Money Market Mutual Funds</td>
<td>N/A</td>
<td>20%</td>
<td>Multiple</td>
<td>5%</td>
</tr>
<tr>
<td>Collateralized Bank Deposits</td>
<td>5 years</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Mortgage Pass-Through Securities</td>
<td>5 years</td>
<td>20%</td>
<td>&quot;A&quot; Rating</td>
<td>Not Permitted</td>
</tr>
<tr>
<td>County Pooled Investment Funds</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
<td>Not Permitted</td>
</tr>
<tr>
<td>Joint Powers Authority Pool</td>
<td>N/A</td>
<td>None</td>
<td>Multiple</td>
<td>Not Permitted</td>
</tr>
<tr>
<td>Local Agency Investment Fund (LAIF) (Up To Maximum Allowed)</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Voluntary Investment Program Fund</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
<td>Not Permitted</td>
</tr>
<tr>
<td>Supranational Obligations</td>
<td>5 years</td>
<td>30%</td>
<td>&quot;A A A&quot; Rating</td>
<td>10% and &quot;A A A&quot; Rating</td>
</tr>
</tbody>
</table>

* If less than State Code Maximum % of Portfolio

** Pursuant to Government Code Sections: 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8 and 53638

** Issuing corporation must be organized and operating within the U.S. and have assets in excess of $500 million
8.0 **Investment Pools/Mutual Funds**

The City of El Segundo will be required to conduct a thorough investigation of any government sponsored pool and/or mutual fund prior to investing and on a continual basis. There shall be a questionnaire completed which will provide the following:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement process), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposits and withdrawals are allowed.
5. A schedule for receiving statements and portfolio listings.
6. A description of how the pool/fund utilizes reserves, retained earnings, etc.
7. A fee schedule, including when and how fees are assessed.
8. The eligibility of the pool/fund to invest in bond proceeds and a description of its practices.

9.0 **Diversification Guidelines**

The City of El Segundo will diversify its investments by security type, issuer and maturity dates. Concentration limits are indicated in the Authorized Investments Section 7.0 for all investment categories except Treasury securities.

10.0 **Maximum Maturities**

To the extent possible, the City of El Segundo will attempt to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than five (5) years from the date of purchase pursuant to Government Code Section 53601.

11.0 **Benchmarks**

The City of El Segundo Quarterly Investment Report will include benchmark reporting. The benchmark reporting will be used as a reference tool only to communicate investment performance against established benchmarks. The use of benchmarks will not imply that the City Treasurer will assume more risk to the portfolio as safety of principal and liquidity of funds are the first two primary objectives of the City's portfolio. The City will use the following benchmark to compare and evaluate portfolio performance.

Interpolated Yield: The market yield of US Treasury securities as compared to the portfolio's weighted average maturity (WAM) for the long-term and short-term investments in the portfolio.
12.0 Investment Advisory Committee

The City of El Segundo has established an Investment Advisory Committee (IAC) to provide advice and assistance of persons with experience in the investment field on the investment of City funds to ensure that City funds are invested in a safe and prudent manner.

The City of El Segundo Investment Advisory Committee (IAC) was established by City Council resolution 3764 on June 12, 1992.

The IAC shall have four (4) members appointed by the City Council to serve at their discretion. The committee members shall be the City Treasurer, the Director of Finance, one member who shall be a resident of the City of El Segundo and one member who may be a non-resident of the City. Desirable qualifications of IAC members include, but are not limited to, work experience or educational background in banking, investments or finance.

The IAC shall review and make recommendations on City investment policy and guidelines, list of banking institutions working with the City, list of brokers and dealers working with the City, and investments in the City portfolio. IAC members shall review and vote on recommendations of any new type of investment.

The IAC shall meet on a quarterly basis to discuss the City's investments and investment objectives.

The City Treasurer will prepare a quarterly report to the City council, City Manager and Director of Finance listing investment transactions made during the reporting period pursuant to Government Code Section 53607.

13.0 Collateralization

California Government Code, Sections 53652, et seq., requires depository institutions to post certain types and levels of collateral for public funds above the FDIC insurance amounts. The collateral requirements apply to bank deposits, both active (checking and savings accounts) and inactive (non-negotiable time certificates of deposit).

14.0 Safekeeping and Custody

The City of El Segundo shall require that all investment transactions be conducted through the delivery-versus-payment (DVP) process pursuant to Government Code Section 53601. Securities shall be held by a third party custodian designated by the City Treasurer and evidenced by safekeeping receipts pursuant to Government Code Section 53608.
15.0 **Reporting**

The City Treasurer will prepare a quarterly report to the City council, City Manager and Director of Finance listing investment transactions made during the reporting period pursuant to Government Code Section 53607. At a minimum, the quarterly report must include type of investment, issuer name, dollar amount of each security, date of maturity, par value, book value and current market value of securities, rate of interest, funds managed by contracted parties, percentage of the portfolio in each investment category, weighted average maturity, statement of ability to meet expenditure requirements for the next six months, and Treasurer indication of compliance with the City's Investment Policy.

In addition to the quarterly report, the City Treasurer will prepare a monthly statement of investments and transactions to the Director of Finance.

16.0 **Internal Controls**

The City Treasurer shall establish a system of written internal controls, which shall ensure compliance with this Investment Policy and state law. The controls shall be designed to prevent loss of public funds due to fraud, employee error, and misrepresentation by third parties, or imprudent actions of employees. The City Treasurer shall evaluate any audit reports in a timely manner with the Director of Finance.

Investment transactions and holdings shall be verified by the Director of Finance on a monthly basis and reviewed annually by the City's external auditor.

17.0 **Authorized Financial Dealers and Institutions**

The City Treasurer shall transact business only with banks, savings and loans, state and federal credit unions, and securities dealers. The Treasurer shall select and maintain a current list of broker/dealers, as defined by Corporations Code Section 25004, authorized to provide the City investment services. This list of broker/dealers shall be included in the Treasurer's quarterly investment report to the City Council. The broker/dealers shall meet the requirements of Government Code Section 53635.5 and Securities & Exchange Commission Rule 240.15c3-1 (uniform net capital rule). The Treasurer shall keep on file with the City an audited financial statement for each authorized broker/dealer's last complete fiscal year. Each authorized broker/dealer shall execute an acknowledgement that it has read the City's current Investment Policy and that it will abide by the terms and conditions of the Policy. Additionally, each such broker/dealer shall complete the questionnaire attached hereto. City funds shall only be placed in and invested with depositories that meet the requirements of Government Code Sections 53630 et seq.
18.0 Continuing Education

The City of El Segundo recognizes that employees engaged in investment and management of public funds should be provided with continuing education on all aspects of public fund management. At a minimum, the City Treasurer, Deputy Treasurer I and Deputy Treasurer II, should complete, at a minimum, five hours of continuing education in investment management on an annual basis through qualified institutions. Staff engaged in the management and investment process are encouraged to complete more than the minimum amount of continuing education as required in this policy. The Treasurer will include in the quarterly investment report the continuing education hours for the employees listed in this section.
ACTIVE MANAGEMENT STRATEGY
Investment strategy based on a manager or a team of managers actively managing a fund's portfolio with the goal of outperforming benchmarks through analytical research, forecasts, and their own judgment and experience.

ACCRETION
The accumulation of value that occurs during the duration or time between a bond's issuance and maturity.

ACCRUED INTEREST
Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

AMORTIZATION OF COSTS
Reconciliation of the purchase price of a security and par value resulting in net interest.

ARBITRAGE
Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets. The 1986 Tax Reform Act made this practice by municipalities illegal solely as a borrowing tactic, except under certain safe-harbor conditions.

ASSET ALLOCATION
The division of an investment portfolio among different asset categories, such as stocks, bonds, and cash.

ASSET-BACKED SECURITIES
Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

AVERAGE
An arithmetic mean of selected stocks intended to represent the behavior of the market or some component of it.

BANK DEPOSITS
Deposits in banks or other depository institutions that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

BANK NOTES
A senior, unsecured, direct obligation of a bank or U.S. branch of a foreign bank.

BANKERS' ACCEPTANCE
A draft or bill or exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payments of the bill.

BASIS POINTS
Refers to the yield on bonds. Each percentage point of yield in bonds equals 100 basis points (1/100% or 0.01%). If a bond yield changes from 7.25% to 7.39% that is a rate of 14 basis points.

BENCHMARK
A passive index used to compare the performance, relative to risk and return, of an investor's portfolio.

BOND PROCEEDS
The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.
BONDS
A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

BOOK VALUE
The value at which an asset is carried on a balance sheet.

BROKER
A person or firm that acts as an intermediary by purchasing and selling securities for others rather than for its own account.

BUY AND HOLD STRATEGY
A strategy based on holding all securities until maturity, regardless of fluctuations in the market.

CALL OPTION
The terms of the bond contract giving the issuer the right to redeem or call an outstanding issue of bonds prior to its stated date of maturity.

CALL RISK
The risk to a bondholder that the bond issuer will exercise a callable bond feature and redeem the issue prior to maturity.

CALLABLE SECURITIES
An investment security that contains an option allowing the issuer to retire the security prior to its final maturity date.

CASH FLOW
A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).

CERTIFICATE OF DEPOSIT
A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposit (CDs) differ in terms of collateralization and marketability. Those appropriate to public agency investing include:

Negotiable Certificates of Deposit
Generally, short-term debt instruments that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). Negotiable CDs are insured by FDIC up to $250,000 but they are not collateralized beyond that amount.

Non-negotiable Certificates of Deposit
CDs that carry a penalty if redeemed prior to maturity. A secondary market does exist for non-negotiable CDs, but redemption includes a transaction cost that reduces returns to the investor. Non-negotiable CDs issued by banks and savings and loans are insured by the Federal Deposit Insurance Corporation up to the amount of $250,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral through an agreement between the investor and the issuer. Collateral may include other securities including Treasuries or agency securities such as those issued by the Federal National Mortgage Association.

CDARS (CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM)
A private CD placement service that allows local agencies to purchase more than $250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and the other participating institutions in amounts that are less than $250,000 each, so that FDIC coverage is maintained.
CD PLACEMENT SERVICE
A service that allows local agencies to purchase more than $250,000 in CDs from a single financial institution while still maintaining FDIC insurance coverage. See "CDARS".

COLLATERALIZATION OF DEPOSITS
Process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing the repayments of deposited funds.

COMMERCIAL PAPER
An unsecured short-term promissory note issued by corporations or municipalities, with maturities ranging from 2 to 270 days.

CONVEXITY
A measure of the price sensitivity of a fixed income security to changes in interest rates. Convexity is influenced by such factors as the coupon rate, maturity, and any call options that may or may not exist. Prices rise at increasing rates as yields fall and prices decline at decreasing rates as yields rise.

CORPORATE NOTES AND BONDS
Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years.

COUNTY POOLED INVESTMENT FUNDS
The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

COUPON
The annual rate of interest that a bond’s issuer promised to pay the bondholder on the bond’s face value; a certificate attached to a bond evidencing interest due on a payment date.

CREDIT RATINGS
Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor’s and Fitch Ratings use the same system, starting with their highest rating, of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody’s Investor Service uses AAA, AA, A, BAA, BA, B, CAA, CA, and D. Each of the services uses pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.

CREDIT RISK
The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market’s perception of an issue/borrower’s credit will cause the market value of a security to fall, even if default is not expected.

CUSIP NUMBER
The Committee on Uniform Security Information Procedures (CUSIP) Number refers to a security’s identification number assigned to each publicly traded security by the CUSIP Service Bureau operated by Standard & Poor’s for the American Bankers Association. The CUSIP Number is a nine-character identifier unique to the issuer, the specific issue and the maturity, if applicable (the first six characters identifying the issuer, the next two identifying the security and the last digit providing a check digit to validate the accuracy of the preceding CUSIP number).

CUSTODIAN
A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER
Someone who acts as a principal in all transactions, including underwriting, buying, and selling securities, including from his/her own account.
DEFAULT RISK
The risk that issuers/borrowers will be unable to make the required payments on their debt obligations.

DEFEASED BOND ISSUES
Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

DELIVERY VS. PAYMENT (DVP)
The payment of cash for securities as they are delivered and accepted for settlement.

DERIVATIVE
Securities that are based on, or derived from, some underlying asset, reference, date, or index.

DISCOUNT
Discount means the difference between the par value of a security and the cost of the security, when the cost is below par. Investors purchase securities at a discount when return to the investor (yield) is higher that the stated coupon (interest rate) on the investment.

DISCOUNT RATE
The interest rate used in discounted cash flow (DCF) analysis to determine the present value of future cash flows. The discount rate in DCF analysis takes into account not just the time value of money, but also the risk or uncertainty of future cash flows; the greater the uncertainty of future cash flows, the higher the discount rate.

DIVERSIFICATION
The allocation of different types of assets in a portfolio to mitigate risks and improve overall portfolio performance.

DURATION
A measure of the timing of the cash flows to be received from a security that provides the foundation for a measure of the interest rate sensitivity of a bond. Duration is a volatility measure and represents the percentage change in price divided by the percentage change in interest rates. A high duration measure indicates that for a given level of movement in interest rates, prices of securities will vary considerably.

EFFECTIVE DURATION
Duration measures the weighted average of the present value of the cash flows of a fixed-income investment. Effective duration measures the price sensitivity of fixed-income investments, especially for those with imbedded option features such as call options. As yields rise, the effective duration of a callable investment rises to reflect the fact that it has become less likely to be called. The more rates rise, the longer the effective duration will become, approaching the duration to maturity. The converse is true in a declining interest rate environment (that is, the more rates fall, the shorter the effective duration will become, approaching the duration to call). For securities without an embedded option, the duration to call, maturity, and effective duration are all the same. The calculation for effective duration is complicated and involves averaging the duration under a simulation of many possible interest rate scenarios in the future.

EVENT RISK
The risk associated with a changing portfolio value due to a market event causing swings in market prices and/or spreads.

EXTENDABLE NOTES
Securities with maturity dates that can be extended be mutual agreement between the issuer and investor. When investing in these types of securities, the maturity date plus the stated extendable option must not exceed the time frames that are allowed in California Government Code or the investment policy for the investment type.
FIDUCIARY
An individual who holds something in trust for another and bears liability for its safekeeping.

FIRST TIER SECURITIES
Securities that have received short-term debt ratings in the highest category from the requisite nationally recognized statistical-rating organization (NRSROs), or are comparable unrated securities, or are issued by money market funds, or government securities. [See SEC Rules: Paragraph (A)(12) of rule 2A-7.]

FLOATING RATE SECURITY
A security that has a variable or “floating” interest rate.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB)
A Standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GOVERNMENT SPONSORED ENTERPRISES (GSE)
Privately held corporations with public purposes created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy. Securities issued by GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries.

GUARANTEED INVESTMENT CONTRACT (GIC)
An agreement acknowledging receipt of funds for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

INDEX
An index is an indicator that is published on a periodic basis that shows the estimated price and/or yield levels for various groups of securities.

INTEREST
The amount a borrower pays to a lender for the use of his or her money.

INTEREST RATE RISK
Interest rate risk is the risk that an investment’s value will change due to a change in the absolute level of interest rates, spread between two rates, shape of the yield curve, or any other interest rate relationship.

INVESTMENT AGREEMENTS
Investment agreements are contracts with respect to funds deposited by an investor. Investment agreements are often separated into those offered by banks and those offered by insurance companies. In the former case, they are sometimes referred to as “bank investment contracts.”

INVESTMENT OVERSIGHT COMMITTEE
A committee of three to eleven members formed under Section 27131 to monitor and review a country’s investment policy by causing an annual audit and discussing its finding at an open meeting. Although cities and other local agencies are not required to compose an investment oversight committee, the State Legislature has declared that all local agencies “should participate in reviewing the policies that guide the investment of those funds.”

LIBOR
Acronym for “London Interbank Offered Rate,” which represents the average rate at which a leading bank can obtain unsecured funding in the London interbank market. LIBOR serves as
a benchmark for various interest rates.
Obligations of parties to such transactions are
typically expressed as a spread to LIBOR.
LIQUIDITY
The measure of the ability to convert an
instrument to cash on a given date at full face
or par value.

LIQUIDITY RISK
The risk that a security, sold prior to maturity,
will be sold at a loss of value. For a local
agency, the liquidity risk of an individual
investment may not be as critical as how the
overall liquidity of the portfolio allows the
agency to meet its cash needs.

LOCAL AGENCY INVESTMENT FUND
A voluntary investment fund open to
government entities and certain non-profit
organizations in California that is managed by
the State Treasurer’s Office.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP)
Investment pools that range from the State
Treasurer’s Office Local Agency Investment
Fund (LAIF) to county pools, to Joint Powers
Authorities (JPAs). These funds are not subject
to the same SEC rules applicable to money
market mutual funds.

MARKET RISK
The chance that the value of a security will
decline as interest rates rise. In general, as
interest rates fall, prices of fixed income
securities rise. Similarly, as interest rates rise,
prices fall. Market risk also is referred to as
systematic risk or risk that affects all securities
within an asset class similarly.

MARKET VALUE
The price at which a security is trading and
presumably could be purchased or sold at a
particular point in time.

MATURE
The date on which the principal or stated value
of an investment becomes due and payable.

MEDIUM-TERM NOTE
Corporate or depository institution debt
securities meeting certain minimum quality
standards (as specified in the California
Government Code) with a remaining maturity of
five years or less.

MONEY MARKET MUTUAL FUNDS
MMF’s are mutual funds that invest exclusively
in short-term money market instruments.
MMF’s seek the preservation of capital as a
primary goal while maintaining a high degree of
liquidity and providing income representative of
the market for short term investments.

MORTGAGE BACKED SECURITIES
Mortgage-backed securities (MBS) are created
when a mortgagee or a purchaser of residential
real estate mortgages creates a pool of
mortgages and markets undivided interest or
participations in the pool. MBS owners receive
a prorate share of the interest and principal
cash flows (net of fees) that are “passed
through” from the pool of mortgages. MBS are
complex securities whose cash flow is
determined by the characteristics of the
mortgages that are pooled together. Investors
in MBS face prepayment risk associated with
the option of the underlying mortgages to pre-
pay or payoff their mortgage. Most MBS are
issued and/or guaranteed by federal agencies
and instrumentalities (e.g., Government
National Mortgage Association (GNMA), Federal
National Mortgage Association (FNMA), and
Federal Home Loan Mortgage Corporation
(FHLMC)).

MORTGAGE PASS-THROUGH OBLIGATIONS
Securities that are created when residential
mortgages (or other mortgages) are pooled
together and undivided interests or
participations in the stream of revenues
associated with the mortgages are sold.
MUNICIPAL ADVISOR RULE (MA RULE)
A regulation of non-dealer "municipal advisors" such as financial advisors, swap advisors, GIC brokers, etc. In addition, the rule pertains to banks and broker dealers acting as municipal advisors. Municipal advisors have a fiduciary responsibility to the government agency receiving their services and they must register with the Securities Exchange Commission (SEC). Municipal finance professionals that do not have a fiduciary duty to issuers cannot provide advice to governments unless certain exemptions are met. The SEC has published a list of frequently asked questions: [www.sec.gov/info/municipal/mun-advisors-faqs.pdf](http://www.sec.gov/info/municipal/mun-advisors-faqs.pdf).

MUNICIPAL NOTES, BONDS, AND OTHER OBLIGATIONS
Obligations issued by state and local governments to finance capital and operating expenses.

MUTUAL FUNDS
An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

NET ASSET VALUE
Net asset value (NAV) is a term used in the mutual fund industry to determine the average price per share of a pool or mutual fund. How this measure varies over time provides information on whether the pool is stable or variable. NAV is the market value of all securities in a mutual fund, less the value of the fund’s liabilities, divided by the number of shares in the fund outstanding. Shares of mutual funds are purchased at the funds offered NAV.

NET PRESENT VALUE
An amount that equates future cash flows with their value in present terms.

NOTE
A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued – see "Medium-Term Note").

OPTIONS
An option is a contract that gives the buyer the right to buy or sell an obligation at a specified price for a specified time. Exchange Traded Options are standardized option contracts that are actively traded on the Chicago Board of Exchange on a daily basis whereas Over-the-Counter Options are traded directly between the buyer and seller at agreed upon prices and conditions (the former type of option is therefore more liquid than the latter).

PAR AMOUNT OR PAR VALUE
The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the "face amount" of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

PLACEMENT SERVICE DEPOSIT
Deposits at depository institutions placed by a private sector placement service entity.

PLACEMENT SERVICE CERTIFICATES OF DEPOSIT
Certificates of deposit placed with a private sector entity that assists in the placement of certificates of deposit with eligible financial institutions located in the United States.
PORTFOLIO
Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PREMIUM
Premium means the difference between the par value of a security and the cost of the security, when the cost is above par. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

PRICE
Price is the amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

PRINCIPAL
The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PROSPECTUS
A disclosure document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer’s business, the proposed use of proceeds, the experience of the issuer’s management, and certain certified financial statements (also known as an “official statement”).

PRUDENT INVESTOR STANDARD
A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

R

REINVESTMENT RISK
The risk that interest rates may be lower that the yield on a fixed income security when the investor seeks to reinvest interest income or repaid principal from the security.

REPURCHASE AGREEMENTS
An agreement of one party (for example, a financial institution) to sell securities to a second party (such as a local agency) and simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on demand or at a specified date.

REVERSE REPURCHASE AGREEMENTS
An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

RISK
The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

RULE G-37 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD
Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

S

SAFEKEEPING SERVICE
Offers storage and protection of assets provided by an institution serving as an agent.

SAFETY
In the context of investing public funds, safety relates to preserving the principal of an
investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

SECURITIES AND EXCHANGE COMMISSION (SEC)
The federal agency responsible for supervising and regulating the securities industry.

SECURITIES LENDING AGREEMENT
An agreement of one party (for example, a local agency) to borrow securities at a specified price from a second party (for example, another local agency) with a simultaneous agreement by the first party to return the security at a specified price to the second party on demand or at a specified date. These agreements generally are collateralized and involve a third party custodian to hold the securities and collateral. Economically similar to reverse repurchase agreement.

SUPRANATIONAL INSTITUTIONS
International institutions formed by two or more governments that transcend boundaries to pursue mutually beneficial economic or social goals. There are three supranational institutions that issue obligations that are eligible investments for California local agencies: the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).

U

UNDERWRITER
A dealer that purchases a new issue of municipal securities for resale

U.S. TREASURY OBLIGATIONS
Debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

W

WEIGHTED AVERAGE MATURITY (WAM)
The average maturity of all securities that comprise a portfolio, typically expressed in days or years.

Y

YIELD
The current rate of return on an investment security generally expressed as a percentage of the securities current price.

YIELD CURVE
A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

YIELD-TO-CALL
The rate of return to the investor earned from payments of principal and interest, with interest compounded semi-annually at the stated yield when the security is redeemed on a specified
call date. In addition, if the security is
redeemed at a premium call price, the amount
of the premium is also reflected in the yield.

YIELD TO MATURITY
The rate of return on the investor earned from
payments of principal and interest, with interest
compounded semi-annually at the stated yield
as long as the security remains outstanding until
the maturity date.

YIELD-TO-WORST
For a given dollar price on a municipal security,
the lowest of the yield calculated to the pricing
call, par option or maturity.

Z

ZERO-COUPON BOND
A bond on which interest is not payable until
maturity (or earlier redemption), but
compounds periodically to accumulate to a
stated maturity amount. Zero-interest bonds
are typically issued at a discount and repaid at
par upon maturity.
City of El Segundo

Investment Broker/Dealer Questionnaire
April, 2015

The City’s Investment Policy requires qualified bidders for investment transactions with the Agency to complete and sign a Broker/Dealer Questionnaire.

SECTION I: STATEMENT OF POSITION AND GENERAL REQUIREMENTS

The City of El Segundo (hereinafter referred to as the “City”) is located in and operates under the laws of the State of California. The City manages an investment portfolio which at March 31, 2015 totaled $77.5 million. The portfolio is mainly comprised of Agency obligations, U.S Treasuries, Negotiable CD’s and deposits in the State of California Local Agency Investment Fund.

The City has adopted a written Investment Policy, which regulates the standards and procedures used in its cash management activities. A copy of the City's Investment Policy is provided with this document. Each broker/dealer must certify that they have read the Policy and will incorporate due diligence in conforming to the provisions of the City's Investment Policy, as well as all applicable state and Federal regulations as they apply to the investment activities of California municipalities.

The City maintains relationships with qualified members of the broker/dealer community who, in their opinion, "understand the needs, constraints and goals of the City."

Broker/dealers will be notified of their approval by the City in writing. No transactions will be conducted with an approved broker/dealer until all paperwork required by both parties has been executed. The City solicits competitive bids and offers on the majority of its transactions. All securities will be delivered against payment to the third-party custodian named by the City.

City personnel will review and substantiate all information and references requested in the document; therefore, please answer all questions as thoroughly as possible.

SECTION II - PART 1: REQUEST FOR GENERAL INFORMATION FROM BROKER/DEALER CANDIDATE

1. Name of firm:___________________________ Firm CRD:______

   Address (local):________________________________________

   Address (main):________________________________________

   Telephone (local): ( )__________________________ ( )__________________________

   Telephone (main): ( )__________________________ ( )__________________________

   Are you a Broker_____ or a Dealer_____?
2. Contact personnel (Please provide an attachment if more space is required)

Name: ____________________________
Title: ______________________________
Telephone: ________________________
Email: ____________________________
Broker CRD: _______________________  
Name: ____________________________
Title: ______________________________
Telephone: ________________________
Email: ____________________________
Broker CRD: _______________________  

Provide background information concerning the account representatives listed above. Please include information on the individual's employment history as it relates to the securities industry, official licenses and certificates.

Provide proof of registration with NASD □ attached □ na
Provide proof of registration with State of California □ attached □ na
Provide proof of Financial Industry Regulatory Authority (FINRA) □ attached □ na
Provide documentation that your firm is qualified under SEC rule 15C3-1 (Uniform Net Capital Rule) □ attached □ na

Is your firm examined by and subject to rules and regulations of:

FDIC □ Yes □ No
SEC □ Yes □ No
NYSE □ Yes □ No
Comptroller of Currency □ Yes □ No
Federal Reserve System □ Yes □ No

3. Has/Have the Agency's representative(s) listed in No. 2 above been disciplined or under investigation for regulatory violations a regulatory agency?

Yes or no __________

If yes, please explain? _____________________________________________________________

4. Please provide a list of the following information regarding at least three of your (public sector/governmental entity) clients in California who are most comparable to the City of El Segundo, with whom the City's representative(s) listed in No. 2 above has/have an established relationship.

Client name, Contact, Address, Email, Length of relationship, Telephone number.
5. (a) Has your firm consistently complied with the Security Exchange Commission’s or the Federal Reserve Bank’s capital adequacy guidelines?  ( ) Yes  ( ) No
(b) As of this date, does your firm comply with the guidelines?  ( ) Yes  ( ) No
(c) Has your capital position ever fallen short?  ( ) Yes  ( ) No
(d) By what factor (1.5x, 2x, etc.) does your firm presently exceed the capital adequacy guidelines?  
(e) Include certified documentation of your capital adequacy as measured by the Federal Reserve standards.
If no, please explain why.

________________________________________________________________________

6. Place an "x" by each instrument set forth below in which you make an active market (both buy and sell).

<table>
<thead>
<tr>
<th>Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-Bills</td>
</tr>
<tr>
<td>T-Notes/Bonds</td>
</tr>
<tr>
<td>BAs</td>
</tr>
<tr>
<td>Commercial Paper</td>
</tr>
<tr>
<td>Bank CDs</td>
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<tr>
<td>S &amp; L CDs</td>
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<tr>
<td>GNMAs</td>
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<tr>
<td>FHLMCs</td>
</tr>
<tr>
<td>Medium Term Notes</td>
</tr>
<tr>
<td>Corporates</td>
</tr>
<tr>
<td>High Grade Municipal Securities</td>
</tr>
</tbody>
</table>

Please specify other Federal Agencies:
Instrumentalities:

________________________________________________________________________

7. Does your firm specialize in any of the instruments listed above? If so, please specify which ones.

________________________________________________________________________

8. Is the firm a primarily dealer in U.S. Government Securities? Yes/No.
If so, for how long has your firm been a primary dealer?
What is your firm’s total volume in U.S. Government and Agency Securities last year?

Firm-wide $ ___________________________  Number of Transactions: ___________________________

Local Office $ _________________________  Number of Transactions: _________________________

9. Do you (and your clearing firm) participate in the SIPC Insurance Program or any other insurance programs that will cover a municipality which invests in the investments listed in question 8 using D.V.P. settlement? If yes, please explain coverage.  ( ) Yes  ( ) No
10. What portfolio information do you require from your clients? ____________________________

What sort of technical market perspective do you propose to bring to a relationship with the City?

______________________________________________________________

What training would you provide to our employees and investment officers? ________________

______________________________________________________________

What reports, transactions, confirmations and paper trail will we receive? ________________

______________________________________________________________

11. Describe the precautions taken by your firm to protect the interests of the public when dealing
with public-sector clients. ____________________________________________

______________________________________________________________

12. Describe the capital line and trading limits that support/limit the office that would conduct
business with our City. _____________________________________________

______________________________________________________________

13. If you are not a bank, please provide the following information regarding your principal banking
relationship.

Bank name: _______________________________________________________

Address: _________________________________________________________

Person to contact: __________________________ Telephone: __________

Length of relationship: ___________________________________________
SECTION II - PART II: REQUEST FOR BROKER/DEALER DISCLOSURE

14. To the best of your knowledge, has there been any "material" litigation, arbitration or regulatory proceedings, either pending, adjudicated or settled, that your firm or any of your employees have been subject to within the last five years that involved issues concerning the suitability of the sale or purchase of securities to institutional clients or fraudulent or unfair practices related to the sale of securities to an institutional client?

If so, please describe each such matter briefly. For purposes of this section, proceedings are "material" if your independent accountant applying generally accepted accounting principles determines that such proceedings required disclosure on your financial statements.

Any "material" proceedings? Yes or no ______

If yes, provide attachment with explanation.

15. Please provide certified audited financial statements for the last three years. In addition, for those dealers preparing and submitting financial statements to the following organizations, please provide publicly available financial documents filed with these agencies for the previous two years: National Association of Securities Dealers, Securities and Exchange Commission, New York Stock Exchange and Federal Deposit Insurance Corporation.

16. Have any of your public-sector clients ever sustained a loss on a securities transaction arising from a misunderstanding or misrepresentation of the risk characteristics of the instrument?

Yes/No ____________

If so, please explain: ______________________________________

_________________________________________________________________

_________________________________________________________________

17. Has any public-sector client ever claimed in writing that your firm was responsible for investment losses? If yes, please explain.

_________________________________________________________________

_________________________________________________________________
SECTION III: CERTIFICATION

I hereby certify that the preceding is true and correct to the best of my knowledge and that I am authorized to execute this request for information on behalf of the broker/dealer firm.

The firm has in place reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between the firm and the City of El Segundo.

All individuals assigned to the City’s account have read the City’s most current Investment Policy, understand the objectives and constraints set forth by the policy, agree to disclose potential conflicts or risks to public funds that might arise out of business transactions between the firm and the City, and will incorporate due diligence in conforming to the provisions of the policy as well as all applicable state and federal regulations as they apply to the investment activities of California municipalities.

The firm shall be provided an annual Statement of Investment Policy for the City of El Segundo and shall be informed of any changes to the policy. The undersigned certify that no securities will be sold to the City, which are in violation of State code or City policy; however, the City shall be responsible for ensuring compliance with percentage limits established by State code and City policy.

We confirm that we are familiar with California Government Code Sections 53600 through 53684 pertaining to the State’s requirements governing investments by local agencies.

Name of firm ______________________________________

Name of broker ____________________________________ Signature __________________________
(assigned to City account)

Title ___________________________________________ Date __________________________

Name of principal or manager ________________________ Signature _______________________

Title ___________________________________________ Date __________________________

City of El Segundo  Page 6/6