The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items.

Unless otherwise noted in the Agenda, the Public can only comment on City-related businesses that are within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portion of this Meeting. 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, residence, and the organization you represent, if desired. Please respect the time limits.

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

SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL
MONDAY, APRIL 30, 2018, 3:00P.M.

3:00 P.M. SESSION

CALL TO ORDER

PLEDGE OF ALLEGIANCE – Council Member Dugan

ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only) – 5 minute limit per person, 30 minute limit total) Pursuant to Government Code § 54954.3(a), the only public comment that will be permitted during this Special Meeting is that pertaining to the agenda item listed below. Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on their 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.
A. UNFINISHED BUSINESS:

1. Consideration and possible action to (1) receive and file a report from Public Works related to the project budget and construction schedule of the El Segundo Aquatics Center located at 300 Duley Road, and (2) approve two Facility Use Agreements between the City and El Segundo Unified School District (ESUSD) for El Segundo Aquatics Center and Urho Saari Swim Stadium.
(Fiscal Impact: Aquatics Center - $400,000 contribution by ESUSD for a 10 year use term, estimated $175,000 annual net operation expense to be paid by City, design and construction costs - $1.8 million by City, $6 million by Wiseburn Unified School District plus land costs, $6 million by non-profit South Bay Sports, Health and Wellness; Urho Saari - the lesser of 24% or $1 million contribution by ESUSD towards refurbishment costs with City paying 76%/$3 million, ESUSD receives 10 year use term, City pays for annual operating expenses).

Recommendation – 1) Receive and file a report from Public Works related to the project budget and construction schedule of the El Segundo Aquatics Center; and, 2) Approve the Facility Use Agreement between the City and El Segundo Unified School District for the use of the new El Segundo Aquatics Center subject to revisions to be approved by the City Attorney; and, 3) Approve the Facility Use Agreement between the City and El Segundo Unified School District for Urho Saari Swim Stadium subject to revisions to be approved by the City Attorney; and/or, 4) Alternatively, discuss and take other action related to this item.

B. CONSENT AGENDA

2. Consideration and possible action to adopt a Resolution approving plans and specifications for FY 17/18 Pavement Rehabilitation, Project No. PW 18-18, and authorize staff to advertise the project for receipt of construction bids.
(Fiscal Impact: To Be Determined)

Recommendation – 1) Adopt the attached Resolution approving plans and specifications for FY 17/18 Pavement Rehabilitation, Project No. PW 18-18; 2) Authorize staff to advertise the project for receipt of construction bids; 3) Alternatively, discuss and take other possible action related to this item.

3. Consideration and possible action to waive the formal bidding requirements and authorize the City Manager to execute a services agreement with Matrix Imaging, Inc. in the amount of $122,960 to provide scanning, indexing, and conversion services to the Planning and Building Safety and Police Departments.
(Fiscal Impact: $122,960.00)

Recommendation – 1) Waive the formal bidding requirements for contracts exceeding $50,000.00 per El Segundo Municipal Code § 1-7-9; 2) Authorize the City Manager to execute a services agreement with Matrix Imaging, Inc. in the amount of $122,960 to provide scanning, indexing, and conversion services to the Planning and Building Safety and Police Departments; 3) Alternatively, discuss and take other possible action related to this item.
4. Consideration and possible action regarding approval of an amendment to AdminSure Inc. Agreement No. 5504 between AdminSure Inc. and the City of El Segundo (City) to add services of third party administration (TPA) for the City’s worker's compensation program.  
(Fiscal Impact: $25,652.40)
Recommendation – 1) Authorize City Manager to execute an agreement amendment, in a form approved by the City Attorney, with AdminSure Inc., adding the Workers Compensation Third Party Administration Services to the scope of the contract; 2) Alternatively, discuss and take other possible action related to this item.

ADJOURNMENT

POSTED: DATE: 
TIME: 1:30 PM
NAME: [Signature]
EL SEGUNDO CITY COUNCIL
MEETING DATE: April 30, 2018
AGENDA ITEM STATEMENT
AGENDA HEADING: Unfinished Business

AGENDA DESCRIPTION:
Consideration and possible action to (1) receive and file a report from Public Works related to the project budget and construction schedule of the El Segundo Aquatics Center located at 300 Duley Road, and (2) approve two Facility Use Agreements between the City and El Segundo Unified School District (ESUSD) for El Segundo Aquatics Center and Urho Saari Swim Stadium.
(Fiscal Impact: Aquatics Center - $400,000 contribution by ESUSD for a 10 year use term, estimated $175,000 annual net operation expense to be paid by City, design and construction costs - $1.8 million by City, $6 million by Wiseburn Unified School District plus land costs, $6 million by non-profit South Bay Sports, Health and Wellness; Urho Saari – the lesser of 24% or $1 million contribution by ESUSD towards refurbishment costs with City paying 76%/$3 million, ESUSD receives 10 year use term, City pays for annual operating expenses).

RECOMMENDED COUNCIL ACTION:
1. Receive and file a report from Public Works related to the project budget and construction schedule of the El Segundo Aquatics Center; and,
2. Approve the Facility Use Agreement between the City and El Segundo Unified School District for the use of the new El Segundo Aquatics Center subject to revisions to be approved by the City Attorney; and,
3. Approve the Facility Use Agreement between the City and El Segundo Unified School District for the Urho Saari Swim Stadium subject to revisions to be approved by the City Attorney; and/or,
4. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Summary of Agreement Approved on December 14, 2017 by the El Segundo City Council and ESUSD Board
2. Facility Use Agreement between the City and El Segundo Unified School District for the Aquatics Center
3. Facility Use Agreement between the City and El Segundo Unified School District for the Urho Saari Swim Stadium

FISCAL IMPACT: Aquatics Center - $400,000 contribution by ESUSD for a 10 year use term, estimated $175,000 annual net operation expense to be paid by City, design and construction costs - $1.8 million by City, $6 million by Wiseburn Unified School District plus land costs, $6 million by non-profit South Bay Sports, Health and Recreation; Urho Saari – the lesser of 24% or $1 million contribution by ESUSD towards refurbishment costs with City paying 76%/$3 million, ESUSD receives 10 year use term, City pays for annual operating expenses.

Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s): Aquatics Trust Account - Revenue
STRATEGIC PLAN:

Goal: 1b  El Segundo’s engagement with the community ensures excellence.
Objective: 1  The City is transparent regarding services and performance.

PREPARED BY:  Meredith Petit, Director of Recreation and Parks  
Ken Berkman, Director of Public Works

REVIEWED BY:  Meredith Petit, Director of Recreation and Parks

APPROVED BY:  Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:

On September 28, 2016, the City Council authorized the use of $1,800,000 from the Aquatics Trust Fund to be used to complete the El Segundo Aquatics Center at the Wiseburn High School site. The total project budget was set to not exceed $13,800,000 with a $6,000,000 contribution from Wiseburn Unified and a pledge from South Bay Sports, Health and Wellness for an additional $6,000,000. The City Council went through an exercise to review the scope of the project design and made some slight modifications to ensure the project would be within the funds available. Some of the reductions included removal of two diving boards, repurposing the concession area to storage, and modifying the spectator bleachers.

Once the facility is completed, the City will be responsible for the operation and maintenance (O&M) of the new Aquatics Center and Locker Rooms in accordance with the Settlement Agreements and required Joint Use Agreement with the Wiseburn Unified School District; therefore, it was critical for staff to be an integral part of the project during construction. The Public Works Director has served as the City’s Project Manager, with assistance from senior engineering staff, and has attended weekly project progress meetings onsite, bringing other City staff in as needed to address any issues or answer any questions and ensure all construction is completed in the City’s best interest.

Cost Update

On December 20, 2016, the City Council approved the staff recommendation to hire a consultant to review the upcoming construction bid results to validate the construction cost allocations between the high school gym and aquatics center scopes of work for both the construction costs and “soft” costs, such as design, permitting, and geotechnical engineering services that are required to construct both facilities on the single site. TG Construction, Inc. (TG) was hired to provide these cost engineering services. The goal of the collaborative cost analysis exercise was to determine the post-bid/pre-construction cost of the project for the City, i.e. the contractual value prior to the contractor commencing work.

After analyzing the construction bids received on November 18th and December 8th, 2016, the District Director of Facilities Planning estimated the Aquatics Center portion of the construction costs at $12.5M, in cooperation with and confirmation by City staff. This amount was reported to the City Council and District Board individually at their respective meetings.

Discussions and meetings commenced in February 2017 to determine what hard and soft costs were actually applicable to the City’s Aquatics Center Project. TG and the Public Works Director represented the City, while the District’s General Contractor, Balfour Beatty Construction (BBC) and the Director of Facilities Planning represented the District. Ultimately, on January 24, 2018, the City
and District teams agreed that the Aquatic Center Project Cost is $11,727,395, including contingencies. This number reflects an analysis of the 25 distinct building elements (concrete, doors, roofing, etc.) that comprise the shared locker room facility and their respective subcontractor bids (the hard costs), which subsequently impact the amount of soft costs applicable to the City’s portion of the project.

Construction Schedule Update

As mentioned earlier in this report, the City will be responsible for the O&M of the facility, which will include complex mechanical, electrical, plumbing, and pool-related components. Therefore, at the December 20, 2016 meeting, staff requested Council’s approval to release a Request for Proposals (RFP) to obtain on-call construction management/owner’s representation (CM/OR) services. Staff reached out to the consultant community and specifically those firms with the requisite experience in designing and managing the construction of large pools and aquatic centers in Southern California to garner interest in the RFP.

The competitive process resulted in Council awarding a $70,000 contract to RTI Consulting, Inc. (RTI) on February 21, 2017 to provide the CM/OR services, which included weekly project progress meeting attendance, budget/cost control, submittal reviews, and commissioning oversight. Given that BBC is not contractually obligated to the City, RTI’s expertise and assistance has been of great value, to the District as well. At the time of RTI’s contract award, a detailed construction schedule had not yet been prepared by BBC, but 12 months of construction was anticipated for the pool portion.

The Settlement Agreement between the City and the District provided for a Notice of Completion filing date of July 31, 2018 for the Aquatics Center. The first monthly schedule published in August 2017 indicated a completion date of June 21, 2018, which remained for several months. The November 2017 schedule moved the completion date to July 20, 2018 due to weather, unforeseen conditions within the pool area, such as poor soil and a transite pipe, and other issues within Phase I (the new high school).

The December 2017 schedule was published with a completion date of September 12, 2018. This is beyond the Agreement date and triggered City staff and RTI to request a “Recovery Schedule” in January to get the project back on track to be completed by July 31st. RTI analyzed the schedule and all pool-related tasks, and sent an email to the District team highlighting possible tasks that could be shortened and questioning other tasks that appeared to be extended in the most recent schedule. This served as the basis for a Recovery Schedule meeting between the City and District teams on March 20th. As a result, the schedule was revised to a completion date of August 31, 2018. Further analysis of the schedule and construction activity details will be on-going in an attempt to meet a completion date of July 31st, and each monthly schedule will be modified accordingly.

Joint Use Agreement / Wiseburn Unified School District

Through a Settlement Agreement between the Wiseburn Unified School District (“Wiseburn”) and the City of El Segundo, the two parties have been collaborating on designing and constructing a joint-use aquatics facility that will be located on Wiseburn property but operated and maintained by the City. The Settlement Agreement called for Wiseburn to contribute $6,000,000 to help fund the project, while the City would be responsible for the ongoing operations and maintenance of the aquatics facility.
In order to formalize the partnership and lay out certain responsibilities it is necessary to create an agreement that each party agrees to. Wiseburn and City staff along with various subcommittees of elected officials and administrators of both parties have been involved in drafting the agreement to both parties’ satisfaction. Additionally, each party’s legal counsel is reviewing and working to finalize it.

The main points covered in the Joint Use Agreement are:

- Establishment and makeup of an Aquatics Center Committee (ACC) to implement the terms of the agreement and meet quarterly. This ACC can create subcommittees that can be comprised of various stakeholders and staff that meet more regularly to discuss scheduling and daily operations.
- Scheduling of WUSD usage for school-related athletics or activities (3 hours per day) and “Exclusive Use Days” that require either party to access spaces operated by the other, limited to 12 total each year. The agreement permits the City to have exclusive use of the Aquatics Center at all times not set aside for WUSD and ESUD. WUSD cannot retain monies generated from its use of the facilities and, rather, must remit such monies to the City.
- The term of the Agreement is for 25 years with an option to mutually agree to extend the term for an additional 25 years. The City can terminate it on 2 years notice.
- The City is responsible for routine maintenance and repair; however, the language provides that if the two parties agree, the City may elect to reimburse the District for routine maintenance and repair (i.e. landscaping and custodial). The Aquatics Center Committee will recommend major maintenance and/or capital improvements on an annual basis when possible to forecast, or on an as-needed basis for unforeseen circumstances.
- The District and City will establish a replacement reserve fund; the District must contribute $40,000 annually for the first 25-year term. The City and the District must each contribute $20,000 annually during the second 25-year term.
- Whenever the pool is in use, the Party using the pool is responsible for ensuring that a minimum of one appropriate individual who possesses current lifeguarding, First Aid, and CPR certifications. City and District may agree to have City personnel perform lifeguard duties during District use, subject to reimbursement of direct costs by the District.

**Facility Use Agreements / El Segundo Unified School District**

The City Council and ESUSD School Board held joint meetings on October 10, 2017 and December 14, 2017 to discuss arrangements for school use of the new Aquatics Center and financial contributions from ESUSD to the City. Ultimately, the two bodies came to consensus and a summary of the discussions is attached to this report. The ESUSD Superintendent, City Manager and each party’s attorneys have collaborated to draft the final agreements. The City believes the current draft is consistent with both party’s intentions, but there may be some minor revisions that staff requests be subject to the City Attorney’s approval.

The main points covered in the Facility Use Agreement are:

- The District will contribute $400,000 for the purposes of the City to purchase equipment for the use of community and school programming at the Aquatics Center.
- The City will be responsible for all other costs, including utilities, and the District can retain monies that it generates from its use.
• The term will be for 10 years with the option, which must be mutually agreed upon, to extend for up to four separate 10-year renewal periods. The agreement can be cancelled on one year's notice. If the City terminates before the end of the first ten year period, the City must repay the District a pro-rata amount of the $400,000.
• District usage allowance will be equal to WUSD usage, 3 hours per day, and scheduling will be determined through the subcommittee as determined by the Aquatics Center Committee.

The main points covered in the agreement for financial contribution for renovation of The Plunge are:

• The District will contribute the equivalent of 24% of the total project cost, not to exceed $1,000,000, as it relates to the scope of work described in the 2014 Isaac Sports Group Study.
• The initial term of the agreement will be 10 years and may be extended through mutual agreement.
• The City retains priority usage of the facility as set forth in the current Joint Use Agreement between the City and ESUSD.

Should the City Council approve all agreements, they will be forwarded for approval by the ESUSD School Board.
City of El Segundo and El Segundo Unified School District
Summary of Agreement Approved on December 14, 2017 by the
El Segundo City Council and ESUSD Board
Revised December 18, 2017

The following outline summarizes the agreement reached by the El Segundo City Council and the El Segundo Unified School District (ESUSD) Board on the terms of ESUSD’s financial contribution to the Plunge and use of the new El Segundo Aquatics Center.

A. ESUSD’s Financial Contribution

1. **Methodology for calculating financial contribution:** ESUSD’s financial contribution will be calculated as the sum of two parts, as follow.
   a. An amount equal to the percent of ESUSD’s current use of the Plunge facility (24%) applied to the actual cost of renovating the Plunge (with specifications and scope of work similar to the current design outlined in Isaac Sport quote dated 4/10/15), for a total not to exceed $1 million; and
   b. $400,000 toward the purchase of equipment for the new El Segundo Aquatics Center; the decisions about the details of purchase delegated to the City of El Segundo.

2. **Timing of ESUSD’s financial contribution:** The City Manager and Superintendent of ESUSD will negotiate a mutually agreeable payment schedule based on the timing of two factors.
   a. The renovation of the Plunge; and
   b. The purchasing of equipment for the El Segundo Aquatics Center.

B. Structure of Agreements to be Executed

1. **Three separate two-way agreements:** Pending final review by the legal counsels to the parties involved, there will be three separate two-way agreements prepared, all of which will be approved at the same time. The agreements will be as follow.
   a. A two-way agreement between ESUSD and the City for contribution towards and use of the Plunge;
   b. A two-way agreement between ESUSD and the City for contribution of equipment and use of the Aquatic Center; and
   c. A two-way agreement between ESUSD and Wiseburn that will acknowledge ESUSD’s agreement with the City for ESUSD’s use of the Aquatics Center.
2. **Length and renewal terms of ESUSD’s agreement for use of the Aquatics Center:**

The two-way agreement between ESUSD and the City for use of the Aquatic Center will be structured as follows.

a. The agreement will have an initial term of ten years that commences on the date that funds from ESUSD to the City are transferred either for the renovation of the Plunge or the purchase of new equipment for the Aquatic Center.

b. The agreement will provide for four ten-year renewals, with the negotiations between the City and ESUSD about ESUSD’s financial contribution (in the form of a contribution toward the purchase of equipment for the Aquatic Center) to commence in the eighth year of each ten-year agreement.

c. The methodology used to calculate ESUSD’s contribution toward the purchase of equipment for the Aquatic Center in any renewal agreements will mirror the methodology used in the initial ten-year agreement.

d. Similar to other agreements between the City and ESUSD, the agreement will include a termination clause. The termination clause will require, at minimum, a one-year notice of any intent to terminate.

Note: There was interest expressed in negotiating the same length and termination clauses across each of the use agreements.

*Summary prepared by Karen Orlansky, Special Advisor, Management Partners in consultation with Greg Carpenter, El Segundo City Manager, and Melissa Moore, ESUSD Superintendent Melissa Moore.*

korlansky@managementpartners.com
FACILITY USE AGREEMENT
BETWEEN
EL SEGUNDO UNIFIED SCHOOL DISTRICT
AND
THE CITY OF EL SEGUNDO
FOR THE AQUATIC CENTER

THIS AGREEMENT made and entered into this _____ day of __________, 2018, by
and between the El Segundo School District (hereinafter “School District”), a California public
school district and the City of El Segundo (hereinafter “City”), a municipal corporation
(individually a “Party” and collectively “the Parties”)

RECITALS

WHEREAS, Wiseburn Unified School District (“WUSD”) owns a pool facility known as
the “El Segundo Aquatics Center” located on a portion of the property 201 N. Douglas, El
Segundo, CA 90245 (depicted on Exhibit A, the “Facilities”) which are adjacent to the Da Vinci
High Schools;

WHEREAS, the City entered into a “Settlement Agreement” with WUSD dated May 22,
2013 as amended through the “First Amended and Restated Settlement Agreement” dated January
19, 2016, (collectively, the “Settlement Agreement”) establishing the terms and conditions of the
construction, operation and use of the Facilities;

WHEREAS, the Settlement Agreement set forth the terms and conditions regarding the
operation, maintenance and general use of the Facilities and that WUSD will retain and hold title
to the Facilities;

WHEREAS, the Settlement Agreement also sets forth the some of the terms and
conditions under which the City and WUSD will allow the District to use the Facilities and allows
for the City and District to enter into separate agreements to establish the specific rights of the
District to use the Facilities;

WHEREAS, pursuant to the Settlement Agreement, the City and WUSD intend to enter
into a Joint Use Agreement (“JUA”) which will set forth that both the City and WUSD will agree
to allow the District to use the Facilities for specific times during the term of this Agreement and
any amendments or extensions thereto;

WHEREAS, the Settlement Agreement and the City Joint Use Agreement (collectively
the “WUSD/City Agreements”) will establish that the City and WUSD agree to allow the District
to use the Facilities during the term of this Agreement and any amendments or extensions thereto;

WHEREAS, the District desires to use the Facilities for school and recreation activities;

WHEREAS, the City desires to confirm and establish the District’s right to use the
Facilities pursuant to the WUSD/City Agreements for purpose of organizing and implementing
community recreation and school activities;
WHEREAS, the District will enter into a concurrent agreement with WUSD in which WUSD confirms the District’s right to use the Facilities pursuant to the WUSD/City Agreements and grants the District a non-exclusive license to enter and use the Facilities as the owner of the Facilities during the term of the JUA and pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereto agree as follows:

Section 1. Description of Facilities. The Facilities consist of a swimming pool and associated facilities as depicted on Exhibit A.

Section 2. District Use. The City, as part of its rights to operate and manage the Facilities, hereby agrees to allow the District to use the Facilities for conducting school related activities pursuant to the terms and conditions set forth herein. The City shall not charge the District any fee for use of the Facilities. However, in consideration for the use of the Facilities, the District shall provide Equipment as set forth in Section 3 below.

Section 3. Equipment. District confirms that it will reimburse the City within thirty days of the City’s purchase of the actual cost of aquatic-related equipment for use at the Facilities set forth on Exhibit B and which shall total approximately Four Hundred Thousand Dollars ($400,000.00) in value (the “Equipment”). The City shall store the Equipment at the Facilities provided that the Facilities include sufficient storage space to house and protect the Equipment from damage and theft. The City, District and WUSD shall have the right to use the Equipment at during their respective use of the Facilities.

A. Damage/Stolen Equipment. The City shall repair or replace any Equipment that is damaged as a result of the City’s use of the Equipment.

B. Equipment Rights. The City, at its sole discretion, may decide to temporarily remove the Equipment from the Facilities to clean, repair or maintain the Equipment as the City deems necessary. The City shall provide prior written notice to the District and WUSD before it removes the Equipment and will work with both the District and WUSD to schedule the removal at a time convenient for all parties. The City shall not be subject to any cost or penalty for temporarily removing the Equipment other than the cost to repair or maintain the Equipment.

Section 4. Term. Subject to Section 10 of this Agreement, the term of this Agreement shall be from the Effective Date through that date which is ten (10) years from the Effective Date (“Term”). This Agreement may be extended for up to four (4) separate ten (10) year renewal periods which must be approved in writing and which is subject to each party’s sole discretion. Upon the expiration or termination of this Agreement, at any time or upon any grounds provided herein, District shall vacate the Facilities by removing the Equipment and any other personal belongings or accessories owned by the District, or its employees and students. If the Agreement is terminated prior to the end of the Term for any reason, the Parties shall establish a mutually convenient time to allow the District to enter the Facilities to remove the Equipment and all remaining personal property, if necessary.
Section 5. Conditions to Use.

A. District General Cleanup. The District shall be responsible for General Cleanup during its use of the Facilities as set forth in this Agreement. As used herein, the term "General Cleanup" shall mean putting away any and all Equipment and supplies used, picking up trash and similar related activities after every period of Facility use by the District.

B. City Maintenance/Repair. The City shall ensure the Facilities are kept in good repair and appearance, except for ordinary wear and tear, and will, with reasonable promptness, ensure all necessary actions are taken to ensure the Facilities are operational maintained in good condition to ensure the Facilities can be used by the District as intended.

C. Conduct of Employees and Invitees. Each Party shall insure that all of its employees, invitees, and all its other users of the Facilities will adhere to proper standards of public conduct. If the City has specific rules or regulations applicable to the use of the Facilities (the "Rules"), the City shall make such rules available to the District in writing.

D. Utilities. In no event shall the District be responsible for payment of any utilities associated with operation and use of the Facilities throughout the Term, including any and all utilities used during the District’s use. The City shall take reasonable steps necessary to ensure the Facilities receive complete and uninterrupted utilities during any and all scheduled District use.

E. Access. The City shall provide District with access to the Facilities during the times that the Facilities are scheduled for the District’s use.

F. Parking. District shall be entitled to shared use of parking available at the Facilities during its scheduled use.

Section 6. Insurance.

A. District's Duty to Insure. District must keep in full force and effect during the term of this Agreement public liability insurance, insuring and protecting City and District from and against any and all liability of City for damages arising out of or connected with use by District, its agents, employees, permittees, and students of the Facilities or or any building, facility or equipment located thereon. All public liability insurance required hereunder must be in the minimum amount of Ten Million Dollars ($10,000,000) and a certificate of such insurance showing City as additional insured must be provided to City. Said certificate must provide that City will receive thirty (30) days’ notice of cancellation of said policy.

B. City's Duty to Insure. City must keep in full force and effect during the term of this Agreement public liability insurance, insuring and protecting City and District from and against any and all liability of District for damages arising out of or connected with use by City, its agents, employees, and permittees of the Facilities or any building, facility.
or equipment located thereon. All public liability insurance required hereunder must be in the minimum amount of Ten Million Dollars ($10,000,000) and a certificate of such insurance showing District as additional insured must be provided to District. Said certificate must provide that District will receive thirty (30) days’ notice of cancellation of said policy.

Section 7. Indemnification.

A. District's Indemnification. District shall defend, indemnify, and hold harmless the City, its city council, officials, officers, agents and employees, from any cost, expense, liability, loss, damage, injury or death to persons, or damage to or loss of property, including City property, arising out of District's use of the Facilities or any building, facility or equipment located thereon.

B. City's Indemnification. City shall defend, indemnify, and hold harmless the District, its Governing Board, officials, officers, agents and employees, from any cost, expense, liability, loss, damage, injury or death to persons, or damage to or loss of property, including District property arising out of City's use of the Facilities or any building, facility or equipment located thereon.

The provisions of this Section shall survive the termination or expiration of this Agreement.

Section 8. Scheduling. In accordance with the terms and conditions of the WUSD/City Agreements, representatives of WUSD, the City and the District shall meet every six (6) months to establish schedules for use of the Facilities (“Scheduling Meetings”). At each Scheduling Meeting, WUSD, the City and District shall agree upon a schedule, in writing, for the upcoming six (6) month term with respect to the use of the Facilities, including, but not limited to the proposed times, uses and users of the Competitive Pool located on the Facilities (“Master Calendar”). The Therapy Pool (smaller pool), shall be open for public use or other scheduled use as determined by the City in its sole discretion and no rights to use such pool are granted to the District by this Agreement or otherwise. The Therapy Pool shall be separated by appropriate barriers from the Competitive Pool during those times that the District is scheduled to use the Competitive Pool in accordance with applicable state laws.

Once the Master Schedule is established as set forth herein, the Parties shall take all reasonable actions necessary to avoid and prevent interference with any activity conducted by the Party using the Facilities.

Section 9. Revisions/Termination. Either Party may terminate this Agreement upon one (1) year’s prior written notice. If the City terminates the prior to the ten year term set forth in Section 4 of this Agreement, the City shall reimburse the District on a pro-rata basis (based upon the number of that have elapsed under the agreement compared to a 120 months) that amount paid by the District to the City pursuant to Section 3 of this Agreement. Except as a result of an Act of
God, circumstances beyond the reasonable control of the City and/or the involuntary destruction of the Facilities, if the District is prevented from using the Facilities pursuant to this Agreement at the times reserved for the District pursuant to the Master Agreement, including, but not limited to, any act that blocks or limits the District’s use or leaves the Facilities in a state of disrepair that prevents the District from fully using the Facilities, the Parties shall meet in good faith to provide an alternative time to use the Facilities in addition to the times set forth in the Master Agreement.

Section 10. **Legal Interpretation of Instrument.** This Agreement shall be governed by the laws of the State of California.

Section 11. **Notices.** Any notice, request, information or other document to be given hereunder to any of the Parties by any other Parties shall be in writing and shall be deemed given and served upon delivery, if delivered personally, or three (3) days after mailing by United States mail as follows:

If to DISTRICT:                EL SEGUNDO UNIFIED SCHOOL DISTRICT
Attn: Melissa Moore, Ed.D. Superintendent
641 Sheldon St.
El Segundo, CA 90245
Telephone: (310) 615-2650
Email:mmoore@esusd.k12.ca.us

If to CITY:                    City Clerk
350 Main Street
El Segundo, CA 90245

Any Party may change the address or persons to which notices are to be sent to it by giving the written notice that such change of address or persons to the other Parties in the manner provided for giving notice. The Parties will provide each other after-hours emergency contact phone numbers of appropriate supervisory staff which shall be periodically updated.

Section 12. **Attorneys’ Fees: Litigation.** In the event any action or suit is brought by a Party against another Party by reason of the breach of any of the covenants or agreements set forth in this Agreement or any other dispute between the Parties concerning this Agreement, each Party shall be responsible for its own attorney’s fees and costs.

Section 13. **Agreement Terms.**

A. **Signs.** Upon receiving prior written consent from the City, the District may place temporary special event or special achievement recognition signs on the Facilities with the understanding that WUSD will be placing similar signs on the Facilities. The District shall be responsible for all costs of any approved signage and comply with all applicable sign codes and ordinances..
B. **Severability.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

C. **Entire Agreement, Waivers and Amendments.** This Agreement incorporates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties with respect to all or part of the subject matter thereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged. Any amendment, extension or modification to this Agreement must be in writing, authorized by the City Council and District Board and executed by District and the City.

D. **Execution in Counterpart.** This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all Parties hereto, notwithstanding that all Parties are not signatories to the original or the same counterpart.

E. **Effect of Recitals.** The Recitals above are deemed true and correct, are hereby incorporated into this Section as though fully set forth herein, and District and the City acknowledge and agree that they are each bound by the same.

F. **Exhibits.** Exhibit “A” attached to this Agreement are incorporated herein by this reference and made a part hereof.

G. **Cooperation.** Both the City and District hereby agree to cooperate with each other by executing such other documents or taking such other actions as may be reasonably necessary to complete this transaction in accordance with this Agreement.

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement as of the date first above written.

DATED: ______________________

EL SEGUNDO SCHOOL DISTRICT
By: ____________________________

DATED: ______________________

THE CITY OF EL SEGUNDO
By: ____________________________
EXHIBIT “A”
DESCRIPTION AND MAP OF FACILITIES
FACILITY USE AGREEMENT
BETWEEN
EL SEGUNDO UNIFIED SCHOOL DISTRICT
AND
THE CITY OF EL SEGUNDO
FOR THE PLUNGE SWIM CENTER

THIS AGREEMENT made and entered into this ___ day of __________, 2018 (the “Effective Date”), by and between the El Segundo School District (hereinafter “School District”), a California public school district duly organized and existing under Chapter 1 of Division 3 of Title 2 of the Education Code of the State of California, and the City of El Segundo (hereinafter “City”), a municipal corporation (individually a “Party” and collectively “the Parties”).

RECITALS

WHEREAS, the City owns a pool facility known as the “Urho Saari Swim Stadium” or “The Plunge” located at 219 West Mariposa Avenue, El Segundo, CA 90245, (the “Facilities”);

WHEREAS, the District desires to use the Facilities for school and recreation activities; and

WHEREAS, the City desires to grant the District a license to use the Facilities for purpose of organizing and implementing community recreation and school activities.

NOW, THEREFORE, the Parties hereto agree as follows:

Section 1. Description of Facilities. The Facilities consist of a swimming pool and associated facilities, including a stadium. A description and map depiction of the Facilities subject to this Agreement are attached hereto as Attachment “A”.

Section 2. License and Contribution. City grants a license to District to use the Facilities for conducting school related activities pursuant to the terms and conditions set forth herein. City shall not charge the District a license fee for use of the Facilities; however, District agrees to provide a financial contribution to the City’s planned “Facility Renovation” of the Facilities as defined and discussed in Section 3 below. District shall ensure that any use by any District staff or students complies with the terms and conditions of this Agreement.

Section 3. Facility Renovation. City hereby confirms that it is in the process of designing and implementing renovation improvement work on the Facilities as set forth in the ______ report dated ______, 2017 (the “Facility Renovation”). City shall initially be responsible for all costs associated with the Facility Renovation. After the Facility Renovation are complete, the City shall provide adequate documentation establishing the direct actual total cost of the Facility Renovation incurred by the City (“Facility Renovation Cost”), which shall be comprised solely of the payments made by the City to the architect hired to design the Facility Renovation and payment to the Contractor completing the Facility Renovation. The Facility Renovation Cost shall in no event include any indirect costs, including, but not limited to, any cost

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incurred to monitor, oversee, or approve of the Facility Renovation, whether such indirect costs are incurred by the City through hiring independent consultants or salary or other payment made to City staff or employees. Upon receipt of the Facility Renovation Cost, the District, as consideration for the right to use the Facilities pursuant to this Agreement, shall pay City a contribution totaling the lesser of (i) twenty four percent (24%) of the Facility Renovation Cost ("District Contribution") or, (ii) One Million Dollars ($1,000,000.00) regardless of the total Facility Renovation Cost. The District shall pay the District Contribution within thirty (30) days of the Notice of Completion being approved by the City for the Facility Renovation.

Section 4. Term. The term of this Agreement shall be from the Effective Date through that date which is ten (10) years from that date which the District pays the amount set forth in Section 3 ("Term"). In the event that the City has not commenced the Facility Renovation within fifteen years of the Effective Date, this Agreement shall be deemed terminated. The Parties, at their sole discretion, may extend the term through a written agreement. The District’s use of the Facilities during the Term shall be established in accordance with Section 8 below. If the Agreement is terminated prior to the end of the Term for any reason, the Parties shall establish a mutually convenient time to allow the District to enter the Facilities to remove the Equipment and all remaining personal property, if necessary.

Section 5. Conditions to Use.

A. Maintenance of the Facilities. During their respective times of use of the Facilities as set forth in this Agreement, the District and the City shall be responsible for providing General Cleanup of the Facilities. As used herein, the term "General Cleanup" shall mean putting away equipment and supplies, picking up trash and similar related activities. Except for the District's General Cleanup responsibilities Acts of God and involuntary destruction of the Facility, and extraordinary repairs, the City shall, at its sole cost and expense, keep and maintain the entire Facilities in good repair and appearance, except for ordinary wear and tear, and free of unlawful or dangerous conditions and properly lighted.

B. Conduct of Employees and Invitees. Each Party shall insure that all employees, invitees, and all others using the Facilities will adhere to proper standards of public conduct. If the City has specific rules or regulations applicable to the use of the Facilities, the City shall make such rules available to the District in writing (the “Rules”). If the District has any questions or concerns about the Rules that may prohibit or interfere with the District’s use of the Facilities, the Parties shall meet in good faith to address the District’s concerns.

C. Utilities. The City shall be responsible for payment of all utilities associated with operation and use of the Facilities throughout the Term, including any and all utilities used during the District’s use. The City shall take reasonable steps necessary to ensure the Facilities receive complete and uninterrupted utilities during any and all District use times, including, but not limited to, adequate electricity, heating, and lighting.
D. **Access.** The City shall provide District with access the Facilities during the times that District has scheduled use of the Facility.

E. **Parking.** The Facility has no parking facilities.

**Section 6. Insurance.**

A. **District's Duty to Insure.** District must keep in full force and effect during the term of this Agreement public liability insurance, insuring and protecting City and District from and against any and all liability of City for damages arising out of or connected with use by District, its agents, employees, permittees, and students of the Facilities or any building, facility or equipment located thereon. All public liability insurance required hereunder must be in the minimum amount of Ten Million Dollars ($10,000,000) and a certificate of such insurance showing City as additional insured must be provided to City. Said certificate must provide that City will receive thirty (30) days' notice of cancellation of said policy.

B. **City's Duty to Insure.** City must keep in full force and effect during the term of this Agreement public liability insurance, insuring and protecting City and District from and against any and all liability of District for damages arising out of or connected with use by City, its agents, employees, and permittees of the Facilities or any building, facility or equipment located thereon, including the Facility Renovation. All public liability insurance required hereunder must be in the minimum amount of Ten Million Dollars ($10,000,000) and a certificate of such insurance showing District as additional insured must be provided to District. Said certificate must provide that District will receive thirty (30) days' notice of cancellation of said policy.

**Section 7. Indemnification.**

A. **District's Indemnification.** District shall defend, indemnify, and hold harmless the City, its city council, officials, officers, agents and employees, from any cost, expense, liability, loss, damage, injury or death to persons, or damage to or loss of property, including City property, arising out of District's use of the Facilities or any building, facility or equipment located thereon.

B. **City's Indemnification.** City shall defend, indemnify, and hold harmless the District, its Governing Board, officials, officers, agents and employees, from any cost, expense, liability, loss, damage, injury or death to persons, or damage to or loss of property, including District property arising out of City's use of the Facilities or any building, facility or equipment located thereon.

The provisions of this Section shall survive the termination or expiration of this Agreement.

**Section 8. Scheduling.** The City and District shall schedule use of the Facility using the process set forth in the Joint Use Agreement entered into by the parties on or about
Section 9. Compliance with Law. City shall comply with all requirements, laws, ordinances, rules, and regulations applicable to the Facilities, enacted or promulgated by any public or governmental authority or agency having jurisdiction over the Facilities. City shall be responsible for obtaining and maintaining throughout the Term of the Agreement all permits, licenses, approvals from any local, state or federal agency necessary for the use of the Facilities.

Section 10. Termination. In the event the City breaches any of the terms set forth herein, the District may provide a written demand notice requiring the City to immediately address and rectify the breach. If the City refuses or fails to rectify or address the breach upon receipt of the District’s notice in a timely manner, the District may terminate this Agreement. Either Party may terminate this Agreement upon one (1) year’s written notice. Upon termination due to a breach by the City or the City’s provision of one year written noce to this Section, the District shall be entitled to reimbursement of the District Contribution on a pro-rata basis (the number of months elapsed since the Effective Date compared to 120 months. Except for Act of God, occurrences beyond the City’s reasonable control, or involuntary destruction of the Facility, if City takes any action that interrupts or prevents the District from using the Facilities pursuant to this Agreement at the times reserved for the District, including, but not limited to, any act that blocks or limits the District’s use or leaves the Facilities in a state of disrepair that prevents the District from fully using the Facilities, the District, at its sole discretion, may require the City provide an alternative time to use the Facilities in addition to the times set forth in the Master Agreement.

Section 11. Legal Interpretation of Instrument. The Parties expressly understand and agree that this Agreement constitutes a non-exclusive license for use of the Facilities. This Agreement shall be governed by the laws of the State of California.

Section 12. Notices. Any notice, request, information or other document to be given hereunder to any of the Parties by any other Parties shall be in writing and shall be deemed given and served upon delivery, if delivered personally, or three (3) days after mailing by United States mail as follows:

If to DISTRICT: EL SEGUNDO UNIFIED SCHOOL DISTRICT
Attn: Melissa Moore, Ed.D. Superintendent
641 Sheldon St.
El Segundo, CA 90245
Telephone: (310) 615-2650
Email:mmoore@esusd.k12.ca.us

If to CITY:
Attn: City Clerk
City of El Segundo
El Segundo, CA 90245

Any Party may change the address or persons to which notices are to be sent to it by giving the written notice that such change of address or persons to the other Parties in the manner provided
for giving notice. The Parties will provide each other after-hours emergency contact phone numbers of appropriate supervisory staff which shall be periodically updated.

Section 13. **Attorneys’ Fees: Litigation.** In the event any action or suit is brought by a Party against another Party by reason of the breach of any of the covenants or agreements set forth in this Agreement or any other dispute between the Parties concerning this Agreement, each Party shall be responsible for its own attorney’s fees and costs.

Section 14. **Agreement Terms.**

A. **Signs.** The District may only place temporary event signs on the Facilities upon receipt of prior written consent from the City, which shall not be unreasonably denied. The District shall be responsible for all costs of any approved signage and comply with all applicable sign codes and ordinances.

B. **Severability.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

C. **Entire Agreement, Waivers and Amendments.** This Agreement incorporates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties with respect to all or part of the subject matter thereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged. Any amendment or modification to this Agreement must be in writing, approved by the City Council and District Board and executed by District and City.

D. **Execution in Counterpart.** This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all Parties hereto, notwithstanding that all Parties are not signatories to the original or the same counterpart.

E. **Effect of Recitals.** The Recitals above are deemed true and correct, are hereby incorporated into this Section as though fully set forth herein, and District and City acknowledge and agree that they are each bound by the same.

F. **Exhibits.** Exhibit “A” attached to this Agreement are incorporated herein by this reference and made a part hereof.

G. **Cooperation.** Both City and District hereby agree to cooperate with each other by executing such other documents or taking such other actions as may be reasonably necessary to complete this transaction in accordance with this Agreement.
IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first above written.

DATED: ________________

EL SEGUNDO SCHOOL DISTRICT
By: ___________________________

DATED: ________________

CITY OF EL SEGUNDO
By: ___________________________
EXHIBIT “A”
DESCRIPTION AND MAP OF FACILITIES
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

AGENDA DESCRIPTION:
Consideration and possible action to adopt a Resolution approving plans and specifications for FY 17/18 Pavement Rehabilitation, Project No. PW 18-18, and authorize staff to advertise the project for receipt of construction bids. (Fiscal Impact: TBD)

RECOMMENDED COUNCIL ACTION:
1. Adopt the attached Resolution approving plans and specifications for FY 17/18 Pavement Rehabilitation, Project No. PW 18-18; and,
2. Authorize staff to advertise the project for receipt of construction bids; or
3. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Resolution
2. Map of Project Area

FISCAL IMPACT: Included in Adopted Budget
Amount Budgeted: $1,000,000
Additional Appropriation: No
Account Number(s): $800,000 from 106-400-8203-8943 (State Gas Tax Fund) and $200,000 from 110-400-8203-8943 (Measure R Local Return)

STRATEGIC PLAN:
Goal: 4 Develop Quality Infrastructure and Technology
Objective: (a) El Segundo’s physical infrastructure supports an appealing, safe, and effective City

ORIGINATED BY: John Gilmour, Senior Engineering Associate
REVIEWED BY: Ken Berkman, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The Public Works Department administers a 5-year (2016-2021) Pavement Management Program (PMP) to ensure public health and safety and efficiently and effectively manage the life of the City’s roadway system. Based upon existing records and field reviews, the PMP assigns a Pavement Condition Index (PCI) to all roadway segments in the City on a scale from 0-100, with 100 representing the best/like new pavement. Scores below 75 require some type of preventive maintenance depending on the extent of the roadway distress, which can range from a slurry seal, to an overlay, to complete reconstruction.
A best-value based approach is used to ensure that the most cost effective rehabilitation method is applied system-wide. The two primary resurfacing treatments for our roadway system, which was rated at “Fair” with an overall average PCI of 65.7 in the 2015 PMP, are overlays and surface seals. Overlays place a new layer of asphalt concrete on top of the existing roadway, after removal and reconstruction of existing pavement sections that are in severe distress. It is used on pavements with more advanced deterioration. Surface seals include slurry seals, chip seals, cape seals, or similar thin (less than one inch) treatments that are less costly than overlays but have a shorter life. Sealing is primarily used on residential streets that have low traffic indexes (traffic volumes with minimal trucks) to maintain pavement that is in “good” condition (PCI = 75-85).

The residential area in the City has been slurry sealed in quadrants from 2013-2016. Due to the lack of available funding to do more than the slurry seal program since the Great Recession, the City has fallen behind in its pavement management program. Staff fully agrees with the PMP findings that a significant amount of overlay work is needed to ensure we do not fall too far behind and have the City’s roadway system slip into an overall “poor” condition (PCI below 60), which would require far more costly rehabilitation methods. As such, like last year’s effort, this year’s pavement rehabilitation project will focus on the most deteriorated roadway sections.

Under the City’s PMP, the following streets are high priority and in urgent need of repair with a 2” removal and replacement (R&R) strategy, along with R&R of severely deteriorated pavement areas:

- Sheldon St. – between Grand Ave. and El Segundo Blvd. (PCI of 39)
- Kansas St. – between El Segundo Blvd. and Holly Ave. (PCI of 42)
- Kansas St. – between Holly Ave. and Mariposa Ave. (PCI of 50)
- Holly Ave. – between Kansas St. and Illinois St. (PCI of 47)
- Pine Ave. – between Kansas St. and Washington St. (PCI of 37)
- Washington St. – between Holly Ave. and Mariposa Ave. (PCI of 31)
- Illinois St – between El Segundo Blvd. and Franklin Ave. (PCI of 40)
- Illinois St – between Grand Ave. and Mariposa Ave. (PCI of 58)
- Mariposa Ave. EB – between Nash St. and Douglas St. (PCI of 48)
- Mariposa Ave. WB – between Nash St and Douglas St. (PCI of 41)
- Nash St. – between Rosecrans Ave. and Park Pl. (PCI of 53)
- Park Pl. – between Continental Way and Douglas St. (PCI of 34)
- Douglas St. – between Rosecrans Ave. and Park Pl. (PCI of 46)
- Douglas St. – between Coral Cir. and El Segundo Blvd. (PCI of 49)

This work was identified and approved in FY 2017/18 Budget as part of the Capital Improvement Program and will advance our ultimate goal to achieve an overall weighted average PCI of 73 by FY 2020/21. Given the systemwide condition of the City’s pavement in 2015, a PCI of 73 was determined to be the most efficient and cost-effective value for the City to invest in its roadway rehabilitation program.

Staff have also identified two locations of significant damage to concrete roadway infrastructure that have been included in these plans and specifications. At the intersection of Douglas St. and Rosecrans Ave., part of the concrete cross gutter has incurred damage from underlying soil subsidence. Large scale cracking has occurred and portions of the concrete has sunk. Temporary patching has been applied to allow vehicle traffic to continue in normal operations. This project
will remove the entire depth of the failing infrastructure and patchwork, and replace it with permanent improvements. At Douglas St. and Park Pl., an existing storm drain catch basin and adjacent curb have been struck and damaged by large vehicles. The entire concrete facing and portions of the top sidewalk deck have been mangled and dislodged. This project will replace the damaged portions of the infrastructure.

The plans and specifications are complete and ready for adoption by City Council; therefore, staff respectfully recommends that City Council approve the actions requested in this report in order to proceed with the Project. With approval, construction is expected to occur in July and August.
RESOLUTION NO. __

A RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS FOR THE CONSTRUCTION OF FY 17/18 PAVEMENT REHABILITATION, PROJECT NO. PW 18-18, PURSUANT TO GOVERNMENT CODE § 830.6 AND ESTABLISHING A PROJECT PAYMENT ACCOUNT.

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

A. The City Engineer prepared plans and specifications for FY 17/18 Pavement Rehabilitation, Project NO. PW 18-18 ("Project"). These plans and specifications are complete. Construction of the Project may begin;

B. The City Council wishes to obtain the immunities set forth in Government Code § 830.6 with regard to the plans and construction of the Project.

SECTION 2: Design Immunity; Authorization.

A. The design and plans for the Project are determined to be consistent with the City's standards and are approved.

B. The design approval set forth in this Resolution occurred before actual work on the Project construction commenced.

C. The approval granted by this Resolution conforms with the City's General Plan.

D. The City Engineer, or designee, is authorized to act on the City's behalf in approving any alterations or modifications of the design and plans approved by this Resolution.

E. The approval and authorization granted by this Resolution is intended to avail the City of the immunities set forth in Government Code § 830.6.

SECTION 3: Project Payment Account. For purposes of the Contract Documents administering the Project, the City Council directs the City Manager, or designee, to establish a fund containing sufficient monies from the current fiscal year budget to pay for the Project ("Project Payment Account"). The Project Payment Account is the sole source of funds available for the Contract Sum, as defined in the Contract Document administering the Project.

SECTION 4: The City Clerk is directed to certify the adoption of this Resolution.

SECTION 5: This Resolution will become effective immediately upon adoption.
PASSED AND ADOPTED this ___ day of _____________, 2018.

____________________________
Suzanne Fuentes, Mayor

ATTEST:

____________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

____________________________ for
Mark D. Hensley
City Attorney
FY 17/18 PAVEMENT REHABILITATION
PROJECT LOCATIONS
AGENDA DESCRIPTION:
Consideration and possible action to waive the formal bidding requirements and authorize the City Manager to execute a services agreement with Matrix Imaging, Inc. in the amount of $122,960 to provide scanning, indexing, and conversion services to the Planning and Building Safety and Police Departments.
(Fiscal Impact: $122,960)

RECOMMENDED COUNCIL ACTION:
1. Waive the formal bidding requirements for contracts exceeding $50,000 per El Segundo Municipal Code § 1-7-9;
2. Authorize the City Manager to execute a services agreement with Matrix Imaging, Inc. in the amount of $122,960 to provide scanning, indexing, and conversion services to the Planning and Building Safety and Police Departments; and/or
3. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS: Quote from Matrix Imaging, Inc.

FISCAL IMPACT: $122,960
- Amount Budgeted: $350,000
- Additional Appropriation: N/A
- Account Number(s): 301-400-8208-8717

STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal:</th>
<th>1a</th>
<th>Objective:</th>
<th>2</th>
</tr>
</thead>
</table>
|       | Enhance Customer Service Engagement:  
- El Segundo provides unparalleled service to internal and external customers |
|       | City services are convenient, efficient and user-friendly for all residents, business, and visitors. |

| Goal: | 4b |
|-------|
| Develop Quality Infrastructure and Technology:  
El Segundo’s technology supports effective, efficient, and proactive operations. |

<table>
<thead>
<tr>
<th>Objective:</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>The City invests in systems as necessary in order to add citizen value, provide access to information that is easily available, engage residents in civic participation, and provide mass notification.</td>
<td></td>
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</table>

ORGINATED BY: Charles Mallory, Information Systems Director

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
Currently the Police, Planning & Building Safety Departments each have a substantial amount of scanning and indexing of records dating back decades that need to be converted to electronic form. These records are often accessed by city employees to comply with audits, Freedom of Information Act (FOIA) requests, Police related matters, California Public Records Act (PRA) requests, and verifying the legal and permitted use of a structure. The process of fulfilling these request can take staff hours or even days to complete with the current hard-copy file storage process. Due to the time intensive task of verifying, scanning, converting and indexing each document it is recommended the city contract with Matrix Imaging, Inc. to assist in eliminating the backlog.

Matrix Imaging intends to scan the documents and make them available in a searchable digital format in Laserfiche, our electronic document storage system. Once this is accomplished these records can be retrieved in a matter of seconds or minutes verses the current time of hours or possibly days. Some records may even be obtained online, thereby meeting the objective of providing “unparalleled service to internal and external customers.” This aligns with the City’s Strategic Goal of enhancing customer service and engagement by having City services that are convenient and efficient.

City Departments are taking steps to mitigate the accumulation of paper to align with the City’s Strategic Goal to Develop Quality Infrastructure and Technology to support effective, efficient, and proactive operations. One example is the addition of a document scanning station in the Police Department Records area. Police reports are being scanned and indexed regularly to prevent the backlog from growing even larger.

The Planning and Building Safety Department, along with the Information Systems Department are currently working on solutions to prevent continued growth of their backlog. Architects, planners, builders and patrons are being encouraged to submit electronic versions of their building plans to eliminate the need for the drawings to be scanned.

For contracts for general services, the City’s code requires formal bidding, including a notice inviting formal bids and sealed bids to be submitted to the City Clerk’s office (ESMC § 1-7-8). In lieu of the formal bid requirements, City staff received informal bids from three different scanning companies on multiple occasions. The bids were as follows:

1. Matrix Imaging Inc. - $122,960
2. Scanning Service Corp - $175,711
3. SoCal360: Xerox - $185,067

Out of these companies, Matrix Imaging, Inc., provided the lowest quote. Matrix Imaging, Inc. has worked with the City in the past and their staff is familiar with the City’s indexing preferences. Based on this premise, it is requested that council waive the need for staff to obtain formal bids for this service and authorize the City Manager to execute a services agreement with Matrix Imaging, Inc. in the amount of $122,960 to provide scanning, indexing, and conversion services to the Planning and Building Safety and Police Departments.
**Company:** City of El Segundo  
**Address:**  
**Contact:**  
**Phone:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Price</th>
<th>Quantity</th>
<th>Extended Price</th>
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<tbody>
<tr>
<td><strong>Price Quote -</strong></td>
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<tr>
<td>Conversion Services - Building and Planning</td>
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<tr>
<td>Scan - Drawings</td>
<td>See Details</td>
<td>See Details</td>
<td>$21,760.00</td>
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<tr>
<td>Index - Drawings</td>
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<td>See Details</td>
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<td>Scan - Film Jackets</td>
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<td>$76,000.00</td>
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<td>Index - Film Jackets</td>
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<td>$2,000.00</td>
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<td>Less $18,000 payment</td>
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<td>Less $25,000 PO</td>
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<td><strong>Total Building and Planning Cost</strong></td>
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<td><strong>$57,960.00</strong></td>
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<tr>
<td>Conversion of 410 Boxes</td>
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<td>$110</td>
<td>$45,000.00</td>
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<td><strong>Misc</strong></td>
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<td>100 Hours of Labor</td>
<td>$18.00</td>
<td>100</td>
<td>$1,800.00</td>
</tr>
<tr>
<td>Convert Duplicate Fiche</td>
<td>See Details</td>
<td>See Details</td>
<td>$18,200.00</td>
</tr>
<tr>
<td><strong>We Appreciate The Opportunity To Earn Your Business</strong></td>
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</tr>
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<td><strong>Subtotal</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$122,960.00</strong></td>
</tr>
</tbody>
</table>

**Signature:**  
**Date:**
AGENDA DESCRIPTION:

Consideration and possible action regarding approval of an amendment to AdminSure Inc. Agreement No. 5504 between AdminSure Inc. and the City of El Segundo (City) to add services of third party administration (TPA) for the City’s worker’s compensation program. (Fiscal Impact: $25,652.40)

RECOMMENDED COUNCIL ACTION:

1. Authorize City Manager to execute an agreement amendment, in a form approved by the City Attorney, with AdminSure Inc., adding the Workers Compensation Third Party Administration Services to the scope of the contract.
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Exhibit A: First Amendment (5504A) to Agreement No. 5504

Exhibit B: Scope of Services and Additional Terms

STRATEGIC PLAN:

Goal: 5(b) Champion Economic Development and Fiscal Sustainability:

El Segundo approaches its work in a financially disciplined and responsible way

Objective: 2 The City will maintain a stable, efficient, and transparent financial environment

FISCAL IMPACT: $25,652.40

Amount Budgeted: $0

Additional Appropriation: Yes - $25,652.40 to Account 603-400-2321-6214 (Workers Compensation Fund - Professional & Technical)

PREPARED BY: Joseph Lillio, Finance Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

The City of El Segundo (the “City”) currently utilizes AdminSure Inc. for its Third Party Administrator (TPA) services for the City’s general liability program. The City has utilized AdminSure Inc. (formerly called Colen & Lee through 2004) for general liability services since June 1988.
As TPA, AdminSure Inc., administers the general liability program for the City and acts as the City's representative in connection with the investigation, adjustment and administration of applicable liability claims asserted by third parties against the City.

AdminSure Inc. also provides the City with the following services:
1. Periodic Meetings: This includes assist in developing internal procedures for tracking claims, active litigation, assess and address liability issues, provide orientation and training to personnel involved in the administration of the general liability program, and discuss specific claims and general trends in the general liability program.
2. Claims Administration;
3. Investigative services;
4. Litigation management; and
5. Electronic data processing and all record keeping

**Workers’ Compensation Program**

The City has been utilizing York Risk Services for TPA services for the City’s workers’ compensation program since 2009.

The City belongs to an insurance risk pool, Independent Cities Risk Management Authority (ICRMA). The ICRMA Board has elected to use a single TPA provider for its members on the workers’ compensation program effective July 1, 2018. The TPA provider selected for ICRMA is AdminSure Inc.

To ensure a smooth transition and exchange of all files from York Risk Services to AdminSure Inc., the City has elected to utilize the single workers’ compensation TPA provider earlier than the July 1 start date. Therefore, there is a need to amend the current AdminSure agreement No. 5504, to include workers’ compensation TPA services for the period of May 1, 2018 through June 30, 2018. Beginning on July 1, 2018 the contract for workers’ compensation services will be between ICRMA and AdminSure Inc. and the agreement with the City will end. The agreement with ICRMA will cover all of its members.

A single TPA services offers the ICRMA risk pool more effective and efficient claims management services, as well as the following key advantages:

- Economies of scale (TPA pricing, group purchase programs: legal, managed care services)
- More consistent and efficient claims handling
- Better data and benchmarking
- More reliable data and higher carrier confidence
- Less expensive program administration (claim audits, data feeds, oversight, etc)
- More bargaining power due to a large, single contract
- More efficient management of the Memorandum of Coverage, Litigation Management Policies and Procedures, and TPA Standards
- Less administrative burden for cities (no need to individually perform RFPs/contract negotiation)
- Fewer coverage disputes with the members due to TPA late reporting of claims

At this time, staff is requesting City Council approve a first amendment to Agreement No. 5504 for an additional amount of $25,652.40, in a form approved by the City Attorney, for AdminSure Inc. to provide TPA services to the City for the workers compensation program for the period of May 1, 2018 through June 30, 2018.
FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF EL SEGUNDO AND
ADMINSURE INC.

This First Amendment is entered into this 1st day of May, 2018, by and between the CITY OF EL SEGUNDO, a municipal corporation and general law city ("CITY") and ADMINSURE INC., a California Corporation ("CONSULTANT"). The parties agree as follows:

1. This amendment is to add services as described in Exhibit “B,” which is incorporated into the Agreement by this reference, and increase the total amount of the Agreement by $25,652.40, so that the total, not-to-exceed amount of the Agreement is $60,000. In the event of a conflict between Exhibit “B” and the Agreement, the Agreement will control.

2. The term of this Amendment is May 1, 2018 to June 30, 2018.

3. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

4. Except as modified by this Amendment, all other terms and conditions of Agreement No. 5504 remain the same.

[Signatures on next page]
IN WITNESS WHEREOF the parties hereto have executed this Amendment the day and year first hereinafore written.

CITY OF EL SEGUNDO

Greg Carpenter,
City Manager

ADMINSURE INC.

Alitihia Vargas-Flores
President / CFO

ATTEST:

Tracy Weaver,
City Clerk

APPROVED AS TO FORM:

Mark D. Hensley,
City Attorney
SCOPE OF SERVICES, ADDITIONAL TERMS

1. TERM: This Agreement shall become effective May 1, 2018 and shall continue through June 30, 2018, or unless terminated by the cancellation provision set forth herein.

2. PERIODIC MEETINGS: The Administrator shall meet with the Client and staff periodically to:
   A. Assist in developing internal procedures.
   B. Provide orientation and training to personnel involved in the administration of the Program.
   C. Discuss specific claims and general trends in the Program.

3. ADVISORY SERVICES: The Administrator shall provide the Client information regarding the adoption, amendment or repeal of all Statutes, Rules and Regulations, et cetera, which may directly affect the Program.

4. REQUIRED FORMS: The Administrator shall provide the Client with all forms required by the State in connection with the Program.

5. COMPLIANCE WITH LAW: The Administrator shall administer the Program in full compliance with all laws, rules and regulations governing Workers' Compensation and Self-Insurance.

6. CLAIMS ADMINISTRATION: The Administrator shall comply with all performance standards of the Client's excess insurer. The Administrator shall also comply with the Administrator's Workers’ Compensation Claims Administration Standards, but under no circumstances are they to be construed as having precedence over the performance standards of the Client’s excess insurer. The Administrator shall also have the authority and responsibility to provide claims administration services, which include:
   A. Establishing an electronic claim file and computer database record upon receipt of an injury report.
   B. Setting and updating reserves.
   C. Initiating and maintaining contact with injured workers or their attorneys.
   D. Arranging for investigation.
   E. Determining compensability.
   F. Preparing and issuing benefit notices, if applicable.
   G. Arranging for medical treatment and medical services from clinics, facilities, pharmacies, hospitals, specialists, and other vendors as necessary.
   H. Performing all utilization review services through MedReview; communicating decisions to approve, modify, delay or deny medical treatment in accordance with State law.
   I. Monitoring disability status by reviewing medical reports and contacting doctors for updates.
   J. Auditing and reviewing all medical bills through MedReview and paying all properly adjusted medical bills in a timely and accurate manner.
K. Paying mileage or medical reimbursements to injured workers.
L. Paying temporary disability compensation when appropriate to do so or advising the Client of the need to adjust payroll records when salary continuation is applicable.
M. Arranging medical exams in conformance with State law to determine whether an injured worker's medical condition is permanent and stationary (reached Maximum Medical Improvement/ MMI) and what, if any, permanent disability exists.
N. Paying the permanent disability compensation in accordance with the law.
O. Arranging for attorney representation of the Client whenever the need arises.
P. Monitoring attorneys and assisting them in preparing cases.
Q. Auditing and paying legal expenses.
R. Arranging for vocational rehabilitation services when appropriate, monitoring vocational rehabilitation consultants and assisting them as necessary.
S. Auditing and paying vocational rehabilitation expenses.
T. Preparing and issuing Supplemental Job Displacement Benefits (SJDB) notices and benefits.
U. Preparing and issuing the permanent disability compensation notices.
V. Pursuing subrogation when there is a viable third party.
W. Notifying the Client and excess insurers of all claims which exceed or may exceed the self-insurance retention; maintaining a liaison between the Client and their excess insurers on matters affecting the handling of such claims and arranging for reimbursement to the Client of losses in excess of its self-insurance retention.
X. Obtaining settlement authority and negotiating settlement on appropriate claims.
Y. Attending all hearings that are required by law.
Z. Closing claim files when appropriate to do so.

7. OBLIGATIONS OF THE CLIENT: The Client shall:
   A. Submit all information and reports of work incidents and work injuries to the Administrator in a timely manner not to exceed 24 hours of the Client’s knowledge of the incident or injury.
   B. Respond to the Administrator’s requests for information and authority within five days of such requests.
   C. Provide information that is accurate and is in a form specified by the Administrator.
   D. Grant settlement authority to the Administrator in advance of WCAB, Rehabilitation, and legal hearings, or be available by phone or in person during same.

8. CHECKING ACCOUNT: The client and the Administrator agree that:
   A. The Client shall establish and maintain a checking account from which all Workers' Compensation benefits and expenses are to be paid.
   B. The Administrator shall prepare checks and issue those checks directly to payees without delay.
C. The Administrator shall sign checks with a facsimile signature or manually.

D. The Administrator shall secure checks in a locked area accessible to a limited number of personnel.

E. The Client shall maintain an adequate balance in their checking account to meet all Workers' Compensation obligations without delay.

F. The checking account may be used to pay penalties in which case the Administrator shall reimburse the Client within fifteen (15) workdays for any amount of the penalty which the Administrator caused.

9. ELECTRONIC DATA PROCESSING: The Administrator shall provide the Client with electronic data processing services that will allow for the production of loss experience and transaction reports within ten (10) days following the close of each calendar month.

10. REGULATORY REPORTING: The Administrator shall prepare all reports required by State and Federal regulatory agencies (if any) in connection with the Program, including the Self-Insurer's Annual Report required by the Department of Self-Insurance Plans.

11. RECORDS: The Administrator shall establish and maintain electronic claim files, claim logs, transaction documents and all other records associated with the Program. These records shall be the property of the Client. Unless this Agreement is cancelled, closed hard files, if any, shall be stored by the Administrator for five (5) years and shall thereafter become the responsibility of the Client. Upon cancellation of this Agreement, if any, the Client shall be responsible for maintaining and storing all data, records, etcetera. The Administrator shall not dispose of or destroy hard files, if any, without prior authorization of the Client.

12. CONSIDERATION: For each month, May 1, 2018 through May 31, 2018, and June 1, 2018 through June 30, 2018, of this Agreement, the Client shall pay the Administrator $12,246 each month. Should this Agreement not expire on July 1, 2018, the Client shall continue to pay the Administrator $12,246 each month from July 1, 2018 through June 30, 2019. Beginning July 1, 2019 and each July 1 thereafter, increases shall not exceed a 3% increase each year. Future years shall automatically renew from year to year subject to termination by either party during the life of this Agreement upon at least ninety (90) days written notice.

Administrator shall perform all Medical Bill/Bill Review Services through MedReview at the flat rate of $9.75 per bill (e-bill: plus .60 cents when applicable). Preferred Provider Organization (PPO)/Negotiated fees shall not exceed 25% of savings when applicable.

Administrator shall perform all Utilization Review Services through MedReview at 5% of billed medical charges up to a maximum fee of $750. Utilization review by a physician is billed separately at the rate of $200 per hour.