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**AGENDA FOR THE CONCURRENT REGULAR MEETINGS OF
THE CITY COUNCIL OF THE CITY OF COMMERCE AND
THE GOVERNING BODY OF THE SUCCESSOR AGENCY TO THE
COMMERCE COMMUNITY DEVELOPMENT COMMISSION
(HEREINAFTER "SUCCESSOR AGENCY")
COUNCIL CHAMBERS
5655 JILLSON STREET, COMMERCE, CALIFORNIA**

TUESDAY, JULY 3, 2012 – 6:30 P.M.

CALL TO ORDER

Mayor/Chairperson Leon

PLEDGE OF ALLEGIANCE

Loretta Gutierrez
Interim Director of Community Services

INVOCATION

Councilmember/Board Member Aguilar

ROLL CALL

City Clerk/Secretary Olivieri

APPEARANCES AND PRESENTATIONS

PUBLIC COMMENT

Citizens wishing to address the City Council and Successor Agency on any item on the agenda or on any matter not on the agenda may do so at this time. However, State law (Government Code Section 54950 et seq.) prohibits the City Council/Successor Agency from acting upon any item not contained on the agenda posted 72 hours before a regular meeting and 24 hours before a special meeting. Upon request, the City Council/Successor Agency may, in their discretion, allow citizen participation on a specific item on the agenda at the time the item is considered by the City Council/Successor Agency. Request to address City Council/Successor Agency cards are provided by the City Clerk/Secretary. If you wish to address the City Council/Successor Agency at this time, please complete a speaker's card and give it to the City Clerk/Secretary prior to commencement of the City Council/ Successor Agency meetings. Please use the microphone provided, clearly stating your name and address for the official record and courteously limiting your remarks to five (5) minutes so others may have the opportunity to speak as well.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

No person shall make any remarks which result in disrupting, disturbing or otherwise impeding the meeting.

CITY COUNCIL/SUCCESSOR AGENCY REPORTS

CONSENT CALENDAR

Items under the Consent Calendar are considered to be routine and may be enacted by one motion. Each item has backup information included with the agenda, and should any Councilmember or Board Member desire to consider any item separately he/she should so indicate to the Mayor/Chairperson. If the item is desired to be discussed separately, it should be the first item under Scheduled Matters.

1. Approval of Minutes

The **City Council and Successor Agency** will consider for approval, respectively, the minutes of the Concurrent Adjourned Regular Meetings of Wednesday, May 30, 2012, held at 10:30 a.m.; Concurrent Regular Meetings of Tuesday, June 5, 2012, held at 6:30 p.m.; Concurrent Adjourned Regular Meetings of Wednesday, June 13, 2012, held at 5:00 p.m.; Concurrent Adjourned Regular Meetings of Tuesday, June 19, 2012, held at 5:00 p.m.; Concurrent Regular Meetings of Tuesday, June 19, 2012, held at 6:30 p.m. and Concurrent Adjourned Regular Meetings of Tuesday, June 26, 2012, held at 6:30 p.m.

2. Approval of Warrant Register No. 25

The **City Council and Successor Agency** will consider for approval, respectively, the bills and claims set forth in Warrant Registers No. 25A, dated July 3, 2012, and No. 25B, for the period June 20, 2012, to June 29, 2012.

3. Rescheduling of August 7, 2012, Concurrent Regular Meetings Due to National Night Out Activities

The **City Council and Successor Agency** will consider rescheduling the August 7, 2012, concurrent regular City Council and Successor Agency meetings to Monday, August 6, 2012, at 6:30 p.m. to enable them to participate in "National Night Out" Activities.

4. A Resolution of the City Council of the City of Commerce, California, Approving a Memorandum of Understanding Between the City of Commerce and the Los Angeles County Metropolitan Transportation Authority to Provide Inter-Agency Guidelines, Responsibilities and Procedures for the Installation, Operations and Maintenance of Countywide Signal Priority to Support Metro Rapid Operations

The Los Angeles County Metropolitan Transportation Authority (LACMTA) runs one of its Rapid bus services on Atlantic Boulevard. LACMTA desires to improve services along this bus route by implementing a Countywide Signal Priority ("CSP") program. The implementation of CSP technologies have been successfully demonstrated to enhance Metro Rapid services, resulting in substantial travel-time savings for the public.

The **City Council** will consider for approval and adoption a proposed Resolution approving a Memorandum of Understanding between the City of Commerce and the Los Angeles County Metropolitan Transportation Authority to provide inter-agency guidelines, responsibilities and procedures for the installation, operations and maintenance of Countywide Signal Priority to support Metro Rapid Operations.

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5. A Resolution of the City Council of the City of Commerce, California, Approving the Memorandum of Understanding With Mid-Management and Non-Management Full-Time Employees Represented by the City of Commerce Employees Association

The **City Council** will consider for approval and adoption a proposed Resolution approving the Memorandum of Understanding (“MOU”) as it relates to the mid-management and non-management full-time employees represented by the City of Commerce Employees Association (“CCEA”). The MOU covers the period of July 1, 2012, through June 30, 2013.

6. A Resolution of the City Council of the City of Commerce, California, Approving Revisions to the Medical Health Benefits as they Relate to the City’s Full-Time, Non-Represented Management Employees, Including City Administrator and City Clerk

The **City Council** will consider for approval and adoption a proposed Resolution approving revisions to the medical health benefits as they relate to the City’s full-time, non-represented management employees, including the City Administrator and City Clerk. The changes cover the period of July 1, 2012, through June 30, 2013.

7. A Resolution of the City Council of the City of Commerce Approving and Adopting the Annual Appropriations Limit for Fiscal Year 2012-2013

Article XIII(B) of the California Constitution provides that an appropriation limit be established each year that creates a restriction on the amount of proceeds of taxes which can be appropriated in any fiscal year. The limit is based on actual appropriations during the 1978-1979 fiscal year and is increased each year using the growth in population and inflation.

The **City Council** will consider for approval and adoption a proposed Resolution approving and adopting the Annual Appropriations Limit for fiscal year 2012-2013.

8. A Resolution of the City Council of the City of Commerce, California, Approving the Execution of an Agreement with the County of Los Angeles to Provide Massage Establishment Inspection Services for Public Health and Safety Purposes

In February 2004, the City contracted with the County of Los Angeles Public Health Department to administer written and practical exams to applicants seeking a massage technician permit from the City. The contract included health and sanitation inspection services of massage establishments. The current agreement will expire June 30, 2012.

The **City Council** will consider for approval and adoption a proposed Resolution approving an Agreement with the County of Los Angeles to provide massage establishment inspection services for public health and safety purposes.

9. A Resolution of the City Council of the City of Commerce Approving the International Institute of Los Angeles Agreement, to Participate in the Immediate Needs Transportation Program (INTP); and Authorizing the Mayor to Execute the INTP Register Form

The Immediate Needs Transportation Program (“INTP”) allows the City to disburse transportation tokens to qualifying individuals on a monthly basis. The Agency Register Form identifies the staff members authorized to pick-up and issue the tokens. The City has participated in this program for over fourteen years.

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The **City Council** will consider for approval and adoption a proposed Resolution approving the International Institute of Los Angeles Agreement for participation in the Immediate Needs Transportation Program (“INTP”); and authorizing the Mayor to execute the INTP Agency Register Form.

10. A Resolution of the City Council of the City of Commerce, California, Approving the Adoption of the Disadvantaged Business Enterprise (DBE) Program Participation Goals for Federal Fiscal Years (FFY) 2012-2013 through 2014-2015, for Submission to the Federal Transit Administration (FTA)

The City of Commerce Transportation Department is required to develop and submit a triennial goal for Disadvantaged Business Enterprise participation in U.S. Department of Transportation Federal Transit Administration-assisted contracts as a condition of receiving federal financial assistance. The City receives federal financial assistance from the Federal Highway Administration and the Federal Transit Administration.

The **City Council** will consider for approval and adoption a proposed Resolution approving the adoption of the Disadvantaged Business Enterprise (DBE) Program Participation Goals for federal fiscal years 2012-2013 through 2014-2015.

11. A Resolution of the City Council of the City of Commerce, California, Approving: (1) An Administrative Services Agreement with International City/County Management Association Retirement Corporation (ICMA); and (2) An Amendment to its 457 Deferred Compensation Plan to Permit Loans and ICMA Guidelines and Agreements Related Thereto

The City has established a retirement plan for employees which serves the interests of the City by enabling it to provide reasonable security for its employees and increased flexibility in its personnel management system and by assisting in attraction and retention of competent personnel.

The **City Council** will consider for approval and adoption a proposed Resolution, approving (1) an Administrative Services Agreement with the International City/County Management Association Retirement Corporation (“ICMA”); and (2) an Amendment to its 457 Deferred Compensation Plan to permit loans and ICMA Guidelines and agreements related thereto.

12. A Resolution of the City Council of the City of Commerce, California, Acting as the Governing Body for the Successor Agency to the Commerce Community Development Commission Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code, Approving the Assignment and Assumption of Lease Agreement between Structural Materials Co. and Beacon Sales Acquisition, Inc.

On November 21, 1995, the former Commerce Community Development Commission entered into a 55-year Ground Lease with Structural Materials for the property located at 7025 Slauson Avenue. On June 1, 2012, the City received a letter from Structural Materials advising that it will be going out of business and selling the business to Beacon Sales Acquisition, Inc. Structural Materials has proposed an assignment of the lease to Beacon.

The **Successor Agency** will consider for approval and adoption a proposed Resolution approving the Assignment and Assumption of Lease Agreement between Structural Materials Co. and Beacon Sales Acquisition, Inc.

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Pursuant to AB 1X 26, the Successor Agency is not allowed to further burden Commission-owned properties without the approval of the Oversight Board for the Successor Agency. The Oversight Board must also approve the Assignment and Assumption of Lease Agreement.

13. A Resolution of the City Council of the City of Commerce, California, Acting as the Governing Body for the Successor Agency to the Commerce Community Development Commission Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code, Approving a Lease Agreement with American International Industries for the Property Located at 5901 E. Telegraph Road

On November 29, 2005, the former Commerce Community Development Commission filed a complaint in eminent domain to acquire the property located at 5901 E. Telegraph Road. American International Industries, which is a manufacturer and distributor of beauty and skin care products for men and women, is currently in possession of the subject property and has approached the Successor Agency and requested the opportunity to continue to lease the property.

Pursuant to AB 1X 26, the Successor Agency is required to dispose of all Commission-owned properties as expeditiously as possible and turn the proceeds over to the State. The Successor Agency has started the process of obtaining appraisals for the Commission properties that must be disposed of pursuant to AB 1X 26. The Successor Agency is in the process of preparing the subject property for disposition. In the meantime, it makes sense to have a tenant pay rent so that the property generates revenue, which will be a benefit to the State.

The **Successor Agency** will consider for approval and adoption a proposed Resolution approving a Lease Agreement with American International Industries for the property located at 5901 E. Telegraph Road.

Pursuant to AB 1X 26, the Successor Agency is not allowed to further burden Commission-owned properties without the approval of the Oversight Board for the Successor Agency. The Oversight Board must also approve the Lease Agreement.

14. A Resolution of the City Council of the City of Commerce, California, Acting as the Governing Body for the Successor Agency to the Commerce Community Development Commission Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code, Approving a Lease Agreement with American International Industries for the Property Located at 2366 Travers Avenue

The former Commerce Community Development Commission was the owner of the real property located at 2366 Travers Avenue. American International Industries, which is a manufacturer and distributor of beauty and skin care products for men and women, has approached the Successor Agency and requested the opportunity to temporarily lease the subject property.

Pursuant to AB 1X 26, the Successor Agency is required to dispose of all Commission-owned properties as expeditiously as possible and turn the proceeds over to the State. The Successor Agency has started the process of obtaining appraisals for the Commission properties that must be disposed of pursuant to AB 1X 26. The Successor Agency is in the process of preparing the subject property for disposition. In the meantime, it makes sense to have a tenant pay rent so that the property generates revenue, which will be a benefit to the State.

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The **Successor Agency** will consider for approval and adoption a proposed Resolution approving a Lease Agreement with American International Industries for the property located at 2366 Travers Avenue.

Pursuant to AB 1X 26, the Successor Agency is not allowed to further burden Commission-owned properties without the approval of the Oversight Board to the Successor Agency. The Oversight Board must also approve the Lease Agreement.

15. A Resolution of the City Council of the City of Commerce, California, Acting as the Governing Body for the Successor Agency to the Commerce Community Development Commission Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code, Approving the Supplement to Assignment of Lease by the Union Pacific Railroad

The former Commerce Community Development Commission was previously engaged in assembling various sites for an Urban Entertainment Center. As part of that process, on November 1, 2002, the Commission purchased certain real property from the Union Pacific Railroad Company ("UPRR"). On November 5, 2002, the UPRR assigned to the former Commission all of its rights, title and interest in the subject property pursuant to an Assignment of Lease, License, Franchise or Other Interest in Real Property Agreement. The former Commission later discovered the existence of an unrecorded license agreement between the UPRR and Vintage Production California, LLC.

Pursuant to AB 1X 26, the Successor Agency is required to dispose of all Commission-owned properties as expeditiously as possible and turn the proceeds over to the State. The former Commission had been in the process of addressing the issue regarding the unrecorded license agreement prior to the passage of AB 1X 26. Due to the passage of AB 1X 26, the former Commission was unable to complete the negotiations, which has now been completed by the Successor Agency.

The **Successor Agency** will consider for approval and adoption a proposed Resolution approving the Supplement to Assignment of Lease by the Union Pacific Railroad.

Pursuant to AB 1X 26, the Successor Agency is not allowed to further burden Commission-owned properties without the approval of the Oversight Board to the Successor Agency. The Oversight Board must also approve the Supplement to Assignment of Lease.

PUBLIC HEARINGS

SCHEDULED MATTERS

16. Blue Ribbon Advisory Panel Progress Report

The **City Council** will receive a status report on the progress made to date by the Blue Ribbon Advisory Panel and provide direction as deemed appropriate with respect to authorizing the release of a public opinion community survey.

17. Use of City's Physical Fitness Facilities by Spouses or Significant Others of City Retirees

At the request of Mayor Pro Tempore Baca Del Rio, the **City Council** will consider, and provide direction as deemed appropriate with respect to, the use of the City's physical fitness facilities by the spouses or significant others of City retirees.

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18. Commission and Committee Appointments

The **City Council** will make the appropriate appointments to the following Commission: Senior Citizens Commission.

ORDINANCES AND RESOLUTIONS

19. An Ordinance of the City Council of the City of Commerce, California, Amending the Contract Between the Board of Administration California Public Employees' Retirement System and the City Council City of Commerce – Second Reading

The **City Council** will consider for approval and adoption a proposed Ordinance amending the contract between the Board of Administration of the California Public Employees' Retirement System and the City Council of the City of Commerce to provide Section 21548 – Pre-Retirement Option 2W Death Benefit Option for local miscellaneous members.

The proposed Ordinance was approved for first reading on June 19, 2012.

20. An Ordinance of the City Council of the City of Commerce, California, Amending Sections 2.10.040 and 2.10.045 of Chapter 2.10 ["Limitations on Campaign Contributions in City Elections"] of the Commerce Municipal Code – First Reading

At its meeting of June 19, 2012, the City Council voted to direct staff to prepare an appropriate Ordinance to increase the City's campaign contribution limitation to \$1,000.00. It was noted by the City Attorney and City Clerk that the proposed Ordinance will also include amendments to clean-up obsolete and/or confusing language contained in Sections 2.10.040 ("Campaign contribution limitations") and 2.10.045 ("Campaign contribution limitations—Nonelection years") relating to contributions by husband and wife and/or minor children in the home, as well as loans made by the candidate to his or her campaign or controlled committee.

The **City Council** will consider for first reading a proposed Ordinance amending Sections 2.10.040 and 2.10.045 of Chapter 2.10 ["Limitations on Campaign Contributions in City Elections"] of the Commerce Municipal Code.

21. A Resolution of the City Council of the City of Commerce, California, Approving the First Amendment to the Reimbursement Agreement ("Agreement") Between the City of Commerce and Craig Realty Group, LLC ("CRG CITADEL") for Paving and Restriping of Telegraph Road South of the North-Bound Atlantic Boulevard Off Ramp and Continuing South Along Telegraph Road to Gaspar Avenue

On November 15, 2011, the City and Craig Realty Group, LLC ("CRG Citadel") entered into a Reimbursement Agreement for paving and restriping of Telegraph Road south of the north-bound Atlantic Boulevard off ramp and continuing south along Telegraph Road to Gaspar Avenue. The projected cost for all repairs was estimated at \$150,000.00 and was to be reimbursed from the sales tax generation for the 4th quarter of three new stores located at The Citadel: Michael Kors, Fossil and Coach.

Due to the advanced deterioration of the pavement on Telegraph Road, the City Engineer determined that additional work was necessary to ensure proper and satisfactory repairs. Additional expenditures were also necessary to ensure that all work was performed in accordance with Public Works Standards and with the approval of a registered traffic engineer to reduce liability exposure.

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The total cost of the repairs was \$191,399.00. The 4th quarter sales tax realized was \$137,227.53. The balance due to CRG Citadel is \$54,171.47; however, CRG Citadel is only seeking reimbursement of \$26,025.00, which represents the cost incurred as a result of the additional pavement work performed on Telegraph Road between Camfield and Hoefner Avenues at the request of the City.

The **City Council** will consider for approval and adoption a proposed Resolution approving the First Amendment to the Reimbursement Agreement (“Agreement”) between the City of Commerce and Craig Realty Group, LLC (“CRG Citadel”) for paving and restriping of Telegraph Road south of the north-bound Atlantic Boulevard off ramp and continuing south along Telegraph Road to Gaspar Avenue.

RECESS TO CLOSED SESSION

ADJOURNMENT

Adjourn to Tuesday, July 10, 2012, at 5:00 p.m., in the City Council Chambers.

**LARGE PRINTS OF THIS AGENDA ARE AVAILABLE UPON REQUEST
FROM THE CITY CLERK’S OFFICE, MONDAY-FRIDAY,
8:00 A.M. - 6:00 P.M.**



AGENDA REPORT

DATE: 07/03/2012

TO: Honorable City Council and Successor Agency

FROM: City Administrator/Executive Director

SUBJECT: Rescheduling of August 7, 2012, Concurrent Regular Meetings Due to National Night Out Activities

RECOMMENDATION:

Council/Successor Agency discretion.

MOTION:

Council/Successor Agency discretion.

BACKGROUND/ANALYSIS:

National Night Out in the City of Commerce has been scheduled for Tuesday, August 7, 2012. To enable the Council and Commission to participate in the scheduled community activities, they are being requested to consider rescheduling their August 7, 2012, Concurrent Regular Meetings to Monday, August 6, 2012, at 6:30 p.m.

FISCAL IMPACT:

This activity can be carried out without additional impact on the current operating budget.

Respectfully submitted,

Jorge J. Rifa
City Administrator/Executive Director

Recommended by:

Linda Kay Oliveri
City Clerk



AGENDA REPORT

MEETING DATE: July 3, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COMMERCE AND THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY TO PROVIDE INTER-AGENCY GUIDELINES, RESPONSIBILITIES AND PROCEDURES FOR THE INSTALLATION, OPERATIONS AND MAINTENANCE OF COUNTYWIDE SIGNAL PRIORITY TO SUPPORT METRO RAPID OPERATIONS

RECOMMENDATION:

Approve the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

Currently, the Los Angeles County Metropolitan Authority (LACMTA) runs one of its Rapid bus service on Atlantic Boulevard. LACMTA wishes to improve services along this bus route by implementing a Countywide Signal Priority (CSP) program. The implementation of CSP technologies have successfully demonstrated to enhance Metro rapid services, resulting in substantial travel time savings for the public without negatively impacting the overall transportation network.

CSP was prepared in accordance with state and federal traffic signal safety requirements. The implementation of CSP does not affect or alter the safety parameters of the local traffic control system.

ANALYSIS:

LACMTA is seeking City's approval to install CSP technologies on several signalized intersections on Atlantic Boulevard. To that end LACMTA has provided for City's review and approval a Memorandum of Understanding (MOU) to establish the following items to facilitate the implementation and ongoing operations of CSP for Metro Rapid services along Atlantic Boulevard between Telegraph Road and Sheila Street in the City of Commerce:

- Clear delineation of roles and responsibilities of each agency;
- Standard operating procedures for each agency;
- Maintenance responsibilities for agencies;
- Acceptance of mutual cooperation to resolve technical and institutional issues during the design, implementation, operation and maintenance of the CSP project; and
- Communication protocols (along with contact names and phone numbers).

Staff checked with L.A. County Sheriff's, L.A. County Public Works and the Commerce Transportation Department staff and they were all supportive of the program.

The MOU clearly states that LACMTA will be responsible for all installation, operations and maintenance costs associated with the implementation of CSP technologies along this Metro bus route. Therefore, staff is recommending approval and execution of the MOU.

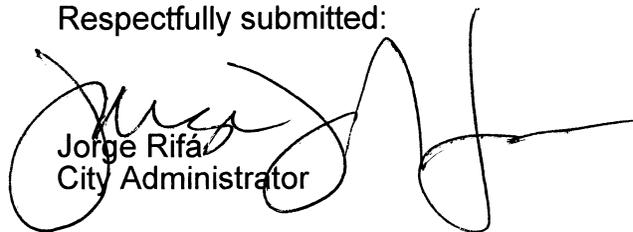
FISCAL IMPACT:

No City funds will be used to implement this service and/or program.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

The issue before the Council is applicable to the following Council's strategic goal: *"Protect and Enhance Quality of Life in the City of Commerce."* Although, there are no specific objectives connected to this issue, the City is responsible for the maintenance and care of city-owned traffic control network.

Respectfully submitted:



Jorge Rifa
City Administrator

Recommended and prepared by:



Danilo Batson
Assistant Director of Public Services

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to form:



Eduardo Olivo
City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF COMMERCE AND THE LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY TO PROVIDE INTER-AGENCY GUIDELINES,
RESPONSIBILITIES AND PROCEDURES FOR THE INSTALLATION, OPERATIONS
AND MAINTENANCE OF COUNTYWIDE SIGNAL PRIORITY TO SUPPORT METRO
RAPID OPERATIONS

WHEREAS, the City of Commerce (the "City") has a responsibility for the operation and maintenance of its local traffic control system; and

WHEREAS, the Los Angeles County Metropolitan Transportation Authority ("LACMTA") is deploying its Metro Rapid bus service, which will run through certain corridors in the City; and

WHEREAS, a component of the Metro Rapid bus program is to provide signal priority for Rapid buses at signalized intersections along the Metro Rapid bus route; and

WHEREAS, LACMTA uses Countywide Signal Priority ("CSP") technologies to implement the signal priority element of the Metro Rapid bus service; and

WHEREAS, the implementation of CSP technologies have been successfully demonstrated to enhance Metro Rapid bus services, resulting in substantial travel time savings for the public without negatively impacting the overall transportation network; and

WHEREAS, the City desires to participate in the Metro Rapid service by allowing LACMTA to make certain improvements on City traffic control equipment at targeted intersections along Atlantic Boulevard between Telegraph Road and Sheila Street in the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The Memorandum of Understanding between the City of Commerce and Los Angeles County Metropolitan Transportation Authority to provide inter-agency guidelines, responsibilities and procedures for the installation, operations and maintenance of Countywide Signal Priority to support METRO Rapid operations is hereby approved.

Section 2. The Mayor is hereby authorized to execute the Memorandum of Understanding for and on behalf of the City of Commerce.

PASSED, APPROVED and ADOPTED this ____ day of _____, 2012.

Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

**INTER-AGENCY COUNTYWIDE SIGNAL PRIORITY
MEMORANDUM OF UNDERSTANDING**

**CITY OF COMMERCE
AND
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

This Memorandum of Understanding ("MOU") is a no cost agreement entered into effective _____ by and between the City of Commerce ("City") and the Los Angeles County Metropolitan Transportation Authority ("LACMTA") to provide inter-agency guidelines, responsibilities and procedures for the installation, operations and maintenance of Countywide Signal Priority (CSP) to support METRO Rapid operations.

RECITALS

- A. The City has responsibility for the operation and maintenance of its local traffic control system.
- B. LACMTA is deploying its Metro Rapid bus service, which will be running through certain corridors in the City. A component of this Rapid bus program is to provide signal priority for Rapid buses at signalized intersections along the Rapid bus route. LACMTA uses Countywide Signal Priority ("CSP") technologies to implement the signal priority element of the Rapid service.
- C. The implementation of CSP technologies have been successfully demonstrated to enhance Metro Rapid services, resulting in substantial travel time savings for the public without negatively impacting the overall transportation network.
- D. CSP was prepared in accordance with state and federal traffic signal safety requirements. The implementation of CSP does not affect or alter the safety parameters of the local traffic control system.
- E. The City desires to participate in the Metro Rapid service by allowing LACMTA to make certain improvements on City traffic control equipment at targeted intersections as described herein.
- F. The purpose of this MOU is to establish the following items to facilitate the implementation and ongoing operations of CSP for Metro Rapid services along Atlantic Boulevard between Telegraph Road and Sheila Street in the City of Commerce:

- Clear delineation of roles and responsibilities of each agency
- Standard operating procedures for each agency
- Maintenance responsibilities for agencies
- Acceptance of mutual cooperation to resolve technical and institutional issues during the design, implementation, operation and maintenance of the CSP project.
- Communication protocols (along with contact names and phone numbers)

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1.0 CITY AGREES:

1.1 ROLES AND RESPONSIBILITIES

- 1.1.1 If available, the City will provide or make available to LACMTA existing traffic signal plans for targeted intersections in order for LACMTA to prepare final as-built drawings. Such traffic signal plans shall be provided in an electronic format, if available.
- 1.1.2 The City will provide coordination support during the design, installation and testing of all CSP elements. Such support may include, without limitation, timely review of design, access to necessary equipment for installation, providing timely approvals and inspections and making staff available on an as-needed basis.
- 1.1.3 The City shall work with LACMTA to make space available for the installation of CSP WLAN equipment within traffic controller cabinets and on traffic signal poles and mast arms as necessary.
- 1.1.4 The City shall issue permits, if required, at no cost to LACMTA or its contractors for all work directly related to the installation of CSP.
- 1.1.5 The City shall assist with the installation of updated traffic signal control programs required for the CSP operation. The City shall remain responsible for tasks directly related to day-to-day traffic signal operations.
- 1.1.6 The City hereby authorizes LACMTA to obtain the applicable traffic signal control firmware for the City in order to operate the CSP system.
- 1.1.7 The City shall retain exclusive ownership and control over all local traffic signal control equipment. Other than the CSP WLAN and related equipment, the City shall also retain exclusive

ownership and control over all other equipment, firmware, software and improvements that LACMTA makes to the City traffic signals.

1.2 OPERATIONS & MAINTENANCE

1.2.1 The City shall retain responsibility for the operations and maintenance of the local traffic control system, including those intersections receiving traffic signal cabinet, controller hardware and firmware upgrades. Nothing in this MOU is intended to change or be construed to change City's responsibilities in operating and maintaining its traffic control system, including, without limitation, traffic timing/signal issues at City intersections.

1.2.2 The City reserves the right to disconnect CSP hardware as deemed necessary as part of normal local traffic signal control operations and maintenance.

1.2.3 The City will notify LACMTA if CSP hardware is disconnected during the normal course of traffic signal control operations and maintenance.

1.3 COOPERATION

1.3.1 The City supports the deployment of the CSP System and will cooperate with LACMTA in order to successfully deploy signal priority along Atlantic Boulevard between Telegraph Road and Sheila Street in the City of Commerce.

1.4 COMMUNICATIONS

1.4.1 The City appoints the following individual to serve as the principal point of contact under this MOU:

Name: Danilo Batson

Title: Assistant Director of Public Services

City: City of Commerce

Address: 2535 Commerce Way, Commerce, CA 90040

Phone Number: (323) 722-4805, ext. 2335

Email: danilob@ci.commerce.ca.us

2.0 LACMTA AGREES:

2.1 ROLES AND RESPONSIBILITIES

2.1.1 To the extent, LACMTA obtains traffic signal plans from the City, LACMTA shall update such traffic signal plans with the proposed

signal priority improvements and provide final as built plans to the City upon completion of installation.

- 2.1.2 At LACMTA's sole cost and expense, LACMTA shall procure, test, and in coordination with the City, integrate, and install all elements necessary to implement CSP at each targeted intersection, including installing traffic signal controller and firmware upgrades when necessary. LACMTA shall not install any CSP equipment until LACMTA has received (i) City's approval on the design and (ii) the applicable City permits.
- 2.1.3 LACMTA and its contractors will obtain all necessary permits and coordinate with the City prior to commencing fieldwork.
- 2.1.4 LACMTA will retain exclusive ownership and control over the CSP WLAN and related equipment.
- 2.1.5 LACMTA will coordinate with the Los Angeles County Department of Public Works who will be responsible for updating and the initial entering of signal timing with CSP parameters along Atlantic Boulevard between Telegraph Road and Sheila Street in the City of Commerce.

2.2 OPERATIONS & MAINTENANCE

- 2.2.1 LACMTA shall work with the City to develop appropriate signal priority implementation strategies acceptable to both agencies. The parties understand and agree that the City is ultimately responsible for the traffic timing sheets that control all intersections.
- 2.2.2 LACMTA will coordinate all operations and maintenance directly attributable to the signal priority deployment with the City.

2.3 COOPERATION

- 2.3.1 LACMTA will work closely with the City to ensure that the deployment of signal priority does not impact traffic conditions or increase normal operations and maintenance requirements at signal prioritized intersections.

2.4 COMMUNICATIONS

- 2.4.1 LACMTA appoints the following individual to serve as the principal point of contact:

Reinland Jones
Los Angeles County Metropolitan Transportation
Authority
One Gateway Plaza

Mail Stop: 99-22-9
Los Angeles, CA 90012
(213) 922-2231
jonesre@metro.net

3.0 MUTUALLY AGREED:

- 3.1 The recitals above are incorporated by reference and hereby made a part of this MOU.
- 3.2 By accepting this MOU, the City and LACMTA recognize that it is impractical to make provisions for every contingency that may arise during the term of this MOU. The City and LACMTA agree in principle that the MOU shall operate with fairness and without detriment to the interest of all parties, and if in the course of the performance of this MOU, an infringement of this principle is anticipated or disclosed, the City and LACMTA shall promptly meet in good faith and shall determine what actions need to take place to remove the cause or causes of such infringement.
- 3.3 Neither the City nor any officer or employee thereof is responsible for any damages or liability occurring by reason of anything done or omitted to be done by LACMTA under or in connection with any work authority or jurisdiction delegated to LACMTA under this MOU. It is understood and agreed that, pursuant to Government Code Section 895.4, LACMTA shall fully defend, indemnify and save harmless the City and their respective officers and employees from all claims, suits or action of every name, kind and description brought for or on account of injury (as defined in Government Section 810.8) occurring by reason of anything done or omitted to be done by LACMTA under or in connection with any work, authority, responsibility or jurisdiction delegated to LACMTA under this MOU.
- 3.4 Neither LACMTA nor any officer or employee thereof is responsible for any damages or liability occurring by reason of anything done or omitted to be done by the City under or in connection with any work authority or jurisdiction delegated to the City under this MOU. It is understood and agreed that, pursuant to Government Code Section 895.4, the City shall fully defend, indemnify and save harmless LACMTA and their respective officers and employees from all claims, suits or action of every name, kind and description brought for or on account of injury (as defined in Government Section 810.8) occurring by reason of anything done or omitted to be done by the City under or in connection with any work, authority, responsibility or jurisdiction delegated to the City under this MOU.
- 3.5 This MOU, along with its attachment, constitutes the entire understanding between the parties, with respect to the subject matter herein. The MOU shall not be amended, nor any provisions or breach

hereof waived, except in writing signed by the parties who agreed to the original MOU or the same level of authority.

- 3.6 This MOU shall be governed by California law. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.
- 3.7 The covenants and agreements of this MOU shall inure to the benefit of, and shall be binding upon, each of the parties and their respective successors and assigns.



AGENDA REPORT

MEETING DATE: July 3, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING AS IT RELATES TO THE MID-MANAGEMENT AND NON-MANAGEMENT FULL-TIME EMPLOYEES REPRESENTED BY THE CITY OF COMMERCE EMPLOYEES ASSOCIATION.

RECOMMENDATION:

Approve and adopt the following:

1. Approve and adopt the Resolution and assign the number next in order; and
2. Authorize the City Administrator, Director of Finance and Director of Human Resources to execute the attached Memorandum of Understanding between the City of Commerce and Mid-Management and Non-Management Full-Time Employees represented by the City of Commerce Employees Association.

MOTION:

Move to approve the recommendation.

BACKGROUND:

The City and the City of Commerce Employee Association (CCEA) concluded labor negotiations on May 17, 2012 regarding wages, benefits and working conditions for the 2012/2013 Memorandum of Understanding. On June 7, 2012 members of the Mid-Management and Non-Management Full-time Unit voted to ratify a new one year contract for 2012/13.

This report recommends Council approval of changes to benefits and contract language incorporated in a tentative agreement with the CCEA. Attached is an updated MOU for the full-time unit represented by the CCEA, which incorporates mutually agreed upon provisions. The MOU covers the period of July 1, 2012 through June 30, 2013.

ANALYSIS:

Key provisions of the tentative agreement, presented for the Council's approval include:

- **Term:** The term of the agreement shall be July 1, 2012 through June 30, 2013.
- **Wages:** No wage increase for full-time unit members.

- **Employee Medical Health Plan Benefit:** Effective July 1, 2012, through December 31, 2012 the City's contribution to the Cafeteria Plan (Premium Only Plan) shall be the 2012 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories (ie; single, 2party,

Family) established in the "2012 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

Effective January 1, 2013, until the expiration of the term of the Memorandum of Understanding, the City's contribution to the Cafeteria Plan (Premium Only Plan) shall be the 2013 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2013 Other Southern California" rates for each of the eligible benefit categories (ie; single, 2party, Family) established in the "2013 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

This section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Employee Medical Health Plan Benefits, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (*Government Code* Section 3500 *et seq.*) and any other applicable state or federal law.

- **Longevity Stipend for Employees hired before July 1, 2011:** In no event shall the City's total longevity stipend payment exceed \$1,674.22 for employees who retire after December 31, 2011.
- **Longevity Stipend for Employees hired on/after July 1, 2011:** Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City's employment. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$965.89)
-------------------------------------	---

15 years and above of full-time City Service	\$1,287.86 (100%)
--	-------------------

- **Voluntary Political Contributions (PEOPLE Checkoff):** Employees may make a voluntary contribution to the Union's political action funds. Such contributions must be authorized by the employee and may be revoked at any time. If an employee submits a form authorizing a deduction from his or her paycheck for the AFSCME PEOPLE Program, the City shall effectuate such payroll deduction beginning the next pay period. Deductions withheld by the City shall be transmitted by direct deposit to the AFSCME District Council 36 bank account, unless otherwise directed by the Association President.
- **Contract language:** All other contract language remains status quo.

Adoption of Resolution Approving Memorandum of Understanding for Full-Time
Employees
July 3, 2012

Page 3 of 3

BUDGET IMPACT:

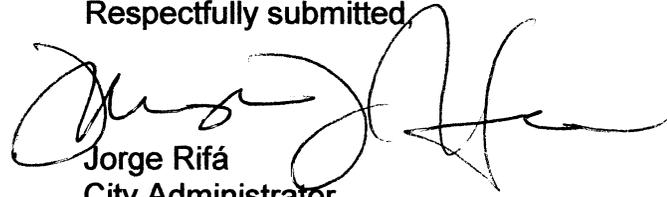
The fiscal impact to the adoption of the FY 2012/2013 Full-Time Employees Memorandum of Understanding as it relates to Employee Medical Health Plan is estimated to be \$51,600.00 and has been included in the 2012-13 base line budget.

Recommended by,



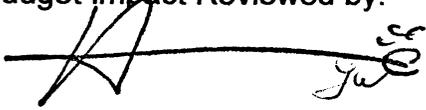
Teresa McAllister
Director of Human Resources

Respectfully submitted,



Jorge Rifá
City Administrator

Budget Impact Reviewed by:



Vilko Domic
Director of Finance

Approved as to Form:



Eduardo Olivo
City Attorney

Attachment: MOU

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
APPROVING THE MEMORANDUM OF UNDERSTANDING WITH MID-MANAGEMENT
AND NON-MANAGEMENT FULL-TIME EMPLOYEES REPRESENTED BY THE CITY OF
COMMERCE EMPLOYEES ASSOCIATION

WHEREAS, the City of Commerce and the mid-management and non-management full-time employees completed negotiations of a new Memorandum of Understanding (MOU) for fiscal year 2012-2013; and

WHEREAS, the parties have agreed to a Memorandum of Understanding (MOU), which has a term of one year covering fiscal year July 1, 2012 to June 30, 2013. The MOU revises the Employee Medical Health Plan Benefit, Longevity Stipend and provides for employee voluntary political contributions to the AFSCME PEOPLE Program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The Memorandum of Understanding (MOU) as it relates to the full-time employees represented by the City of Commerce Employees Association ("Association"), attached hereto as Exhibit "A" and incorporated herein by reference is hereby approved and the City Administrator, Director of Finance, Director of Human Resources and City Clerk are authorized to execute same on behalf of the City.

Section 2. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2012, at Commerce, California.

Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

Exhibit "A"



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF COMMERCE

AND

**THE CITY OF COMMERCE EMPLOYEES ASSOCIATION
MID-MANAGEMENT AND NON-MANAGEMENT
FULL TIME EMPLOYEES**

2012-2013

**MEMORANDUM OF UNDERSTANDING
MID-MANAGEMENT AND NON-MANAGEMENT
FULL-TIME EMPLOYEES**

FISCAL YEAR JULY 1, 2012 — JUNE 30, 2013

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MEMORANDUM OF UNDERSTANDING

**MID-MANAGEMENT AND NON-MANAGEMENT
FULL-TIME EMPLOYEES
FISCAL YEAR JULY 1, 2012 — JUNE 30, 2013**

PREAMBLE

This Memorandum of Understanding is entered into with reference to the following facts:

- A. Representatives of Management for the City of Commerce (hereafter "City") and representatives of the City of Commerce Employees Association (hereafter "Association") have met on a number of occasions and have conferred in good faith, exchanging proposals concerning wages, hours, fringe benefits and other terms and conditions of employment of employee-members represented by the Association.
- B. The management representatives and the representatives of the Association have reached an understanding as to certain recommendations to be made to the City Council for the City of Commerce and have agreed that the parties hereto will jointly urge said Council to adopt one or more resolutions which will provide for the changes in wages, hours, fringe benefits and other terms and conditions of employment contained in these joint recommendations.

NOW THEREFORE, the City and Association representatives agree as follows:

The parties hereto shall jointly recommend to the City Council of the City of Commerce that one or more salary resolutions be adopted effectuating the following changes in salaries, fringe benefits and other terms of employment for the classifications represented by the Association.

**ARTICLE 1 UNION
SECURITY**

Section 1. Recognition.

- (a) In accordance with the Meyers-Milias-Brown Act [*Government Code* Section 3500, *et seq.*] and the Employer-Employee Resolution, the City of Commerce recognizes the City of Commerce Employees Association as the exclusive representatives of all employees in the full-time non-management employees unit and the mid-management employees unit.
- (b) "Confidential employees," as defined in City Council Resolution Number 97-40 and identified below, shall be excluded from holding union office or acting in any official capacity related to the representation of the full-time non-management and mid-management employees.

Executive Assistant to the City Administrator
Office Specialist in Administration
Senior Human Resources Analyst
Senior Management Analyst in Administration
Public Information Officer
Administrative Assistant in Human Resources
Office Technician in Human Resources

- (c) The Association recognizes the City Administrator as the exclusive representative for the City for purposes of entering into this Memorandum of Understanding, subject to the City Council's prior adoption of the Memorandum of Understanding.

ARTICLE II **CITY RIGHTS**

Section 1. Exclusive Rights and Authority.

In order to ensure that the City is able to carry out its functions and responsibilities imposed by law, the City has and will retain the exclusive right to manage and direct the performance of City services and the work force performing such services, subject to certain limitations contained elsewhere in this Memorandum of Understanding. Therefore, the following matters shall not be subject to the meet and confer process, but shall be within the exclusive authority of the City. The consideration of the merits, necessity, or organization of any service activity conducted by the City shall include, but not be limited to the City's right to:

- (a) Determine issues of public policy;
- (b) Determine the mission of its constituents, departments, commissions and boards;
- (c) Determine and change the facilities, methods, technology, means, and organized structure pursuant to which the City operations are to be conducted;
- (d) Set standards and levels of service, and to expand or diminish services;
- (e) Determine and change the number of locations, relocations, and types of operations, and the processes and materials to be employed in carrying out all City functions, including but not limited to the right to contract for or subcontract for any reason any work or operations of the City, subject to "Article X, Section 2" of this Memorandum of Understanding;
- (f) Determine size and composition of the work force, and allocate and assign work to employees in accordance with requirements as determined by the City;
- (g) Determine the content and intent of job classifications, to develop new job

classifications, and determine appropriate levels of compensation;

- (h) Appoint, transfer, promote, demote and lay-off employees for lack of work or other appropriate reasons;
- (i) Discharge, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline employees in accordance with applicable policies and laws;
- (j) Determine policies, procedures and standards for selection, training and promotion of employees;
- (k) Assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignment upon reasonable notice;
- (l) Direct its employees;
- (m) Establish and enforce employee dress and grooming standards, and to determine the style and/or types of City-issued wearing apparel, equipment or technology to be used;
- (n) Determine the methods, means, numbers and kinds of personnel by which government operations are to be conducted;
- (o) Establish employee performance standards, including but not limited to quality and quantity criteria, and to require compliance therewith;
- (p) Maintain the efficiency of governmental operations;
- (q) Exercise complete control and discretion over the organization and the technology of performing City work and services;
- (r) Determine any and all necessary actions to carry out its missions in emergencies.

The Association recognizes that the City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer and manage its municipal services and work force performing those services in all respects, subject to this Memorandum of Understanding.

Section 2. Grievance on Impacts.

The exclusive decision-making authority of the City Council on matters involving City rights and authority shall not be in any way, directly or indirectly, subject to the *grievance* procedure set forth in this Memorandum of Understanding. The employee may only grieve the impact of the exercise of exclusive City rights and authority that directly relate

to matters within the scope of representation.

ARTICLE III

COMPENSATION

Section 1. Class A/B License

For employees whose position requires possession of a valid Class “A” or “B” driver’s license:

1. The City shall provide access to the City’s medical facility and pay for the required physical examinations necessary to secure appropriate licenses.
2. Departments shall provide up to one (1) hour paid release time for employees to complete the required physical examination at the City’s medical facility. Such release time shall be pre-approved by the employee’s supervisor and shall not impact department’s staffing or operational needs.
3. The City shall reimburse all employees up to \$39.00 for the cost to obtain and/or renew their Class A or B License.

Section 2. Median- Pay

A 5% premium pay shall be given to Park Maintenance employees when regularly assigned to perform median maintenance work 50% or more of the time as an average. A 2.5% premium pay shall be given to a Park Maintenance employees when assigned to median maintenance 25% to 50% of the time, as an average. Premium pay is not provided for assignments of less than a complete pay period.

Section 3. Merit Increase

Upon initial appointment to any position in a job class, full-time employees shall be placed at the minimum or first step of a salary range for that job class. A department director may, as authorized by the City Administrator, appoint at a higher step in the salary range when in accordance with the Personnel Policies and Procedures, Salary Plan.

Merit Increase:

Full-time employees shall be advanced within their respective compensation ranges in accordance with the following schedule and pursuant to the City of Commerce Personnel Policies and Procedures and any exceptions therein:

Step 2 - At the completion of six (6) months of satisfactory service in Step 1.

Step 3 – At the completion of one (1) year of satisfactory service in Step 2.

Step 4 – At the completion of one (1) year of satisfactory service in Step 3.

Step 5 – At the completion of one (1) year of satisfactory service in Step 4.

Special Merit Increases:

When an employee demonstrates exceptional ability and proficiency beyond the call of duty, such employee may, upon recommendation of the Department Director, concurrence of the Director of Human Resources, and approval of the City Administrator, be awarded one step higher within the salary range for his/her job class upon completion of one (1) year length of service in the position.

Please refer to the City of Commerce Personnel Policies and Procedures, Salary Plan Administration for further guidelines and policy.

Section 4. Overtime

Employees will be paid overtime at time and a half for all productive time worked over forty (40) hours in a single workweek. Holidays (including flex holidays and birthdays) not actually worked will count as time worked for the purpose of computing overtime. All other paid leave does not count as time worked for the purpose of computing overtime.

Except for Camp Commerce employees, double time is paid for hours worked over twelve productive hours (including paid breaks) in a single day or for hours worked on the seventh consecutive day of work in the seven day workweek.

**ARTICLE IV
UNIFORM ALLOWANCE**

Section 1. Uniforms

Should the City require employees to wear a specific uniform, it shall be financially responsible to cover the cost of such uniforms. Uniform replacement shall be governed by specific departmental policies and practices.

Section 2. Safety Footwear

The City shall provide reimbursement not to exceed \$150 per fiscal year for employees required by City safety regulations to wear safety footwear to work in each year the employee, in fact, purchases and utilizes such footwear at work. Please refer to City of Commerce Personnel policies and Procedures, Work Uniforms for Employees, for specific terms and policy.

ARTICLE V
BENEFITS

The City's current Personnel Policies and Procedures shall govern the extent to which insurance benefits are given and maintained. The City agrees to meet and confer with the Association prior to any final decision by the City to reduce any current benefits during the term of this Memorandum of Understanding.

As a product of the year 2012-2013 meet-and-confer process, the City and the Association have agreed to the following City benefit programs:

Section 1. Employee Medical Health Plan Benefits.

Effective July 1, 2012, through December 31, 2012 the City's contribution to the Cafeteria Plan (Premium Only Plan) shall be the 2012 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories (ie; single, 2party, Family) established in the "2012 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

Effective January 1, 2013, until the expiration of the term of the Memorandum of Understanding, the City's contribution to the Cafeteria Plan (Premium Only Plan) shall be the 2013 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2013 Other Southern California" rates for each of the eligible benefit categories (ie; single, 2party, Family) established in the "2013 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

This section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Employee Medical Health Plan Benefits, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (*Government Code* Section 3500 *et seq.*) and any other applicable state or federal law.

Section 2. Dental Plan.

The City shall maintain current dental insurance coverage and pay any increase that may occur during the term of this agreement. (See Appendix A for summary of benefits)

Section 3. Vision Plan.

The City's vision plan shall remain at the current benefit levels. (See Appendix B)

Section 4. Deferred Compensation.

1. The City shall contribute \$25.00 per pay period to employee deferred compensation plan whether or not employee contributes to the plan.
2. The City shall match employee deferred compensation contributions, in an amount not to exceed 3% of the employee gross salary contribution per pay period. For example, if an employee contributes 1% of gross salary to the plan, the City shall contribute an amount equal to 1% of gross salary. If the employee contributes more than 3% of the employee's gross salary per pay period, the City shall pay an additional contribution equal to 5% of that part of the employee's contribution that exceeds 3% of the employee's gross salary per pay period.
3. **Effective Date** – These deferred compensation provisions shall be effective commencing with the first payroll period of July 2008.
4. **Compliance with State and Federal Regulations** – The parties agree and acknowledge that a variety of State and Federal statutes and regulations govern participation in deferred compensation plans. If any of these Memorandum of Understanding provisions conflict with any State or Federal statutes or regulations, the State and Federal statutes and regulations shall take precedence and shall be complied with. The Association and the full-time employees waive any claims they may have against the City in the event of such a conflict.
5. **Exclusions** – The 3% City contribution described above shall apply only to employee gross salary deferred compensation contributions made during each payroll period. The 3% City contribution shall not be provided for any employee deferred compensation contributions that are made as a result of a "buy back" as that term is defined by Internal Revenue Service Code or regulations. Additionally, the 3% City contribution shall not be applied to any employee deferred compensation contributions that are made as a result of converting any type of leave balance to deferred compensation.

Section 5. City Retirement Gift.

An employee must have five years of full-time service in order to qualify for a City retirement gift. The City retirement gifts are as follows:

5 years, but less than 10 years	\$500.00
10 years, but less than 14 years	\$750.00
14 years, but less than 16 years	\$800.00
16 years, but less than 17 years	\$850.00
17 years, but less than 18 years	\$900.00
18 years, but less than 20 years	\$950.00
20 years or more	\$1,000.00

Section 6. Computer Purchase Program.

The City's interest-free computer loan program has an amount of \$30,000, available in the loan pool. See the Employee Computer Purchase Assistance Program in the City's Personnel Policies & procedures Manual.

Section 7. PERS Pre-Retirement Optional Death Benefit.

Effective upon adoption of the Memorandum of Understanding, the City will take steps to amend its contract with CalPERS in order to include a Pre-Retirement Optional Settlement Death benefit for full-time vested employees age 50 and above.

Section 8. Longevity Stipend for Employees hired before July 1, 2011 retiring on or before December 31, 2011

The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by PEMCHA. The stipend shall be based on the tier of coverage (i.e. single, or two-party) and actual plan cost.

Section 9. Longevity Stipend for Employees hired before July 1, 2011

The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce as described in this Section. The City shall make a longevity stipend payment on a monthly basis to the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. In no event shall the City's total longevity stipend payment exceed \$1,674.22 for employees who retire after December 31, 2011.

This Section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend, the parties shall be required to comply with the

requirements of the Meyers-Milias Brown Act (*Government. Code Section 3500 et.seq.*) and any other applicable state or federal law.

Section 10. Longevity Stipend for Employees hired on/after July 1, 2011.

Employees hired by the City on or after July 1, 2011 and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City's employment. The longevity stipend payment shall be deposited on a monthly basis into the retiree's Healthcare Reimbursement Plan (Retiree HRA Plan). The longevity stipend shall not exceed the amounts described below, which shall include the PEMHCA minimum contribution and shall be based on the cost of coverage for retiree plus spouse coverage under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$965.89)
15 years and above of full-time City Service	\$1,287.86(100%)

This Section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend for Future Employees, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (*Government. Code Section 3500 et.seq.*) and any other applicable state or federal law.

**ARTICLE VI
LEAVE**

Section 1. Bereavement Leave.

Pursuant to the City's Bereavement Leave Policy, when a regular full-time employee's "immediate family member" dies or is critically ill and death appears imminent, the employee shall be entitled to up to forty (40) hours of paid leave per occurrence. "Immediate family member" shall be defined as: mother, father, spouse, registered domestic partner, child, step child, brother, sister, grandchild, grandparents, mother-in-law, father-in-law, stepmother, stepfather, sister-in-law, brother-in-law, daughter-in-law, son-in-law, spouse's grandparents and great grandparents, as well as the equivalent relatives of a registered domestic partner.

Bereavement leave is paid over a maximum of seven (7) work days and is paid in thirty minute increments. The bereavement leave begins on the first regularly scheduled workday as requested by the employee. If the employee learns of the death while at work, he or she is entitled to leave work immediately; this partial day leave will not be counted towards the bereavement leave. Bereavement leave must be authorized by the Department Director and must be utilized within 15 days of employee learning of the death, or of the date of foreseen imminent death of the immediate family member, unless special circumstances require that the leave begin at a later date. Such requests to the Department Director shall be made within 15 days of the employee learning of the death or of the date of foreseen imminent death and shall not be unreasonably denied.

Section 2. City's Personnel Policies and Procedures.

All other matters related to holiday and flexible leave which are not addressed in this Memorandum of Understanding, shall be governed by the City's Personnel Policies and Procedures.

Section 3. Flexible Leave.

Employees may accrue up to a maximum of forty (40) hours of flexible leave time. A maximum of forty (40) hours may be carried over to the following year.

Section 4. Holidays.

The employees in the classified services shall be provided with the following holidays with pay subject to the provisions of the City's Personnel Policies and Procedures.

- | | |
|------------------------|------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Day | Veteran's Day |
| Lincoln's Birthday | Thanksgiving Day |
| Washington's Birthday | Day after Thanksgiving |
| Memorial Day | Christmas Day |
| Independence Day | Employee's Birthday |

Section 5. Jury Duty.

Full-time employees shall be granted a paid leave of absence in order to perform jury duty, provided that the employee provides notification to the City for such jury duty and provides proper verification of hours spent on jury duty. Please refer to the City of Commerce Personnel Policies and Procedures, Jury Duty, for specific terms and policy.

Section 6. Sick Leave.

Full time employees shall earn eight (8) hours sick leave per month for each full month of continuous service with the City. Please refer to City of Commerce Personnel Policies and Procedures, Sick Leave, for specific terms and policy.

Section 7. Vacation Leave.

1. Vacation Accrual - Full-time employees shall accrue vacation according to the following schedule:

<u>Continuous Years of Services</u>	<u>Vacation Hours Earned</u>
Less than 5 years	8 hrs per month/96 hrs per year
5 – 8 years	10 hrs per month/120 hrs per year
8 yrs 1 mo – 13 years	12 hrs per month/144 hrs per year
13 yrs 1 mo – 20 years	13.33 per hrs month/160 hrs per year
20 yrs 1 mo +	16.67 hrs per month/200 hrs per year

2. Vacation Accumulation - The City's four-hundred eighty hour (480) maximum accumulation policy will be enforced by scheduling vacations to eliminate excess accumulation. Please refer to City of Commerce Personnel Policies and Procedures, Vacation Policy, for specific terms and policy.

**ARTICLE VII
DISCIPLINARY PROCEDURES**

The disciplinary procedures set forth in the City's Personnel Policies and Procedures shall govern during the term of this Memorandum of Understanding.

**ARTICLE VIII
GRIEVANCE PROCEDURES**

The grievance procedure is used to ensure that employees have the opportunity to address work-related concerns.

The following grievance procedure applies only to Civil Service employees who have successfully completed their probationary period as defined in the City's policies.

- (a) Definition of "grievance": A "grievance" shall be defined as a timely complaint by an employee or group of employees concerning personnel practices, working conditions, employee policies or MOU.
- (b) Time Limits for Filing Written Formal Grievances: the time limits for filing written formal grievances shall be strictly construed, but may be extended by mutual agreement evidenced in writing and signed by an authorized

representative of the City and the grievant. Failure of the grievant to comply with any of the time limits set forth hereunder shall constitute waiver and bar further processing of the grievance.

- (c) The grieving party is entitled to have representation of his or her choice at any level of the grievance procedure.

STEPS OF THE GRIEVANCE PROCEDURE

- 1. Informal - Immediate Supervisor
- 2. Formal - Department Head
- 3. Formal - City Administrator or Designee
- 4. Formal - Binding Arbitration

- 1. Informal – Immediate Supervisor: The employee must first attempt to resolve a grievance verbally with his/her immediate supervisor as soon as possible. Every effort shall be made to find an acceptable solution to the grievance informally at this level.
- 2. Formal – Department Head: If the grievance is not resolved using the informal process, a written grievance shall be filed within twenty (20) business days from the date of the alleged incident giving rise to the grievance, or when the grievant knew or should have reasonably become aware of the acts giving rise to the grievance. The grievant shall discuss the grievance with the department head. The department head shall render a decision and comments, in writing, regarding the merits of the grievance and return them to grievant within twenty (20) business days after receiving the grievance.

In cases involving appeals from disciplinary action, the grievant shall bypass the informal grievance step and file his/her appeal directly at the formal grievance step within twenty (20) business days of the effective date of the disciplinary action or his/her right to appeal shall be waived.

- 3. Formal – City Administrator: If the grievance is not resolved at "Step 2" or if no answer has been received from the department head within twenty (20) business days, the written grievance shall progress to the City Administrator for determination.

The grievant shall have twenty (20) business days from the date when the department head's written response is received, or when the response was due, to file a written appeal directly to the City Administrator or forfeit his/her right of appeal, in which case, the grievance will be considered final based on the department head's response.

The City Administrator shall schedule an oral hearing and shall render a written decision, based on the merits of the grievance and return it to the grievant within twenty (20) business days from the date of the hearing. The City Administrator's

decision shall be final and binding on all non-disciplinary matters as well as for all disciplinary matters not exceeding the equivalent of twenty-four (24) hours pay. If the City Administrator does not render a decision within twenty (20) business days, or does not request and receive a mutually agreed upon extension of time, the grievance shall be resolved in favor of the grieving party.

4. **Formal – Binding Arbitration:** In addition to the procedures described above, Civil Service employees shall be entitled to appeal disciplinary suspensions in excess of twenty-four (24) hours at one time, demotions, terminations, or reductions in pay exceeding the equivalent of twenty-four (24) hours pay to an independent hearing officer from a list of nine (9) supplied by the American Arbitration Association in accordance with their rules and procedures. Should the grievant and Director of Human Resources fail to reach an agreement in the selection of a hearing officer, each shall strike names from the list until a final name is selected as the hearing officer.

The grievance shall be barred and waived unless filed in writing with the Director of Human Resources within twenty (20) business days after the "Step 3" grievance decision is mailed to the grievant.

The costs of arbitration shall be split evenly between the City and the grievant.

The Director of Human Resources shall act as the clerk for this hearing. The determination of the hearing officer shall be final and binding upon all parties.

ARTICLE IX

LAYOFF/BUMPING PROCEDURES

This policy ensures the fair and equitable process in the reduction of the City workforce.

1. The Layoff/Bumping Procedures only apply to non-probationary full-time employees and full-time classifications.
2. In all cases, the position being 'bumped/laid off' shall be the position with the lowest seniority in the job classification.
3. In the event of layoff, layoff shall be made in reverse order of seniority in the class in which the layoff occurs. The employee who has the least time in paid status, excluding overtime, in the class, plus any higher classes, shall be considered to have the least seniority and, therefore, shall be laid off first. In the case where two or more employees have the same time in paid status excluding overtime, the employee with the latest date of employment shall be laid off first. In the event of a tie, the employee with the latest date of application, as evidenced by a date stamp, shall be laid off first. The City shall provide the Association with copies of all seniority lists used for layoffs as soon as possible, but at least ten (10) business days prior to any notice of layoff.

4. A laid off employee may displace or "bump" an employee in a lesser paid job classification within the same occupational family or a classification in which he/she has previously served. In calculating seniority, time spent in all full-time paid classifications shall be counted in determining total seniority for purpose of bumping. Further, employees who "bump" into lower paid classifications shall have their seniority from the higher paid classification transferred with them into the lower classification to count toward total seniority with that classification.
5. The names of permanent employees thus laid off shall be placed upon the reemployment list for the class from which they were laid off. Names on the reemployment list shall be in the order of seniority and shall be valid for twenty-four (24) months from the date of layoff. Employees who "bump" into a lower classification shall also be included on any re-employment list. The re-employment list for a given classification shall be used by the appointing authority before a position is filled by other means.
6. If a person is not available to accept an offer of re-employment for any extended period of time (2 weeks or more) and if a vacancy occurs during the period of non-availability, the person's name will remain in position on the re-employment list, however, the offer of re-employment will be made to the next person on the re-employment list.
7. A person's failure to appear at the prescribed time and place after acceptance of a position will constitute grounds to remove their name from the re-employment list.
8. If a person on a re-employment list is offered a position with the same salary, or more, as compared to the position from which he/she was laid off, and the person refuses the offer, he/she shall have his/her name removed from the re-employment list.
9. If a person accepts a position at a lesser salary than the position from that which he/she was laid off, his/her name shall remain in the re-employment list for the balance of the initial twenty-four (24) month period.
10. A full-time employee may "bump" a part-time employee with lesser seniority, in the same or a lesser paid job classification within the same occupational family as the full-time employee or in a classification in which the full-time employee has previously served. If a full-time exercises such bumping rights, he or she will thereafter be considered a part-time employee and will be subject to the at-will status of part-time personnel. A full-time employee who bumps to a part-time classification shall retain their place on the full-time re-employment list for the 24 month period from the date of layoff.
11. Seniority between a full-time and part-time employee shall be based upon the total hours worked in the classification.

ARTICLE X
SENIORITY

The City will consider seniority as the primary factor, where the job performance is equal, when making assignments of work schedules, special events, and vacation. Seniority shall be defined as length of service in the position. The updated seniority list shall be distributed 90-days after the end of each fiscal year.

ARTICLE XI
ANTI-DISCRIMINATION AND HARASSMENT POLICY

I. PURPOSE

State and federal law expressly prohibit discrimination and/or harassment of employees or applicants based upon race, religion, creed, color, national origin, ancestry, physical or mental disability, medical condition, birth of a child, pregnancy, veteran status, sexual orientation, marital status, sex, or age over 40 years.

The City is committed to providing a work environment that is free from discrimination and harassment. In keeping with this commitment, the City maintains a strict policy prohibiting discrimination and harassment, including sexual harassment.

The purpose of this Policy is to define and forbid discriminatory and/or harassing conduct, to prohibit the condoning or perpetuating of such conduct and to provide an efficient means for reporting and resolving complaints of discrimination and/or harassment.

II. POLICY

The City considers discrimination and/or harassment a serious offense and is firmly committed to the philosophy that every employee has the right to work in an environment free from discriminatory intimidation, ridicule and insult, and to be treated with courtesy, dignity and respect. Every employee is expected to adhere to a standard of conduct that is respectful to all persons within the work environment.

The City's policy strictly prohibits unlawful discrimination and harassment on the basis of race, religion, creed, color, sex, sexual orientation, national origin, ancestry, physical or mental disability, medical condition, pregnancy, the birth of a child, veteran status, marital status or age over 40 years ("a legally protected category").

In keeping with this commitment, the City maintains and follows a strict policy prohibiting unlawful discrimination and harassment, in any form, including verbal, physical and visual harassment, coercion, and/or reprisal. This policy applies to all employees, patrons, vendors and visitors. The City does not tolerate discrimination, sexual or other harassment of employees in the work place or in any work-related situation by anyone. If, after a prompt and thorough investigation, it is determined that an employee has engaged in discrimination and/or sexual or other harassment, that employee will be disciplined, up to and including discharge.

III. PROHIBITED CONDUCT

The City's Anti-Discrimination and Harassment prohibits the following types of conduct:

- A. Discrimination. Discrimination is any action or conduct by which an employee is treated differently or less favorably than other employees similarly situated to him or her for the sole reason that he or she is a member of a legally protected category. For example, it would be discrimination for an individual to be denied employment or terminated from employment solely because that individual has a disability or is 40 years of age or older.
- B. Harassment. Unlawful harassment is any verbal or physical conduct based on an employee's membership in a legally protected category that is sufficiently severe or pervasive so as to affect an employee's work performance negatively and/or alter the conditions of employment, and/or creating an intimidating, hostile or otherwise offensive working environment.
- C. Sexual Harassment. Sexual harassment is defined as follows: Any action that constitutes an unwelcome sexual advance or request for sexual favors, or any verbal or physical conduct of a sexual nature that is (i) related to or conditional to the receipt of employee benefits, including, but not limited to, hiring and advancement, (ii) related to or forms the basis for employment decisions affecting the employee, or (iii) sufficiently severe or pervasive so as to affect an employee's work performance negatively and/or alter the conditions of employment and create an intimidating, hostile or otherwise offensive working environment.

Examples of the type of conduct that can constitute unlawful harassment or sexual harassment include, but are not limited to, the following:

- 1. Verbal harassment - For example: epithets, derogatory comments or slurs, graphic commentaries about an individual's body or other

suggestive comments made on the basis of a legally protected category.

2. Physical harassment - For example: assault, impeding or blocking movement, interference with normal work movement, massages, sitting on laps, or unwanted touching of any type based upon a legally protected category.
3. Visual forms of harassment - For example: leering, making derogatory gestures, derogatory posters, pictures, notices, bulletins, cartoons, drawings, e-mails, computer screen savers, faxes or other depictions of a sexual nature based upon a legally protected category.
4. Sexual conduct - For example: unwelcome sexual advances, requests for sexual favors, propositions, and other verbal or physical conduct of a sexual nature which is made a condition of an employment benefit or unreasonably interferes with an individual's work performance and creates an offensive work environment.
5. Retaliation - Taking adverse employment action against any employee for having reported or threatened to report unlawful discrimination or harassment.

Any questions regarding these definitions of discrimination, harassment, or sexual harassment, or uncertainty as to what constitutes discrimination, harassment, or sexual harassment or, uncertainty as to what constitutes prohibited conduct under the City's policy, will be referred to the Human Resources Department.

IV. REPORTING DISCRIMINATION OR HARASSMENT

City management shall be readily available and receptive to receiving complaints of discrimination, sexual or other harassment. If an employee feels that he or she is being discriminated against or harassed by another employee, a supervisor, a vendor, a visitor, or a patron, the employee shall immediately report the facts of the incident or incidents and the name(s) of the individual(s) involved to his or her immediate supervisor. If the matter cannot be discussed with the immediate supervisor or the immediate supervisor is the subject of the complaint, the employee shall contact the Director of Human Resources and arrange for a meeting to discuss the complaint. If the matter cannot be discussed with the Director of Human Resources, the employee shall contact the City Administrator and arrange for a meeting to discuss the complaint.

Complaints must be made as soon as possible after the incident. In addition, a written and signed statement of the complaint shall be submitted to the impacted supervisor, the Director of Human Resources or the City Administrator within 10 days of the initial report. Within 15 working day of receipt of the complaint, the City will conduct an appropriate investigation regarding the allegations and will verbally and in writing advise the party who is the subject of the complaint of the name of

the complaining party, the nature of the allegations and how the City intends to address the complaint.

Written complaints should include the following information:

- A. The complaining party's name, department and position title.
- B. The name of the person or persons committing the discrimination or harassment, including their title(s), if known.
- C. The specific nature of the harassment or discrimination, the period of time of the harassment or discrimination, any employment action (demotion, failure to promote, dismissal, refusal to hire, transfer, etc.) taken against the victim as a result of the harassment or discrimination (if applicable), or any other threats made against the victim as a result of the harassment or discrimination.
- D. The name of any witnesses to the harassment or discrimination.
- E. Any documentation or other evidence to support the allegations of the complaint, if any.
- F. Whether the complaining party previously has reported such harassment or discrimination, and, if so, when and to whom.

Notification to the City is required. The complainant will be assured that he or she will not be penalized in any way for reporting discrimination, sexual harassment or other harassment. This would be considered retaliation and it is unlawful for an employer to retaliate against employees who oppose practices prohibited by state and federal law, file complaints, or otherwise participate in an investigation, proceeding or hearing conducted by the Department of Fair Employment and Housing or the Equal Employment Opportunity Commission. Similarly, the City will not tolerate any employees who interfere with its own internal investigations and its own internal complaint procedure.

Employees are also protected from sexual or other harassment by non-employees (e.g. vendors, visitors). Any employee who is the victim of any discrimination or harassment by a non-employee or observes this conduct toward another City employee should report such discrimination or harassment to his or her immediate supervisor, the Director of Human Resources or the City Administrator and appropriate action will be taken. Likewise, employees who observe or are advised about the discrimination, sexual or other harassment of another employee are encouraged to follow these reporting procedures.

The City cannot resolve discrimination or a sexual or other harassment problem unless it is known. Therefore, it is the responsibility of the employee to bring those kinds of problems to the attention of the City so that the necessary steps can be taken to correct the problem.

V. THE CITY'S RESPONSE TO COMPLAINTS OF HARASSMENT OR DISCRIMINATION

All complaints of harassment or discrimination that are reported to management will be investigated promptly, thoroughly, objectively, completely and as confidentially as possible. The City, as part of its investigation, will make every attempt to interview all individuals with information relative to the complaint.

Any investigation related to a complaint under this policy will be conducted with as much confidentiality as possible and with respect for the rights of all individuals involved. Efforts will be made to protect the privacy of the parties involved in a complaint. Information related to the investigation will be provided to those individuals such as City Administrator and/or the City Attorney in order for the City's interests to be properly protected.

The purpose of this provision is to protect the confidentiality of the employee who files a complaint, to encourage the reporting of any incidents of harassment or discrimination, and to protect the reputation of any employee wrongfully charged with harassment or discrimination.

It is important for the complaining party and the person subject to the complaint to understand that it is a violation of this policy to discuss an investigation with their employees or to conduct their own investigation at anytime. If an employee has any information to assist the City, he or she should contact the Human Resources Department. Failure to follow this policy may subject the employee to discipline, as the confidential nature of the complaint and the investigation is vital in protecting the privacy rights of all parties involved.

The City will make its determination and communicate that determination to the complaining employee and to the party subject to the complaint. The complainant is not entitled to copies of any notes or other written materials regarding the investigation, as such are considered confidential documents. If it is determined that the party subject to the complaint has violated City policies, appropriate corrective action will be taken in accordance with established City disciplinary procedures, up to and including discharge. Furthermore, as part of the City's attempt to remedy the complaining employee's concerns, the complaining employee will be informed of the remedial measures to be taken by the City.

VI. DEPARTMENT OF FAIR EMPLOYMENT & HOUSING (DFEH)

Employees who believe that they have been harassed or discriminated against within one year of harassment may file a complaint of discrimination with the California Department of Fair Employment and Housing ("DFEH"). The DFEH may also investigate and process the complaint. Violators are subject to penalties and remedial measures that may include sanctions, fines, injunctions, reinstatement, back pay and damages. The address and phone number of the local office of the Department of Fair Employment and Housing is as follows:

Los Angeles District Office
611 West Sixth Street, Suite 1500 Los
Angeles, CA 90017
(213) 439-6799
Toll-Free (800) 884-1684

VII. FALSE ACCUSATIONS

As set forth above, the City vigorously defends its employees' right to work in an environment free of discrimination, sexual or other harassment. However, the City also recognizes that false accusations of discrimination, sexual or other harassment can have serious consequences to an individual's career and reputation. The City trusts that all employees will continue to act responsibly in reporting discrimination, sexual and other harassment. The City encourages employees to raise questions regarding discrimination, sexual or other harassment

with his or her immediate supervisors, department heads, the Director of Human Resources or the City Administrator.

VIII. IMPLEMENTATION

Each Department Head is responsible to ensure that the work environment in his or her department is free of unlawful harassment or discrimination. To that end, each City Department shall:

- A. Have supervisors discuss this Policy including the complaint resolution procedures with all employees he or she supervises;
- B. Require supervisors to communicate to the employees the City's and the supervisor's strong disapproval of unlawful harassment or discrimination;
- C. Monitor the work environment to ensure that all reasonable steps have been taken to prevent unlawful harassment or discrimination from occurring;
- D. Cooperate in the investigation and, when warranted, implement any remedial action;
- E. Ensure that no one who reports unlawful harassment or discrimination or who assists in making a harassment or discrimination complaint or who cooperates in a harassment or discrimination investigation is retaliated against; and
- F. Document the fact that Steps A and B have been taken.

ARTICLE XII
OTHER MATTERS WITHIN THE SCOPE OF REPRESENTATION

Section 1. Meet and Confer in Good Faith.

The City shall not be required to meet and confer in good faith on any subject preempted by federal or state law. The City shall meet and confer in good faith with the Association on all matters related to the salaries, fringe benefits and other terms and conditions of employment, as in accordance with the Meyers-Milias-Brown Act.

Section 2. Job Security.

The City and the Association share a common interest in maintaining the stability and the security of the City's workforce. As such, the City shall initiate a meet-and-confer process with the Association no less than 90 days prior to any decision to contract for the work of any employee represented by the Association. The City will discuss with the Association all economic issues related to such contracting during the meet-and-confer process and prior to sending out Requests for Proposals (RFP's) or otherwise seeking to identify qualified contractors. In the event that the City subsequently decides to enter into a contract, the City will work with the Association in an attempt to mitigate the effects that contracting might have on any employee represented by the Association. The City will make its best efforts to find alternative City employment for those employees affected. Management will attempt to find alternative City employment as close as possible to the employee's current salary level provided that the employee meets the minimum qualifications for this alternative employment.

Section 3. Agency Shop Notice.

1. The City shall provide all newly hired employees with an authorization notice advising them that agency shop for the Association has been implemented pursuant to a vote of the bargaining unit's members in accordance with state law, that agency shop is covered by an agreement between the City and the Association, and that all employees subject to the agreement must either join the Association, pay a service fee to the Association, or execute a written declaration claiming a religious exemption from this requirement.
2. Such notice shall include a form for the employee's signature authorizing a payroll deduction of Association dues, a service fee or a charitable contribution equal to the service fee. Such service fee shall be established by the Association. Employees shall have ten (10) calendar days from the date they receive the form to fully execute it and return it to the City's Human Resources Department.
3. If the form is not completed properly or returned within ten (10) calendar days, the City shall commence and continue a payroll deduction of service fees from

the regular bi-weekly paychecks of such employee.

4. Dues withheld by the City shall be transmitted by direct deposit to the AFSCME District Council 36 bank account, unless otherwise directed by the Association President
5. The effective date of Association dues, service fees, or charitable contributions shall begin no later than the beginning of the first pay period commencing fourteen (14) calendar days after receipt of the authorization form by the employee.
6. No unit member shall be required to join the Union or to make an agency fee payment if the unit member is an actual verified member of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting employee organizations; this exemption shall not be granted unless and until such unit member has verified the specific circumstances. Such employee must, instead, satisfy his or her obligation by donating the equivalent amount to a non-labor, non-religious charitable fund, tax exempt under section 501, subdivision (c)(3) of the *Internal Revenue Code*, which is chosen by the Association. The Association has selected the following three qualified charitable funds that the exempt employee n may choose: American Cancer Society, American Red Cross, St.. Jude Children's Research Fund Hospital. This list may change from time to time, but only upon written notice and agreement by both parties.
7. The City shall provide the Association with a monthly list of new hires, including name, date of hire, job classification, pay rate, work location and home address and phone number.
8. The Association shall keep an adequate itemized record of its financial transactions and shall make available annually to the City, and upon request to the employees who are members of the Association, within sixty (60) days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, certified as to accuracy by its President and Treasurer or corresponding principal officer, or by a Certified Public Accountant. A copy of financial reports required under the Labor-Management Disclosure Act of 1959 or *Government Code* Section 3546.5 shall satisfy this requirement
9. This agency shop arrangement shall be null and void if rescinded by a vote of employees pursuant to *Government Code* Section 3502.5, subdivision (d).
10. The Association shall defend, indemnify and hold harmless, the City of Commerce from any demand, claim, other action and for any liability or cost arising out of any such demand, claim or other action that arises out of this agreement.

Section 4. Union Access.

City equipment may be used to conduct Association business, provided it is authorized by the City Administrator or his or her designee. City equipment shall include, but not be limited to telephones, photocopiers, all forms of electronic communication, and facilities. The following are examples of situations where the City Administrator may reasonably authorize such use: (1) to schedule Association meetings, (2) to transmit meet and confer proposals, (3) to conduct Association meetings noticed pursuant to Association by-laws for the consideration of Memorandum of Understanding approval/ratification votes.

Section 5. Association Representatives.

The Association may designate representatives to represent employees in processing grievances and at Skelly hearings. The following conditions shall apply.

The Association may designate Representatives who must be members of the Association, and shall provide all departments with a written list of employees who have been so designated. City management will accept on a quarterly basis any changes to the list. A Representative may represent a grievant in the presentation of a grievance at all levels of the grievance procedure. A Representative may represent an employee in pre-disciplinary hearings (Skelly) or pre-disciplinary interviews where there is a reasonable expectation that disciplinary action will follow.

An employee and his/her Representative may have a reasonable amount of paid time off for the above-listed activities. However, a representative will receive paid time off only if he/she is the representative of record; or is another City employee, not a representative of record, who is requested to accompany the employee seeking representation to an interview which the employee reasonably believes, may result in punitive action or to a meeting where documents shall be served.

If a Representative must leave his/her work location to represent an employee, he/she shall first obtain permission from his/her supervisor on a form provided by the City for such purpose. In those instances where an employee is working away from City Hall and is requested to provide representation, that employee shall first obtain verbal authorization from a supervisor to do so. As soon as is reasonably practicable, but not later than the end of the employee's following workday, the release shall be documented on a City provided form. Permission to leave will be granted unless such absence would cause an undue interruption of work. If such permission cannot be granted promptly, the grievant's Representative will be informed when time can be made available. To the extent reasonable and compatible with City operational needs, such time will not be more than forty-eight (48) hours, excluding scheduled days off and/or legal holidays, after the time of the Representative's request unless otherwise mutually agreed to. Denial of

permission to leave at the time requested will automatically constitute an extension of time limits provided in the grievance procedure herein, equal to the amount of the delay.

Before leaving his/her work location, the Representative shall call the requesting employee's supervisor to determine when the employee can be made available. Upon arrival, the Representative will report to the employee's supervisor who will make arrangements for the meeting requested.

The City will make reasonable time available to Representatives to investigate grievances and disciplinary matters on behalf of the grievant. Time spent on grievances, or the pre-disciplinary representation activities described above, outside of regular working hours of the employee or his/her Representative, shall not be counted as work time for any purpose.

Section 6. Voluntary Political Contributions (PEOPLE Checkoff).

If an employee submits a form authorizing a deduction from his or her paycheck for the AFSCME PEOPLE Program, the City shall effectuate such payroll deduction beginning the next pay period. Deductions withheld by the City shall be transmitted by direct deposit to the AFSCME District Council 36 bank account, unless otherwise directed by the Association President.

Section 7. Non-Discrimination.

The parties shall treat all employees equally in employment matters without regard to race, color, religion, sex, sexual orientation, age, national origin, disability, and political or union activity.

Section 8. Joint Labor/Management Committee.

The City and the Association will maintain a Joint Labor Management Committee (the "Committee") comprised of seven (7) members. The City's members shall consist of representatives from the Human Resources Department and various other departments. The Association shall provide four (4) members to sit on its committee, which shall consist of two (2) full-time employees and two (2) part-time employees. Additional department and employee representatives may participate on the Committee to deal with departmental matters which may be addressed. This Committee shall meet monthly, or less frequently upon agreement of the Committee.

The JLM shall be utilized to allow the parties to discuss matters affecting the workplace environment.

The JLM shall not be a means for participating in the meet and confer process as provided for by *Government Code* Sections 3500 *et. seq.* The JLM's meetings shall not be "meet and confer" sessions as that term is used in *Government Code* Sections 3500 *et. seq.*

JLM consideration of proposed changes in terms and conditions of employment shall not occur and is not a condition precedent to the exercise by the City of its rights.

Section 9. City's Personnel Policies and Procedures and Standard Operating Procedures.

The City's Personnel Policies and Procedures and Standard Operating Procedures shall govern during the term of this Memorandum of Understanding, unless otherwise indicated herein.

ARTICLE XIII
MODIFICATION

Section 1. Maintenance of Existing Conditions.

Any employment policy, practices and/or benefits, including the alternative workweek schedule and overtime compensation are incorporated into this Memorandum of Understanding, unless otherwise stated herein. In the event of a conflict between the Memorandum of Understanding and an existing policy and/or practice, this Memorandum of Understanding shall govern.

Section 2. Modification and Waiver.

The City reserves the right to add to, delete from, amend or modify the Administrative rules, the City Municipal Code, and the City's Personnel Policies and Procedures Manual during the term of the Memorandum of Understanding, subject to the requirements of the Meyers-Milias-Brown Act.

Section 3. Severability.

In the event that a court finds any provision(s) of this Memorandum of Understanding to be invalid or unenforceable, the parties intend that the remaining provisions remain in effect. The parties further agree to meet and confer for purposes of negotiating an alternative to any provision declared invalid or unenforceable.

ARTICLE XIV
TERM

- (a) Except as otherwise provided herein, this Memorandum of Understanding shall be in full force and effect from July 1, 2011, and shall remain in full force and effect up to and including midnight, the 30th day of June 30, 2012, or until the next Memorandum of Understanding becomes effective.
- (b) This Memorandum of Understanding shall be binding on the City and the Association when approved and adopted by the City Council.

The City and the Association agree to submit proposals for any changes related to wages, benefits and/or other terms of and conditions of employment affecting this Memorandum of Understanding by January 2012. The City and Association shall review the terms of this understanding, and meet and confer on any proposed changes to this Memorandum Of Understanding beginning February 2012.

"ASSOCIATION"

"CITY"

Date Kevin Larsen
President, CCEA

Date Jorge Rifa
City Administrator

Date Terry Ann Westmore
CCEA Member

Date Vilko Domic
Director of Finance

Date Laura Tilley
CCEA Member

Date Fernando Mendoza
Deputy City Administrator

Date Mario Moran
CCEA Member

Date Teresa McAllister
Director of Human Resources

Date Jose Castillo
CCEA Member

APPROVED AS TO FORM:

Date Leslie Simon
AFSCME Representative

Date Eduardo Olivo
City Attorney

ATTEST:

Date Linda Kay Olivieri
City Clerk



APPENDIX A

SCHEDULE OF BENEFITS

January 1, 2011/12

MAXIMUM BENEFIT

Maximum Benefit per Calendar Year per Covered Person..... \$2,000

Lifetime Maximum Benefit for Orthodontic Expenses per Covered
Person \$1,000

DEDUCTIBLE AMOUNT

Each Covered Person per Calendar Year \$25

Each Family per Calendar Year \$75

PERCENTAGE OF ELIGIBLE DENTAL EXPENSES PAYABLE

Preventive and Diagnostic Services (Calendar Year Deductible Waived) 100 %

Basic Services 85 %

Major Services 80 %

Orthodontic Services 50 %

The Plan covers charges up to those made by most dentists to individuals in the area for covered services and supplies. For a complete listing of eligible services and the benefits available, refer to your Summary Plan Description.

The Dental Expense Benefits above are provided to you by the CITY OF COMMERCE.
Claims administration is provided by UMR Dental.



Your VSP Vision Benefits Summary

Welcome to VSP® Vision Care. Your VSP vision benefit offers you the best in eyecare and eyewear.

Personalized Care. A VSP doctor provides personalized care that focuses on keeping you and your eyes healthy year after year. Plus, when you see a VSP doctor, you'll get the most out of your benefit, have lower out-of-pocket costs, and your satisfaction is guaranteed.

Eyewear. Choose the eyewear that's right for you and your budget. From classic styles to the latest designer frames, you'll find the eyewear that's right for you and your family.

Choice of Providers. With open access to see any eyecare provider, you can see the one who's right for you. Choose a VSP doctor or any other provider.

Using your VSP benefit is easy.

- **Find the right eyecare provider for you.** To find a VSP doctor, visit vsp.com or call 800.877.7195.
- **Review your benefit information.** Visit vsp.com to review your plan coverage before your appointment.
- **At your appointment, tell them you have VSP.** There's no ID card required.

That's it! We'll handle the rest—there are no claim forms to complete when you see a VSP doctor.

For your complete benefit description, visit vsp.com or call 800.877.7195.



CAT#00611 JOB#3755CM 6/10

CITY OF COMMERCE and VSP provide you an affordable eyecare plan.

Doctor Network..... VSP Signature

Your Coverage with a VSP Doctor

\$10.00 copay every 12 months

WellVision Exam® focuses on your eye health and overall wellness..... **every 12 months**

Prescription Glasses

Lenses..... **every 12 months**

- Single vision, lined bifocal and lined trifocal lenses
- Polycarbonate lenses for dependent children

Covered Lens Options

- Progressive

Frame..... **every 12 months**

- \$120 allowance for a wide selection of frames
- 20% off amount over your allowance

~OR~

Contact Lens Care..... **every 12 months**

\$105.00 allowance for contacts and the contact lens exam (fitting and evaluation)

Current soft contact lens wearers may qualify for a special program that includes a contact lens exam and initial supply of lenses.

~AND~

Covered Contact Lenses

Allows you to obtain contacts, covered in full, after a \$50.00 copay, in addition to the glasses or contacts in your core benefit

Extra Discounts and Savings

Glasses and Sunglasses

- Average 35 - 40% savings on all non-covered lens options
- 30% off additional glasses and sunglasses, including lens options, from the same VSP doctor on the same day as your WellVision Exam. Or get 20% off from any VSP doctor within 12 months of your last WellVision Exam

Contacts

- 15% off cost of contact lens exam (fitting and evaluation)

Laser Vision Correction

- Average 15% off the regular price or 5% off the promotional price. Discounts only available from contracted facilities.
- After surgery, use your frame allowance (if eligible) for sunglasses from any VSP doctor.

Your Coverage with Other Providers

Visit vsp.com for details, if you plan to see a provider other than a VSP doctor.

Exam.....	Up to \$ 45.00
Single Vision Lenses.....	Up to \$ 45.00
Lined Bifocal Lenses.....	Up to \$ 65.00
Lined Trifocal Lenses.....	Up to \$ 85.00
Frame.....	Up to \$ 47.00
Contacts.....	Up to \$ 105.00

VSP guarantees service from VSP doctors only. In the event of a conflict between this information and your organization's contract with VSP, the terms of the contract will prevail.



AGENDA REPORT

MEETING DATE: July 3, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING REVISIONS TO THE MEDICAL HEALTH PLAN BENEFITS AS THEY RELATE TO THE CITY'S FULL-TIME, NON-REPRESENTED MANAGEMENT EMPLOYEES, INCLUDING CITY ADMINISTRATOR AND CITY CLERK

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

The City and the City of Commerce Full-time, Non-Represented Management Employees, including City Administrator and City Clerk (Management Employees) completed dialogue regarding revisions to the medical health plan benefits for fiscal year 2012-2013. The Management Employees are accepting the same medical health plan benefits as approved for the Mid-Management and Non-Management Full-Time employees represented by the City of Commerce Employees Association.

This report recommends Council approval of changes to benefits for each of the full-time Non-Represented Management Employees, including City Administrator and City Clerk. The changes cover the period of July 1, 2012 through June 30, 2013.

ANALYSIS:

The City agreed to provide the Mid-Management and Non-Management employees with the following medical health plan benefits:

- **Employee Medical Health Plan Benefit:** Effective July 1, 2012, through December 31, 2012 the City's contribution to the Cafeteria Plan (Premium Only Plan) shall be the 2012 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories (ie; single, 2party, Family) established in the "2012 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

Effective January 1, 2013, until June 30, 2013 the City's contribution to the Cafeteria Plan (Premium Only Plan) shall be the 2013 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Cafeteria plan exceed the "2013 Other Southern California" rates for each of the eligible benefit categories (ie; single, 2party, Family) established in the "2013 Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

Adoption of Resolution Approving Revisions to Medical Health Plan Benefits for Full-Time Non- Represented Management Employees Including City Administrator and City Clerk
July 3, 2012

This section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Employee Medical Health Plan Benefits, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (*Government Code* Section 3500 *et seq.*) and any other applicable state or federal law.

- **Longevity Stipend for Employees hired before July 1, 2011:** In no event shall the City's total longevity stipend payment exceed \$1,674.22 for employees who retire after December 31, 2011.
- **Longevity Stipend for Employees hired on/after July 1, 2011:** Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City's employment. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

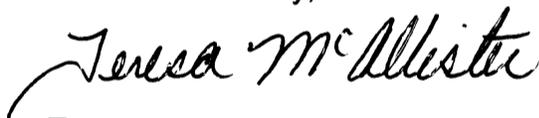
≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$965.89)
15 years and above of full-time City Service	\$1,287.86 (100%)

The proposed resolution will approve the above referenced benefits for the full-time, Non-Represented Management Employees, including City Administrator and City Clerk.

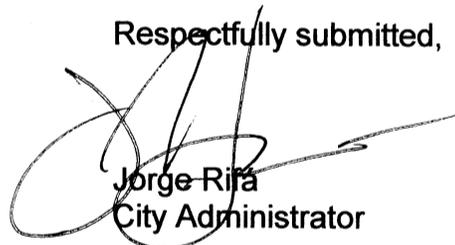
BUDGET IMPACT:

The fiscal impact to the FY 2012/2013 general fund is estimated to be \$4,250.00 and has been included in the 2012-13 base line budget.

Recommended by,


Teresa McAllister
Director of Human Resources

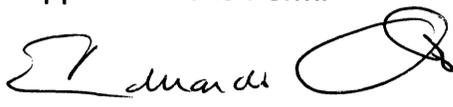
Respectfully submitted,


Jorge Rifa
City Administrator

Budget Impact Reviewed by:


Vilko Domic
Director of Finance

Approved as to Form:


Eduardo Olivo
City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
APPROVING REVISIONS TO THE MEDICAL HEALTH BENEFITS AS THEY RELATE TO
THE CITY'S FULL-TIME, NON-REPRESENTED MANAGEMENT EMPLOYEES,
INCLUDING CITY ADMINISTRATOR AND CITY CLERK

WHEREAS, the City of Commerce and the full-time, non-represented management employees, including the City Administrator and City Clerk (the "Management Employees") have completed dialogue regarding revisions to the health benefits for fiscal year 2012-2013; and

WHEREAS, the Management Employees have requested the same medical health plan benefits as approved for the Mid-Management and Non-Management Full-Time employees for fiscal year 2012-2013; and

WHEREAS, the City Council desires to approve the requested benefit revisions for the Management Employees for a period covering one year.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The following revisions for the full-time, non-represented management employees, including the City Administrator and City Clerk are approved and shall be implemented as follows:

- **Employee Medical Health Plan Benefits:** Effective July 1, 2012 and until December 31, 2012, the City's contribution for Management Employee medical health plan benefits shall be the 2012 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution towards any plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories (single, 2-Party, Family) established in the "2012 other Southern California" Blue Shield Access + health insurance plan.

Effective January 1, 2013, until June 30, 2013, the City's contribution to the Cafeteria Plan (Premium Only Plan) shall be increased to the 2013 premium rates for "Other Southern California" as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution towards any plan exceed the "2012 Other Southern California" rates for each of the eligible benefit categories (single, 2-Party, Family) established in the "2013 other Southern California" Blue Shield Access + health insurance plan

- **Longevity Stipend for Employees hired before July 1, 2011:** The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and eligible dependents (when applicable) minus the PEMHCA minimum contribution. In no event shall the City's total longevity stipend payment exceed \$1,674.22 for Management Employees who retire after December 31, 2011.
- **Longevity Stipend for Employees hired on/after July 1, 2011:** Management Employees hired by the City on or after July 1, 2011 and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City's employment. The longevity stipend payment shall be deposited on a monthly basis into the retiree's Healthcare Reimbursement Plan (Retiree HRA Plan). The longevity stipend shall not exceed the amounts described below, which shall include the PEMHCA minimum contribution and shall be based on the cost of

coverage for retiree plus spouse coverage under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two-party) and actual plan cost.

≥ 5 years of full-time City Service	50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$965.89)
15 years and above of full-time City Service	\$1,287.86 (100%)

Section 2. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2012, at Commerce, California.

Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



AGENDA REPORT

MEETING DATE: July 3, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2012-2013

RECOMMENDATION:

Approve and adopt the proposed Resolution selecting the California per capita personal income price factor 3.77 and the population growth of the City of Commerce, 0.19 as the annual adjustment factors used in calculating the appropriation limit, and assign the number next in order.

ACTION:

Move to approve the recommendation.

BACKGROUND/ANALYSIS:

Article XIII(B) of the California Constitution provides that an appropriation limit be established each year that creates a restriction on the amount of proceeds of taxes which can be appropriated in any fiscal year. The limit is based on actual appropriations during the 1978-79 fiscal year, and is increased each year using the growth in population and inflation.

Proposition 111 modified the selection process of the annual adjustment factors and now allows cities to choose either the growth in the California Per Capita Income or the growth in the non-residential assessed valuation due to new construction within the City as the inflation factor. The City can also choose between the population growth of the City of Commerce or Los Angeles County as the growth factor. Proposition 111 requires a recorded vote of the Council regarding which of the annual adjustment factors has been selected each year.

FISCAL IMPACT:

This activity can be carried out without additional impact on the current operating budget.

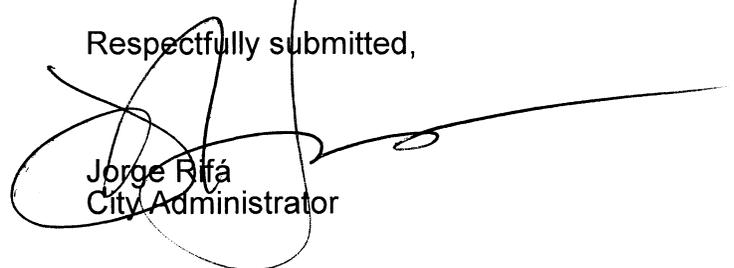
RELATIONSHIP TO 2009 STRATEGIC GOALS:

The proposed Resolution is associated with Council's goal of making financially and economically sound decisions consistent with economic conditions.

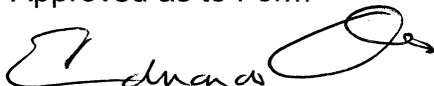
Recommended by:


Vilko Dominic
Director of Finance

Respectfully submitted,


Jorge Rifa
City Administrator

Approved as to Form


Eduardo Olivo
City Attorney

CITY OF COMMERCE
APPROPRIATION LIMITATION
FISCAL YEAR 2012-2013

CALCULATION OF LIMITATION

Appropriation Limitation 2011-2012			\$140,015,557
Adjustment Factors (in percent):			
California Per Capital Personal Income Increase	3.77	X	1.0377
Population Change – City of Commerce	0.19	X	<u>1.0019</u>
APPROPRIATION LIMITATION FY 2012-2013			<u>\$145,560,173</u>

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE
APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2012-2013

WHEREAS, the voters of California on November 6, 1979, added Article XIII(B) to the State constitution placing various limitations on the appropriations of the state and local governments; and

WHEREAS, Article XIII(B) provides that the appropriations limit for the fiscal year 2011-2012 is calculated by adjusting the base year appropriations of fiscal year 1978-79 for changes in the cost of living and population; and

WHEREAS, the City of Commerce has complied with all the provisions of Article XIII(B) in determining the appropriations limit for fiscal year 2012-2013.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The appropriations subject to limitations in fiscal year 2012-2013 shall be 145,560,173 for the City of Commerce.

Section 2. Select the California per capita personal income price factor 3.77 and the population growth of the City of Commerce, 0.19 as the annual adjustment factors used in calculating the appropriation limit.

Section 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this _____ day of _____ 2012.

Lilia R. Leon
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



AGENDA REPORT

Meeting Date: July 3, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE EXECUTION OF AN AGREEMENT WITH THE COUNTY OF LOS ANGELES TO PROVIDE MASSAGE ESTABLISHMENT INSPECTION SERVICES FOR PUBLIC HEALTH AND SAFETY PURPOSES

RECOMMENDATION:

Approve the Resolution and assign the next number in order.

MOTION:

Approve the recommendation.

BACKGROUND:

In February 2004, the City contracted with the County of Los Angeles Public Health Department (the County) to administer written and practical exams to applicants seeking a massage technician permit with the City. The contract included health and sanitation inspection services of massage establishments.

On September 1, 2009, the State of California enacted Senate Bill (SB) 731 which provided massage practitioners and massage therapists the option of seeking certification from the California Massage Therapy Council.

Since the enactment of SB 731, the County of Los Angeles Public Health Department has experienced a 98% decrease in the number of applicants seeking certification through the County.

As a result, the County provided their 30-day notice of termination of Contract Number 73950 for the examination of applicants for massage and acupressure technician permits and for massage establishment inspection services. The contract ends June 30, 2012.

ANALYSIS:

The City has the option of entering into a new agreement for massage establishment inspection services only.

Staff recommends entering into a new agreement with the County for the performance of health and safety inspection services of massage establishments within the City.

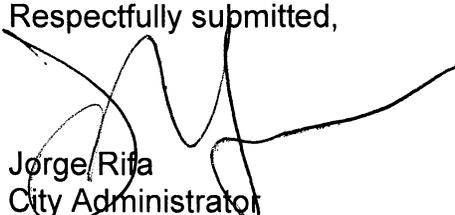
FISCAL IMPACT:

Cost per inspection is \$175 plus a four percent city liability fee, for a total of \$182. Inspections are conducted once a year for existing establishments and upon notification of a new establishment. There is currently 1 licensed massage establishment that requires an inspection.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

The proposed Resolution is associated with Council's goal to protect and enhance quality of life in the City of Commerce.

Respectfully submitted,



Jorge Rifa
City Administrator

Recommended by:



Vilko Domic
Director of Finance

Prepared by:



Maria E. Ibarra Villaseñor
Business License Officer

Reviewed by:



Eduardo Olivo
City Attorney

Attachment: Resolution
Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, APPROVING THE EXECUTION OF AN AGREEMENT WITH THE
COUNTY OF LOS ANGELES TO PROVIDE MASSAGE ESTABLISHMENT
INSPECTION SERVICES FOR PUBLIC HEALTH AND SAFETY PURPOSES

WHEREAS, the City of Commerce amended its Municipal Code in February 2004, to amend Section 5.09, for the purposes of regulating massage establishments and to allow for inspections of massage establishments to ensure that each massage establishment operating within the City is in compliance with applicable health and safety laws; and

WHEREAS, the City Council of the City of Commerce desires to contract with the County of Los Angeles for the performance of health and safety inspection services of massage establishments as authorized in the provisions of Section 101375 of the California Health and Safety Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

Section 1. The Massage Establishment Inspection Agreement between the City of Commerce and the County of Los Angeles is approved. The Mayor is hereby authorized to execute the Agreement for and on behalf of the City.

PASSED, APPROVED and ADOPTED, this _____ day of _____,
2012.

Lilia R. Leon
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

MASSAGE ESTABLISHMENT INSPECTION AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 2012, by and between

COUNTY OF LOS ANGELES (hereafter "County"),

and

THE CITY OF COMMERCE (hereafter "City").

WHEREAS, the California Health and Safety Code provides that the governing bodies of counties and cities shall take measures as may be necessary to preserve and protect the public's health and safety, including the adoption of ordinances and establishment of fees to support the enforcement of such activities; and

WHEREAS, County's Board of Supervisors has delegated the authority and responsibility for these measures to County's Director of Public Health, or his/her authorized designee (hereafter referred to as "Director"); and

WHEREAS, Director has entrusted his/her Department of Public Health ("DPH") Director of Environmental Health to preserve and protect the public's health and safety by inspecting businesses, including but not limited to, the inspection of massage establishments for health and safety purposes throughout the County of Los Angeles; and

WHEREAS, City has amended its City Municipal Code, as of February 17, 2004 to adopt Section 5.09.120, *et. seq.*, for the purposes of regulating massage establishments within the City's corporate limits; and

WHEREAS, the City's purpose in amending its Municipal Code as described above, is to allow for inspections as related to massage establishments and to further ensure that each massage establishment operating within City's corporate limits are in compliance with all applicable health and safety laws; and

WHEREAS, City wishes to contract with County for the performance of such inspections and/or other hereafter described public health and safety inspection service within its corporate limits by County through its DPH; and

WHEREAS, such a contract is authorized and provided for by the provisions of Section 101375 of the California Health and Safety Code.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM: This Agreement shall become effective July 1, 2012 by the County's Board of Supervisors, and shall continue in full force and effect to June 30, 2017.

Notwithstanding the provisions of this Paragraph as set forth herein, this Agreement may be cancelled or terminated at any time by either party, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice to the other party.

2. DESCRIPTION OF THE DUTIES AND UNDERSTANDINGS

BETWEEN PARTIES:

A. County agrees to provide inspection of massage establishments within the corporate limits of City to the extent and in the matter hereafter set forth.

Such services shall only encompass duties and functions of the types customarily rendered by DPH under the charter of County and the statutes of the State of California.

B. Except for the completion time limits as described in Paragraph C, hereinbelow, the rendition of all services performed hereunder, the standard of performance and other matters incidental to the performance of such services, and the control of personnel so employed, shall remain in County. In the event of dispute between the parties as to the extent of the duties and functions to be rendered hereunder, or the manner of performance of such services, Director shall determine the duties, functions, and services to be rendered.

County agrees to perform for City such public health and safety services as are authorized by Section 101375 of the California Health and Safety Code, and as required by City in its enforcement of its City Municipal Code (as it relates to City's adoption of Section 5.09.100 *et. seq.*, as they now exist or may hereafter be amended), and/or other City ordinances relating to public health and safety, (all hereafter collectively referred to herein as "City's Municipal Code", unless otherwise stated).

C. County through its DPH, agrees to perform massage inspection services as follows:

(1) Massage Establishment Inspection Services:

a. Upon notification from City of Commerce that a party (i.e., applicant) has applied for a new application for a massage establishment permit within City's corporate limits, or for an application for the renewal of any such permit, the County's DPH shall inspect the premises sought to be licensed by said applicant, within twenty (20) calendar days, to ascertain if the applicant's premises is/are in compliance with all applicable health and safety provisions of the laws of the State of California and that ordinances of City and County are being met. Such inspections shall include but are not limited to, all health and safety related provisions set forth in City's Municipal Code. County's DPH shall issue a written notification to City's Business License Officer stating whether or not applicant's premises is/are in compliance within an additional ten (10) calendar days. County's written notification of applicant's premises not being in compliance shall set forth the applicant's deficiencies and County shall be required to re-inspect the premises no more than twice during the next sixty (60) calendar day time period, when so requested by applicant in writing. If a written notification of

compliance is not received by the City's Business License Officer from County's DPH within (90) calendar days of the applicant's date of filing the application, or upon DPH having received written notice by the City's Business License Officer of applicant's application, whichever is greater, and City of Commerce must re-notify County's DPH to inspect applicant's premises, then any such additional inspection shall require a new application and be subject to the inspection fee as set forth in Paragraph H, herein below.

b. County's DPH shall within its discretion from time to time, but no less than every three hundred sixty five (365) days from the date of the DPH's issuance of an applicant's written notification of compliance (i.e., compliance letter), make an inspection of each complying massage establishment located within the City's corporate limits, for purposes of determining that all applicable health and safety provisions of the law of the State of California and ordinances of the City and County are met. Such inspections shall include, but not be limited to all health and safety related provisions set forth in the City's Municipal Code. County's DPH shall notify the City's Business License Officer of any violation of applicable statutes, ordinances, rules, and/or regulations which any permittee has failed to

correct within the (30) calendar days after the notification of the violation has been given to the permittee by the County's DPH.

(2) For purposes of performing said functions, County shall furnish and supply all equipment, labor, supervision, and supplies, necessary to provide the level of service to be rendered hereunder.

Notwithstanding anything hereinbefore contained, it is agreed that in all instances wherein additional forms, stationery notices, supplies, and the like, must be issued in the name of the City, the same shall be supplied by the City at its sole cost and expense.

D. City in order to facilitate the performance of services herein, shall:

(1) Agree that the County shall have full and timely cooperation and assistance from the City, its officers, employees, and agents.

Prior to performance by County of services pursuant to this Agreement, City shall provide to County a written list of the inspection of massage establishment services, or public health and safety services, which it requests County to perform and the State and local public health and safety regulations which it requests County to enforce. Any changes in service(s) requested by City

should be in writing, and delivered to County thirty (30) calendar days prior to the requested change.

(2) Provide prompt written notifications to the County's DPH upon the filing of any application for a new massage establishment permit or application for the renewal of any such permit, within City's corporate limits.

E. All persons employed in the performance of such duties, functions, and services, for City shall be County employees and no City employee shall be taken over by County, and no person employed hereunder shall have City pension, civil service, or any status or right, except as otherwise expressed in this Agreement.

For purposes of performing such duties, functions, and services, and for purposes of giving official status to the performance thereof where necessary, every County officer or employee engaged in the performance of any service hereunder shall be deemed to be an officer or employee of City while performing services for City, which services are within the scope of this Agreement.

F. City shall not be called upon to assume any liability for the direct payment of any salaries, wages, or other compensation for any County personnel performing services hereunder for County, or any liability other than that provided for under this Agreement.

Except as herein otherwise specified, City shall not be liable for compensation or indemnity to any County employees for injury or sickness arising out of his/her employment.

G. Indemnification:

(1) County will indemnify, defend and hold harmless City, its elected and appointed officers, and employees from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses, arising from or connected with County's negligent acts and/or omissions arising from this Agreement and/or relating to this Agreement. County will not be obligated to indemnify, defend and hold harmless City from City's negligent acts and/or omissions relating to this Agreement.

(2) City will indemnify, defend and hold harmless County, its elected and appointed officers, and employees from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses, arising from or connected with City's negligent acts and/or omissions arising from this Agreement and/or relating to this Agreement. City will not be obligated to indemnify, defend and hold harmless County from County's negligent acts and/or omissions relating to this Agreement.

H. Payment by City to County for Services Performed:

City shall pay the cost for County's provision of massage inspection services and/or the enforcement of City's Municipal Code and other applicable health and safety laws as follows:

A rate or fee for the inspection of massage establishments of One Hundred Seventy Five Dollars (\$175.00) for each inspection. An additional 4% City Liability fee will be added to the base fee for a total of \$182. This rate/fee shall include the cost of up to two subsequent re-inspections of massage establishments previously cited by the County for deficiencies and the costs of all written notices, except for as to be provided for under Paragraph 2, Description of the Duties and Understandings between the Parties, subparagraph C(2), hereinabove.

City agrees that such rate/fee as described herein, shall be determined by DPH and County's Auditor-Controller in accordance with the policies and procedures established by the Board of Supervisors. Further, the foregoing rate/fee shall be adjusted by DPH and County's Auditor-Controller each fiscal year to reflect the costs of such service in accordance with the policies and procedures for the determination of such rate as adopted by the Board of Supervisors. County shall transmit such adjusted rate/fee for the next fiscal year to the City's City Council by no later than April 1st of each fiscal year, for rate/fee to be effective the following July 1st.

Unless the City's City Council exercises its right to cancel this Agreement pursuant to Paragraph 1, Term, hereinabove, the rate/fee shall be applicable for the ensuing fiscal year.

I. Payment by the City to County for services performed by County's DPH shall be rendered by City quarterly, upon presentation of a County invoice, in duplicate, for all massage inspection services performed during the previous quarter. Such invoices shall be approved by an authorized representative of the City's Finance Department and processed for payment no later than twenty (20) calendar days subsequent to presentation.

If such payment is not delivered to County office which is described on said invoice within thirty (30) calendar days after the date of invoice, County is entitled to recover interest thereon. Said interest shall be at the rate of five percent (5%) per annum of any overdue portion calculated from the last day of the month in which the services were performed.

3. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and shall be fully binding upon the parties.

4. ALTERATION OF TERMS: The body of this Agreement, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their

officers, employees, or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by both parties, as authorized by the Board of Supervisors.

This Agreement may be amended by the County to incorporate fee changes as recommended by DPH and County's Auditor-Controller and approved by the County's Board of Supervisors. Such amendment shall be formally executed by both parties.

The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Agreement shall be prepared and executed by the Contractor and by the Director.

5. WAIVER: No waiver of any breach of any provision of this Agreement by County shall constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

6. SEVERABILITY: If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this

Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

7. CITY'S OFFICES: City's office is located at 2535 Commerce Way, Commerce, California 90040. City's business telephone number is 323-722-4805 and facsimile/FAX number is 323-726-6231. City shall notify County, in writing, of any changes made to its business address, business telephone number and/or facsimile/FAX number as listed herein, or any other business address, business telephone number and/or facsimile/FAX number used in the provision of services herein, at least ten (10) calendar days prior to the effective date(s) thereof.

8. NOTICES: Notices hereunder shall be in writing and may either be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, attention to the parties at the addresses listed below. Director is authorized to execute all notices or demands which are required or permitted by County under this Agreement. Addresses and parties to be notified may be changed by providing at least ten (10) working days' prior written notice to the other party.

A. Notices to County shall be addressed as follows:

- (1) Department of Public Health
Environmental Health – Administrative Headquarters
5050 Commerce Drive
Baldwin Park, CA 91706
Attention: Director, Environmental Health

(2) Department of Public Health
Contracts and Grants Division
313 N. Figueroa Street, 6th Floor-West
Los Angeles, CA 90012
Attention: Division Chief

B. Notices to City shall be addressed as follows:

City of Commerce
Finance Department
2535 Commerce Way
Commerce, CA 90040
Attention: Maria Ibarra Villaseñor, Business License
Officer

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed on its behalf by its Director, and Contractor has caused this Amendment to be subscribed on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

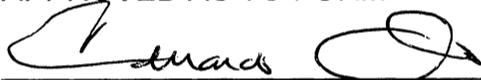
CITY OF COMMERCE

By _____
Lilia R. Leon
Mayor

ATTEST

Linda Kay Olivieri, MMC
City Clerk

APPROVED AS TO FORM:



Eduardo Olivo
Commerce City Attorney

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

John F. Krattli
Acting County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Public Health

By _____
Patricia Gibson, Chief
Contracts and Grants Division



AGENDA REPORT

TO: HONORABLE CITY COUNCIL

DATE: July 3, 2012

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING AN AGREEMENT WITH INTERNATIONAL INSTITUTE OF LOS ANGELES, TO PARTICIPATE IN THE IMMEDIATE NEEDS TRANSPORTATION PROGRAM (INTP); AND AUTHORIZE THE MAYOR TO EXECUTE THE INTP AGENCY REGISTER FORM

RECOMMENDATION:

Approve a Resolution approving an Agreement with the International Institute of Los Angeles (INTP), to participate in the Immediate Needs Transportation Program and authorize the Mayor to execute the INTP Agency Register Form.

MOTION:

Move to approve the recommendation.

BACKGROUND:

The City is in agreement with the INTP to provide transportation tokens to qualifying individuals on a monthly basis, as part of the Immediate Needs Transportation Program. The tokens are provided to assist residents in accessing public benefits or services related to health care, mental health, job search, shelter and other services deemed necessary. The participating individuals must meet the minimum eligibility guidelines that are set forth by L.A. County Metropolitan Transportation Authority. The City must maintain monthly user log sheets including each participant's information, upon disbursement of the tokens. This program has been in effect with the City since 1998.

ANALYSIS:

The Agreement, titled International Institute of Los Angeles Immediate Needs Transportation Program, provides the terms and conditions the City must follow in order to participate in the program. The Immediate Needs Transportation Program Agency Register Form lists the Mayor as being the person authorized to enter the City into Agreements, the City staff responsible for administration of the program, and the staff authorized to pick-up and distribute the tokens. Each person listed is required to also sign the form.

FISCAL IMPACT:

This activity can be carried out without additional impact to the City's current operating budget.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

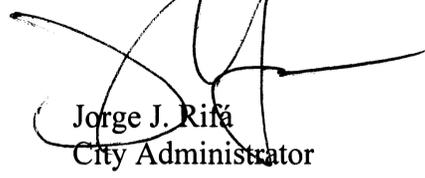
This report relates to the 2009 strategic planning goal: "Protect and Enhance the Quality of Life in the City of Commerce, as it relates to a social services issue of concern.

Recommended by:



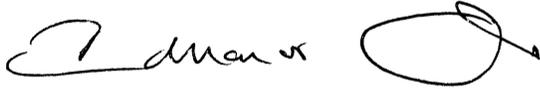
Loretta Gutierrez
Interim Director of Safety and Community Services

Respectfully submitted,



Jorge J. Rifa
City Administrator

Approved As To Form:



Eduardo Olivo
City Attorney

Agenda 2012-09 Agreement – Intl Inst of L.A. Immed Needs Transp Prog

RESOLUTION NO. _____

**A Resolution of the City Council of the
City of Commerce**

**Approving the International Institute of Los Angeles Agreement, to
Participate in the Immediate Needs Transportation Program (INTP);
and Authorizing the Mayor to Execute the INTP Register Form**

WHEREAS, the City of Commerce recognizes that some Community members need assistance with transportation tokens to access public benefits or services related to health care, mental health, job search, shelter and others deemed necessary in accordance with guidelines; and

WHEREAS, the City of Commerce, will distribute an allocated amount of transportation tokens once per month, to community members who meet the minimum eligibility guidelines set forth by Metro; and

WHEREAS, the Immediate Needs Transportation Program has been in effect with the City since 1998; and

WHEREAS, the City Council desires to continue participating with the International Institute of Los Angeles in the Immediate Needs Transportation Program; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES
HEREBY RESOLVE, DECLARE AND DETERMINES AS FOLLOWS:**

Section 1. The International Institute of Los Angeles Agreement for July 1, 2012 – June 30, 2013, to participate in the Immediate Needs Transportation Program, and the INTP Agency Register Form are hereby approved.

Section 2. The Mayor is authorized and directed to execute the Agreement and INTP Agency Register Form approved herein on behalf of the City.

PASSED AND APPROVED this 3rd day of July 2012, at Commerce, California.

Lilia R. Leon
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



International Institute
of Los Angeles

for participation in the ***Immediate Needs Transportation Program (INTP)***.

Under this agreement, the Participating Agency agrees that:

City of Commerce

1. The Participating Agency will use the monthly allocation of tokens, coupons, and/or vouchers only for the purpose specified within this Participation Agreement and INTP Guidelines.
2. IILA/FAC reserves the right to adjust the Participating Agency's monthly token, coupon, and voucher allocation based on their monthly utilization and program compliance.
3. Tokens, coupons, and vouchers are not transferable by the Participating Agency to any other organization without the prior written permission of a IILA/FAC Representative.
4. The Participating Agency will maintain accurate complete IILA/FAC client user log sheets for all tokens, coupons, and vouchers disbursed under the INTP program. IILA/FAC reserves the right to request IILA/FAC client user log sheets on a monthly basis in addition to the FAC/IILA monthly report.
5. The Participating Agency will provide the original copies of the IILA/FAC monthly report and/or client user log sheets by the 5th day of the month for the preceding month. If the 5th day of the month falls on a weekend or holiday, the Participating Agency is responsible for submitting the report on the prior business day.
6. The IILA/FAC monthly report and/or client user log sheets must be approved, and signed by authorized INTP staff of the Participating Agency. Additionally token, coupon, and voucher allocations will not be authorized until the INTP has received complete and accurate monthly report and/or client user logs satisfactory to IILA/FAC.
7. The Participating Agency must retain on file a copy of all monthly user logs (tokens, coupons, vouchers), all signed program agreements, and guidelines for a minimum of three years prior to the current program year.
8. INTP will conduct Agency site visits on an annual basis to monitor INTP operation and record keeping. The Participating Agency agrees to make records, authorized staff, tokens, coupons, vouchers, policies and procedures available for inspection by representatives and auditors of IILA/FAC or the Metropolitan Transportation Authority at reasonable times and upon reasonable advance notice.

7. The Participating Agency must retain on file a copy of all monthly user logs (tokens, coupons, vouchers), all signed program agreements, and guidelines for a minimum of three years prior to the current program year.
8. INTP will conduct Agency site visits on an annual basis to monitor INTP operation and record keeping. The Participating Agency agrees to make records, authorized staff, tokens, coupons, vouchers, policies and procedures available for inspection by representatives and auditors of IILA/FAC or the Metropolitan Transportation Authority at reasonable times and upon reasonable advance notice.
9. The Participating Agency is to develop and provide to IILA/FAC in writing their procedures on how they determine individual eligibility and how they will allocate this limited resource to their clients who are participating in INTP.
10. The Participating Agency agrees to screen and document information for each client participating in INTP (i.e.: identification, residency, source of income), ensuring they meet the minimum eligibility guidelines set forth by Metro.
11. Tokens, coupons, and vouchers are to assist clients and community members to access public benefits or services related to health care, mental health, job search, shelter and other services/activities deemed necessary according to the program guidelines.
12. The Participating Agency agrees to supply INTP such other information as necessary or desirable to permit the IILA/FAC to exercise its responsibility for supervision of the program as required by the Los Angeles County Metropolitan Transportation Authority.
13. The Participating Agency will take full responsibility and liability for the security of IILA/FAC program tokens, coupons and vouchers. The Participating Agency agrees to keep all tokens, coupons, and vouchers in a locked area (i.e. safe, file cabinet, and/or desk) with limited access, and agrees to conduct random spot checks to ensure actual tokens, coupons, and vouchers on hand match reported amount. If tokens, are lost, stolen, or unaccounted for, your agency will be responsible for replacing that amount, along with furnishing a receipt to a IILA/FAC INTP representative.
14. The Participating Agency will take full responsibility in the event of a theft and/or misuse of tokens, coupons, and/or vouchers or for failure to comply with this written agreement with IILA/FAC. In the event that tokens, coupons, and/or vouchers are lost or stolen, the Participating Agency will immediately notify a IILA/FAC INTP representative.
15. INTP reserves the right to place the Participating Agency on probation and/or terminate the Participating Agency from INTP for failure to comply with the terms of this agreement or the written Program Guidelines.
16. IILA/FAC shall not be responsible for any damage or liability occurring due to anything done or omitted by the Participating Agency under or in connection with any work, authority, or jurisdiction delegated to the Participating Agency under this Agreement. The Participating Agency will indemnify IILA/FAC and hold it harmless from all claims, liabilities and causes of action of every type, whether known or unknown, arising out of or from any act or omission of the Participating Agency or its agents.

19. The Participating Agency shall be subject to the terms and conditions stated above, with the understanding that neither the approval, the award, the acceptance, nor continuance of the program shall obligate IILA/FAC to provide the Participating Agency with any additional support.
20. This program is contingent upon funding from the Los Angeles County Metropolitan Transportation Authority.

Mayor Lilia R. Leon

Authorized Agency Signature



Steve Voss, President, CEO

Date

6/20/12

Date

ATTEST:

Linda Kay Olivieri, MMC/City Clerk

Approved As To Form:



Eduardo Olivo, City Attorney

Immediate Needs Transportation Program (INTP) Agency Register Form

(recorded and retained by IILA/FAME)

MONTHLY ALLOTMENT		
TOKENS	COUPONS	VOUCHERS

Date: 7/3/2012

Agency Name	<u>City of Commerce</u>	Agency 501(c)(3) #	<u>956006477</u>		
Agency Address	<u>2535 Commerce Way Commerce, CA 90040</u>				
	Street	Suite #	City	State	Zip Code
Direct Phone #	<u>323/ 887-4460</u>	Alternative Phone #	<u>323/ 722-4805</u>	Fax #	<u>323/ 838-4256</u>
Types of Service	<u>Social Services, Public Safety, Employment Referral, Neighborhood Watch, Emergency Prep, Probation, and Animal Control</u>				

I. Person Authorized to Enter Agency Into Agreements.

<u>Lilia R. Leon</u>	<u>Mayor</u>	<u>lilial@ci.commerce.ca.us</u>	
Print Name	Position	Email Address	Signature

II. Program Manager/Coordinator (person responsible for administration of program)

<u>Ed Saucedo</u>	<u>Social Services Coordinator</u>	<u>eds@ci.commerce.ca.us</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Print Name	Position	Email Address	Signature	Add	Remove

<u>Moyra Garcia</u>	<u>Social Services Coordinator</u>	<u>moyrag@ci.commerce.ca.us</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Print Name	Position	Email Address	Signature	Add	Remove

III. Persons Authorized to Pick-up and Distribute Media (tokens, coupons and vouchers)

<u>Ed Saucedo</u>	<u>Social Services Coordinator</u>	<u>eds@ci.commerce.ca.us</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Print Name	Position	Email Address	Signature	Add	Remove

<u>Moyra Garcia</u>	<u>Social Services Coordinator</u>	<u>moyrag@ci.commerce.ca.us</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Print Name	Position	Email Address	Signature	Add	Remove

<u>Roxana Martinez</u>	<u>Receptionist</u>	<u>roxanam@ci.commerce.ca.us</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Print Name	Position	Email Address	Signature	Add	Remove

<u>Carmenlinda Galvan</u>	<u>Receptionist</u>	<u>carmenlindag@ci.commerce.ca.us</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Print Name	Position	Email Address	Signature	Add	Remove

				<input type="checkbox"/>	<input type="checkbox"/>
Print Name	Position	Email Address	Signature	Add	Remove

Is your agency open to servicing walk-ins referred by IILA for transportation assistance (tokens, coupons, vouchers, scripts)? Yes No

If yes, please list the preferred days and hours for referral/walk-ins _____



AGENDA REPORT

Meeting Date: July 3, 2012

TO: Honorable City Council

FROM: City Administrator

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE ADOPTION OF THE DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM PARTICIPATION GOALS FOR FEDERAL FISCAL YEARS (FFY) 2012-2013 THROUGH 2014-2015, FOR SUBMISSION TO THE FEDERAL TRANSIT ADMINISTRATION (FTA)

RECOMMENDATION:

Move to approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

The City of Commerce Transit is required to develop and submit a triennial goal for DBE participation on U.S. Department of Transportation Federal Transit Administration assisted contracts, as a condition of federal financial assistance, pursuant to recently revised regulations set forth under Title 49 CFR Part 26; participation by Disadvantaged Business Enterprises in City of Commerce Programs. In accordance with these DBE regulations, the City of Commerce has established the DBE goal starting Federal Fiscal Years 2012-2013, to ensure full compliance with relevant regulatory requirements.

The established overall DBE goal of 5.8% starting FFY 2012-2013, DOT- (FTA) assisted contracts address critical components and fulfill specific requirements for narrow tailoring in accordance with Title 49 CFR Part 26. Commerce's established overall DBE goal was developed utilizing the Federal prescribed two-step goal setting methodology. Step I included establishing a base figure utilizing quantifiable evidence to determine the relative availability of DBEs within specified industries identified as a part of the Agency's DOT- (FTA) assisted contracting projects anticipated to be awarded by the City of Commerce starting FFY 2013 through FFY 2015. The City utilized the Caltrans Calcert Directory of Certified DBE firms, and the 2001 U.S. Census Bureau County Business Patterns database to complete this step.

Upon establishing the base figure, the agency surveyed and assessed other known relevant evidence to determine what additional adjustments, if any, were needed to narrowly tailor the base figure to the City's market area. Factors considered in the adjustment of the base figure included the historical and current capacity of DBEs measured by actual attainments on similar projects. Following the Council's approval of the established overall triennial goal starting FFY 2012-2013, staff will submit to FTA for their final review.

The established overall DBE goal starting FFY 2012-2013 will be updated triennially, to maintain relevancy to local market conditions and factors impacting DBE availability.

ANALYSIS:

The City is required to give public notice and provide a 45-day public comment period prior to final approval of the City's DBE program goals. The 45-day public comment period commences with publication of the public notice of the program goals, and is required before the program goals are submitted to Caltrans for final approval.

The 45-day public comment period for the City's DBE program participation goals will commence on June 28, 2012. The required public comment period will be properly noticed and published in a local newspaper of general circulation, the Commerce Comet published by Eastern Group Publications, and the Passenger Transport published by the American Public Transportation Association.

The Disadvantaged Business Enterprise Program will be available for implementation for all future federally funded projects that the City of Commerce undertakes.

FISCAL IMPACT:

This activity can be carried out without additional impact on the current operating budget. The total cost to run both public notices is approximately \$400, and will be paid out of Transportation's general advertising account 57-8330-54082.

Recommended by:



Claude McFerguson
Director of Transportation

Respectfully submitted,



Jorge Rifa
City Administrator



Danilo Batson
Assistant Director Community Development

Budget Impact Review by:



Vilko Domic
Director of Finance

Approved as to Form:



Eduardo Olivo
City Attorney

Attachments: Public Notice
DBE Program 2012-2015

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE ADOPTION OF THE DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM PARTICIPATION GOALS FOR FEDERAL FISCAL YEARS (FFY) 2012-2013 THROUGH 2014-2015, FOR SUBMISSION TO THE FEDERAL TRANSIT ADMINISTRATION (FTA)

WHEREAS, local agencies applying for Federal funds shall comply with all the elements of Title 49, Part 26 of the Code of Federal Regulations (CFR) entitled Participation by Disadvantaged Enterprises in Department of Transportation Financial Assistance Programs;

WHEREAS, the State of California Department of Transportation (Caltrans) will monitor local agencies' procedures to assure compliance with the Title VI and Title VIII of the Civil Rights Act of 1964 and 1968, respectively;

WHEREAS, the City of Commerce receives Federal financial assistance from the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA);

WHEREAS, the adoption and implementation of a Disadvantaged Business Enterprise (DBE) Program is required before submission of a Request of Authorization to proceed with a Federal-aid Project.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section I: The City of Commerce Disadvantaged Business Enterprise (DBE) Program Participation Goals for Federal Fiscal Year 2012-2013 through 2014-2015 is hereby adopted.

Section II: The Community Development Assistant Director shall administer the terms of the Program on behalf of the City.

This Resolution shall become effective immediately.

Section III: The City of Commerce's overall goal for the Federal Fiscal Years (FFY) 2012-2013 through 2014-2015 is the following: 5.8% of the Federal financial assistance in FHWA and FTA-assisted contracts.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2012.

Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

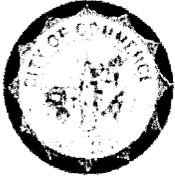
**PUBLIC NOTICE
CITY OF COMMERCE
OVERALL DISADVANTAGE BUSINESS ENTERPRISE GOAL**

The City of Commerce (City) hereby serves notice of its Federal Fiscal Year (FFY) 2013 to FFY 2015 Disadvantage Business Enterprise (DBE) Program goal. The City has established an overall DBE goal of 5.8%, applicable to contracting opportunities beginning October 1, 2012 and ending September 30, 2015. The City of Commerce's proposed overall annual goal and its rationale were developed in response to U.S. Department of Transportation's New Disadvantaged Business Enterprise Program Final Rule (49CFR Part 26) and are available for inspection for thirty (30) days following the date of this Notice, from 8:00 a.m. to 6:00 p.m., Pacific Standard Time, Monday through Friday at our principal place of business located at:

CITY OF COMMERCE
2535 COMMERCE WAY
COMMERCE, CA 90040

Website Address: www.ci.commerce.ca.us

The public may review and provide comments on overall goal for forty-five (45) days. Public comments will be accepted starting June 28, 2012 and ending August 12, 2012. Comments can be forwarded to the City of Commerce, Community Development Department Division of Public Services, at the above stated address or to the Regional Civil Rights Officer, U.S. Department of Transportation, Federal Highway Administration, 980 9th Street, Suite 400, Sacramento, CA 95814-2724.



City of Commerce

CITY OF COMMERCE

DBE PROGRAM

FFYs 2012-2013, 2013-2014 and 2014-2015

POLICY STATEMENT

Section 26.1, 26.23 Objectives/Policy Statement

The City of Commerce has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The City of Commerce has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the City of Commerce has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the City of Commerce to ensure that DBEs are defined in part 26, have an equal opportunity to receive and participate in DOT–assisted contracts. It is also our policy:

1. To ensure nondiscrimination in the award and administration of DOT – assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT assisted contracts;
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

Danilo Batson has been delegated as the DBE Liaison Officer. In that capacity, Danilo Batson is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the City of Commerce in its financial assistance agreements with the Department of Transportation.

The City of Commerce has disseminated this policy statement to the City of Commerce City Council and all of the components of our organization. We have distributed this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts. Distribution of this statement is accomplished by a variety of methods, including the posting of this statement on our website and a widespread direct mail distribution that includes all of our certified DBEs, our prequalified contractors, the Association of General Contractors, numerous technical assistance and service providers, and community based organizations serving the disadvantaged business community.

Jorge Rifa, City Administrator

Date

SUBPART A – GENERAL REQUIREMENTS

Section 26.1, 26.23 Objectives

The objectives are found in the policy statement on the first page of this program.

Section 26.3 Applicability

The City of Commerce is the recipient of federal –aid highway funds authorized under Titles I and V of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), Pub. L. 102-240, 105 Stat. 1914, Titles I, III, and V of the Transportation Equity Act for the 21st Century (TEA-21, Pub. L. 105-178, 112 Stat. 107.

The City of Commerce is the recipient of federal transit funds authorized by Titles I, III, V, and VI of ISTEA, Pub. L. 102-240 or by Federal transit laws in Title 49, U.S. Code, or Titles I, II, and V of the Teas-21, Pub. L. 105-178.

Section 26.5 Definitions

The City of Commerce will adopt the definitions contained in Section 26.5 of Part 26 for this program.

Section 26.7 Non-discrimination Requirements

The City of Commerce will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR part 26 on the basis of race, color, sex, or national origin. In administering its DBE program, the City of Commerce will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

Section 26.11 Record Keeping Requirements

Uniform Report of DBE Awards or Commitments and Payments: 26.11(a)

The City of Commerce will report DBE participation to the relevant operating administration using the Uniform Report of DBE Awards or Commitments and Payments, found in Appendix B to the DBE regulation.

Bidders List: 26.11(c)

The City of Commerce will create a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on DOT-assisted contracts. The purpose of this requirement is to allow use of the bidders approach to calculating overall goals. The bidder list will include the name, address, DBE non-DBE status, age, and annual gross receipts of firms.

We will collect this information in the following ways:

1. The City of Commerce will include in its project specifications a contract clause requiring prime bidders to report the names, and addresses of all firms who quote to them on subcontracts.
2. The City of Commerce will direct a survey of a statistically sound sample of firms on a name/address list to get age/size information.

Section 26.13 Assurances

The City of Commerce has signed the following assurances, applicable to all DOT-assisted contracts and their administration:

Federal Financial Assistance Agreement Assurance: 26.13(a)

The City of Commerce shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT assisted contract or in the administration of its DBE Program or the requirements of 49 CFR part 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT assisted contracts. The recipient's DBE Program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the City of Commerce of its failure to carry out its approved program, the Department may impose sanction as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 *et seq.*).

This language will appear in financial assistance agreements with sub-recipients.

Contract Assurance: 26.13b

We will ensure that the following clause is placed in every DOT-assisted contract and subcontract: The contractor, sub-recipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

SUBPART B – ADMINISTRATIVE REQUIREMENTS

Section 26.21 DBE Program Updates

Since the City of Commerce has received a grant of \$250,000 or more in FTA planning capital, and or operating assistance in a federal fiscal year, and authorized by the statute for which this part applies, we will continue to carry out this program until all funds from DOT financial assistance have been expended. We will provide to DOT updates representing significant changes in the program.

Section 26.25 DBE Liaison Officer (DBELO)

We have designated the following individual as our DBE Liaison Officer:

Mr. Danilo Batson
2535 Commerce Way
Commerce, CA 90040
(323) 722-4805 Ext. 2335
danilob@ci.commerce.ca.us

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the City of Commerce complies with all provision of 49 CFR Part 26. The DBELO has direct, independent access to the City of Commerce City Administrator, Jorge Rifa concerning DBE program matters. An organization chart displaying the DBELO's position in the organization is found in Attachment 1 to this program.

The DBELO is responsible for developing, implementing and monitoring the DBE program, in coordination with other appropriate officials. The DBELO has a staff of three to assist in the administration of the program.

The duties and responsibilities include the following:

1. Gathers and reports statistical data and other information as required by DOT.
2. Reviews third party contracts and purchase requisitions for compliance with this program.
3. Works with all departments to set overall annual goals.
4. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.

CITY OF COMMERCE DBE PROGRAM 4

5. Identifies contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract specific goals attainment and identifies ways to improve progress.
6. Analyzes the City of Commerce's progress toward attainment and identifies ways to improve progress.
7. Participates in pre-bid meetings.
8. Advises the City Council on DBE matters and achievement.
9. Chairs the DBE Advisory Committee.
10. Participates in pre-bid meetings.
11. Provides DBEs with information and assistance in preparing bids, obtaining bonding and insurance.
12. Plans and participates in DBE training seminars.
13. Certifies DBEs according to the criteria set by DOT and acts as liaison to the Uniform Certification Process in California.
14. Provides outreach to DBEs and community organizations to advise them of opportunities.
15. Maintains the City of Commerce's updated directory on certified DBEs.

Section 26.27 DBE Financial Institutions

It is the policy of the City of Commerce to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contract to make use of these institutions. We have made the following efforts to identify and use such institutions: Determine the total number of DBE's in our market area willing to perform work by each NAICS work category as listed on the California Unified Certification Program (CUCP). We will also re-evaluate the availability of DBE financial institutions every 1 year.

To date we have identified the following such institutions:

See Attachment 2 for complete list

Information on the availability of such institutions can be obtained from the DBE Liaison Officer.

Section 26.29 Prompt Payment Mechanisms

Prompt Payment: 26.29(a)

The City of Commerce will include the following clause in each DOT-assisted prime contract:

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contract receives from the City of Commerce. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City of Commerce. This clause applies to both DBE and non-DBE subcontracts.

Retainage: 26.29(b)

The prime contractor agrees to return retainage payments to each subcontractor within 30 days after the subcontractors work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City of Commerce. This clause applies to both DBE and non-DBE subcontracts.

Monitoring and Enforcement: 26.29(d)

The City of Commerce has elected to use the provision to hold retainage from the prime contractor to monitor and enforce that all subcontractors, including DBEs, are promptly paid no later than 30 days. In addition to the penalties, sanctions, and other remedies specified in Section 7108.5 of the Business and Profession Code, the City follows by reference all requirements and processes stated in the State of California (Department of Transportation) Standard Specifications. The City also monitors payments to

subcontractors by employing a policy to withhold 125% of the stated dollar amount on stop notices submitted to the City.

Section 26.31 Directory

The City of Commerce maintains a directory identifying all firms eligible to participate as DBEs. The directory lists the firm's name, address, phone number, date of the most recent certification, and the type of work the firm has been certified to perform as a DBE. We revise the Directory annually. Interested persons can obtain access to the Directory by contacting Danilo Batson at danilob@ci.commerce.ca.us may be found in Attachment 2 to this program document.

Section 26.33 Overconcentration

The City of Commerce has not identified that overconcentration exists in the types of work that DBEs perform.

Section 26.35 Business Development Programs

The City of Commerce has not established a business development program. We will re-evaluate the need for such a program every 1 year.

Section 26.37 Monitoring and Enforcement Mechanisms

The City of Commerce will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26.

1. We will bring to the attention of the Department of Transportation any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 26.109.
2. We will consider similar action under our own legal authorities, including responsibility determinations in future contracts. Attachment 3 lists the regulation, provisions, and contract remedies available to us in the events of non-compliance with the DBE regulation by a participant in our procurement activities.
3. We will also provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award is actually performed by the DBEs. This will be accomplished by review of certified payroll of all subcontractors, including DBEs, and will include written certification that we have reviewed contracting records and monitored work sites on which DBEs are performing. This will occur for each contract/project on which DBEs are participating.
4. We will keep a running tally of actual payments to DBE firms for work committed to them at the time of contract award.

Section 26.39 Small Business Participation

The City of Commerce has incorporated the following non-discriminatory element to its DBE Program, in order to facilitate competition on DOT-assisted public works projects by small business concerns (both DBEs and non-DBE small businesses):

1. The City of Commerce will evaluate each contract separately and decide, based on the scope of work and availability of small businesses to perform work activities, whether to set a goal for race-neutral small business participation.
2. If a specific small business goal is developed for a project, the Request for Proposal (RFP) will require bidders to explain how they propose to achieve the specific goal. Bidders must show a good faith effort in achieving the goal, and include documentation of efforts if they are unable to achieve the goal. The RFP will clearly state the small business goal is race/gender neutral.
3. The City of Commerce will send solicitations directly to small businesses where applicable.

The City of Commerce will decide, on a project by project basis, whether or not to develop a specific small business goal. The evaluation process will include consultation within.

SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING

Section 26.43 Set-asides or Quotas

The City of Commerce does not use quotas in any way in the administration of this DBE program.

Section 26.45 Overall Goals

In accordance with Section 26.45, the City of Commerce will submit its triennial overall DBE goal to the FHWA and FTA on August 1 of 2012 as specified by FHWA, and FTA for Federal Fiscal Years 2012-2013, 2013-2014 and 2014-2015.

The City of Commerce will also request use of project-specific DBE goals as appropriate, and/or will establish project-specific DBE goals as directed by the FHWA, and FTA.

The process generally used by The City of Commerce to establish overall DBE goals is as follows:

The City of Commerce followed a two-step process for setting its overall DBE goal.

1. Step One describes the calculation of a base figure for the relative availability of DBEs. To determine the total number of DBE's in our market area willing to perform work by each NAICS work category, we looked up the related work code on the California Unified Certification Program (CUCP) website <http://www.dot.ca.gov/ucp/GetLicenseForm.do>. For the NAICS Work Categories identified for the Numerator, we identified the **total firms** by NAICS work category in the same market area (Los Angeles, Orange, Riverside, and San Bernardino Counties) that are willing to perform this work. The information was found by going to the following website <http://censtats.census.gov/cbpnaic/cbpnaic.html>. From here, we obtained a detailed number of companies by Counties in California, by adding up the total of firms by County for the four Counties in our market area.
2. Step Two is the examination of all evidence available to determine if an adjustment to the base figure is needed to arrive at the overall goal. Upon establishing the Base Figure, the City reviewed and assessed other known relevant evidence to determine what additional adjustments, if any, were needed to narrowly tailor the Base Figure to the City's marketplace.

Before establishing the overall goal each year, The City of Commerce will consult with local minority, women's and general contractor groups, community organizations, and other officials or organizations to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the City of Commerce efforts to establish a level playing field for the participation of DBEs.

Following this consultation, we will publish a notice of the proposed overall goals, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at your principal office for 30 days following the date of the notice, and informing the public that we and DOT will accept comments on the goals for 45 days from the date of the notice. The notice will be issued in the Eastern Group Publications, Inc. newspapers. Normally, we will issue this notice by June 1 of each year. The notice must include addresses to which comments may be sent and addresses (including offices and websites) where the proposal may be reviewed.

Our overall goal submission to DOT will include: the goal (including the breakout of estimated race-neutral and race-conscious participation, as appropriate); a copy of the methodology, worksheets, etc., used to develop the goal; a summary of information and comments received during this public participation process and our responses; and proof of publication of the goal in media outlets listed above.

We will begin using our overall goal on October 1 of the specified year, unless we have received other instructions from DOT. If we establish a goal on a project basis, we will begin using our goal by the time of the first solicitation for a DOT-assisted contract for the project. Our goal will remain effective for the duration of the three-year period established and approved by FHWA, and FTA.

Section 26.47 Goal Setting and Accountability

If the awards and commitments shown on the City of Commerce Uniform Report of Awards or Commitments and Payments at the end of any fiscal year are less than the overall applicable to that fiscal year, we will:

1. Analyze in detail the reason for the difference between the overall goal and the actual awards/commitments;
2. Establish specific steps and milestones to correct the problems identified in the analysis; and
3. Submit the plan to FHWA and FTA within 90 days of the end of the affected fiscal year.

Section 26.49 Transit Vehicle Manufacturers Goals

The City of Commerce will require each transit vehicle manufacturer, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, to certify that it has complied with the requirements of this section. Alternatively, the City of Commerce may, at its discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the TVM complying with this element of the program.

Section 26.51 Meeting Overall Goals/Contract Goals

The City of Commerce will meet the maximum feasible portion of its overall goal using race-neutral means of facilitating DBE participation. In order to do so, The City of Commerce will:

1. Arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses, participation (e.g. unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);
2. Provide assistance in overcoming limitations such as inability to obtain bonding or financing (e.g. by such means as simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and providing services to help DBEs, and other small businesses, obtain bonding and financing);
3. Provide technical assistance and other services;
4. Carry out information and communication programs on contracting procedures and specific contract opportunities (e.g. ensuring the inclusion of DBEs, and other small businesses, on recipient mailing list of bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate);
5. Implement a supportive services program to develop and improve immediate and long-term business management, record-keeping, and financial and accounting capability for DBEs and other small businesses;
6. Provide services to help DBEs, and other small businesses, improve long-term development, increase opportunities to participate in a variety of types of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
7. Establish a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
8. Ensure distribution of your DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors; and

9. Assist DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media.

The City of Commerce will use contract goals to meet any portion of the overall goal the City of Commerce does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means.

We will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We need not establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work.)

We will express our contract goals as a percentage of the Federal share of a DOT-assisted contract.

Section 26.53 Good Faith Efforts Procedures

Award of Contracts with a DBE Contract Goal: 26.53(a)

In those instances where a contract-specific DBE goal is included in a procurement/solicitation, the City of Commerce will not award the contract to a bidder who does not either: (1) meet the contract goal with verified, countable DBE participation; or (2) documents it has made adequate good faith efforts to meet the DBE contract goal, even though it was unable to do so. It is the obligation of the bidder to demonstrate it has made sufficient good faith efforts prior to submission of its bid.

Evaluation of Good Faith Efforts: 26.53(a) & (c)

The following personnel are responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsible.

Effective immediately, the following actions shall be implemented and documented to demonstrate that a good faith effort has taken place to achieve the established DBE goal; and note any reasons for any difference between its goal and the DBE awards and commitments:

- 1) Soliciting through all reasonable and available means (e.g. attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified DBEs who have the capability to perform the work of the contract. The bidder must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The bidder must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.
- 2) Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.
- 3) Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation. Negotiating in good faith with interested DBEs. It shall be the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. Evidence of such negotiation shall include the names, addresses, and telephone numbers of DBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.

- 4) In determining whether a bidder has made good faith efforts, we will take into account the performance of other bidders in meeting the contract. For example, when the apparent successful bidder fails to meet the contract goal, but others meet it, we will reasonably raise the question of whether, with additional reasonable efforts, the apparent successful bidder could have met the goal. If the apparent successful bidder fails to meet the goal, but meets or exceeds the average DBE participation obtained by other bidders, we will view this, in conjunction with other factors, as evidence of the apparent successful bidder having made good faith efforts.

We will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before we commit to the performance of the contract by the bidder/offeror.

Information to be Submitted: 26.53(b)

The City of Commerce treats bidder/offers' compliance with good faith efforts' requirements as a matter of responsibility.

Each solicitation for which a contract goal has been established will require the bidders/offerors to submit the following information:

1. The names and addresses of DBE firms that will participate in the contract;
2. A description of the work that each DBE will perform;
3. The dollar amount of the participation of each DBE firm participating;
4. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;
5. Written and signed confirmation from the DBE that it is participating in the contract as provided in the prime contractors commitment and
6. If the contract goal is not met, evidence of good faith efforts.

Effective immediately,

Administrative Reconsideration: 26.53(d)

Within 30 days of being informed by the City of Commerce that it is not responsible because it has not documented sufficient good faith efforts, a bidder/offeror may request administrative reconsideration.

Bidder/offerors should make this request in writing to the following reconsideration official:

Mr. Danilo Batson
2535 Commerce Way
Commerce, CA 90040
(323) 722-4805 Ext. 2335
danilob@ci.commerce.ca.us

The reconsideration official will not have played any role in the original determination that the bidder/offeror did not document sufficient good faith efforts.

As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with our reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. We will send the bidder/offeror a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the Department of Transpiration.

Good Faith Efforts when a DBE is Terminated/Replaced on a Contract with Contract Goals: 26.53(f)

The City of Commerce requires that prime contractors not terminate a DBE subcontractor listed on a bid/contract with a DBE contract goal without the City of Commerce prior written consent. Prior written consent will only be provided where there is "good cause" for termination of the DBE firm, as established by Section 26.53(f)(3) of the DBE regulation.

Before transmitting to the City of Commerce its request to terminate, the prime contractor must give notice in writing to the DBE of its intent to do so. A copy of this notice must be provided to the City of Commerce prior to consideration of the request to terminate. The DBE will then have five (5) days to respond and advise the City of Commerce of why it objects to the proposed termination.

In those instances where "good cause" exists to terminate a DBE's contract, the City of Commerce will require the prime contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. We will require the prime contractor to notify the DBE Liaison officer immediately of the DBE's inability or unwillingness to perform and provide reasonable documentation.

In this situation, we will require the prime contractor to obtain our prior approval of the substitute DBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts.

If the contractor fails or refuses to comply in the time specified, our contracting office will issue an order stopping all or part of payment/work until satisfactory action has been taken. If the contractor still fails to comply, the contracting officer may issue a termination for default proceeding.

Sample Bid Specification:

The requirements of 49 CFR Part 26, Regulations of the U.S. Department of Transportation, apply to this contract. It is the policy of the City of Commerce to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this contract will be conditioned upon satisfying the requirements of this bid specification. These requirements apply to all bidders/offerors, including those who qualify as a DBE. A DBE contract goal of 5.8 percent has been established for this contract. The bidder/offeror shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26 (Attachment 1), to meet the contract goal for DBE participation in the performance of this contract.

The bidder/offeror will be required to submit the following information: (1) the names and addresses of DBE firms that will participate in the contract; (2) a description of the work that each DBE firm will perform; (3) the dollar amount of the participation of each DBE firm participating; (4) Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet the contract goal; (5) Written confirmation from the DBE that it is participating in the contract as provided in the commitment made under (4); and (5) if the contract goal is not met, evidence of good faith efforts.

Section 26.55 Counting DBE Participation

We will count DBE participation toward overall and contract goals as provided in 49 CFR 26.55.

SUBPARTS D & E– CERTIFICATION

Section 26.61 – 26.73 Certification Process

The City of Commerce will use the certification standards of Subpart D of Part 26 to determine the eligibility of firms to participate as DBEs in DOT-assisted contracts. To be certified as a DBE, a firm must meet all certification eligibility standards. We will make our certification decisions based on the facts as a whole.

Section 26.81 Unified Certification Programs

The City of Commerce is the member of a Unified Certification Program (UCP) administered by Danilo Batson. The UCP will meet all of the requirements of this section. The City of Commerce will use and

count for DBE credit only those DBE firms certified by the California Unified Certification Program (CUCP).

All California based U.S. Department of Transportation (DOT) recipient agencies, including the City of Commerce, participate in the California Unified Certification Program (CUCP). This U.S. DOT approved program provides "one-stop shopping" for eligible businesses seeking DBE certification. Under the CUCP, a firm certified by just one of California's 140-plus U.S. DOT recipient agencies is eligible to participate as a DBE statewide. Interested firms can find information regarding DBE certification at www.californiaucp.com.

Section 26.83-26.91 Procedures for Certification Decisions

The City of Commerce will follow the certification processes of Subpart E of Part 26 to determine the eligibility of firms to participate as DBEs in DOT-assisted contracts. A copy of CUCCP certification procedures and/or UCP program is included in Attachment 6, and/or is available at: www.californiaucp.com.

Any firm or complainant may appeal a CUCP decision in a certification matter to DOT. Such appeals may be sent to:

U.S. Department of Transportation
Office of Civil Rights Certification Appeals Branch
1200 New Jersey Ave. SE
West Building, 7th Floor
Washington, D.C. 20590

We will promptly implement any DOT certification appeal decisions affecting the eligibility of DBEs for our DOT-assisted contracting (e.g., certify a firm if DOT has determined that our denial of its application was erroneous).

SUBPART F – COMPLIANCE AND ENFORCEMENT

Section 26.109 Information, Confidentiality, Cooperation

We will safeguard from disclose to third parties information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law.

Notwithstanding any contrary provisions of state or local law, we will not release personal financial information submitted in response to the personal net worth requirement to a third party (other than DOT) without the written consent of the submitter.

Monitoring Payments to DBEs

We will require prime contractors to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City of Commerce or DOT. This reporting requirement also extends to any certified DBE subcontractor.

We will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts states in the schedule of DBE participation.

ATTACHMENTS

Attachment 1: Organizational Chart

Attachment 2: DBE Directory

Attachment 3: Monitoring and Enforcement Mechanisms/Legal Remedies

Attachment 4: Goal Setting Methodology

Attachment 5: Good Faith Efforts Forms

Attachment 6: Certification Forms

Attachment 7: DBE Regulation, 49 CFR Part 26

Attachment 1
Organizational Chart

CITY OF COMMERCE

DBE PROGRAM FOR FISCAL YEAR 2012/2013 – 2014/2015 ORGANIZATION CHART

CITY OF COMMERCE



Attachment 2
DBE Directory

City of Commerce
DBE Directory 1

DBE DIRECTORY

A & P DEVELOPMENT & CONSTRUCTION, INC.	Address Line1	3555 VOYAGER STREET, SUITE B
	Address Line2	
	City	TORRANCE
	State	CA
	Zip Code1	90503
	Area Code	(310)
	Phone Number	793-2310
	Fax Area Code	(310)
	Fax Phone Number	793-2312
	Work Codes	C1201 TRAFFIC CONTROL SYSTEM; C1575 REMOVE BRIDGE ITEM; C1580 MODIFY BRIDGE ITEM; C1601 CLEARING & GRUBBING; C1901 ROADWAY EXCAVATION; C1920 STRUCTURE EXCAVATION; C1930 STRUCTURE BACKFILL; C1940 DITCHES EXCAVATION; C5501 STEEL STRUCTURES; C5570 STEEL CRIB WALL; C8901 AIR CONDITIONING/SHEET METAL; C8904 GLASS INSTALLATION; C9801 BUILDING CONSTRUCTION; C9810 SMALL STRUCTURES; C9822 CARPENTRY; C9827 DRYWALL CONSTRUCTION; C9829 RETAINER WALLS; C9830 WALL COVERING; C9836 PLASTERING; C9838 CERAMIC TILE; C9839 CARPET & DRAPES; C9840 FLOOR COVERING; C9842 MASONRY; C9854 PAINTING STRUCTURES; C9858 RESIDENTIAL ELECTRICAL; C9862 RESIDENTIAL AIR CONDITIONING & SHEET METAL; C9866 HEATING & AIR CONDITIONING; C9868 INSULATION; C9874 HARDWARE (ROUGH); C9876 HARDWARE (FINISH); C9947 ELEVATOR; C9980 DEMOLITION;
A TO Z BUILDING, INC.	Address Line1	921 W 223RD STREET
	Address Line2	
	City	TORRANCE
	State	CA
	Area Code	(310)
	Phone Number	320-0009
	Fax Area Code	(310)
	Fax Phone Number	320-0309
	Work Codes	C9869 ASBESTOS REMOVAL/ABATEMENT.
A P ENGINEERING AND TESTING, INC	Address Line1	2607 POMONA BOULEVARD
	Address Line2	

City of Commerce
DBE Directory 2

	City	POMONA
	State	CA
	Zip Code1	91768
	Area Code	(909)
	Phone Number	869-6316
	Fax Area Code	(909)
	Fax Phone Number	869-6318
	Work Codes	C8720 CIVIL ENGINEERING; I8734 LABORATORY TESTING AND ANALYSIS;
A Q ENVIRONMENTAL LABORATORIES	Address Line1	1508 E. 33RD STREET
	Address Line2	
	City	SIGNAL HILL
	State	CA
	Zip Code1	90755
	Area Code	(562)
	Phone Number	206-2770
	Fax Area Code	(562)
	Fax Phone Number	206-2773
	Work Codes	I8734 LABORATORY TESTING AND ANALYSIS;
ABRATIQUE & ASSOCIATES, INC	Address Line1	3424 WILSHIRE BLVD., SUITE 1108
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90010
	Area Code	(213)
	Phone Number	251-5960
	Fax Area Code	(213)
	Fax Phone Number	251-5966
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS;
AC ELECTRIC SYSTEMS	Address Line1	310 N. PALM STREET,

City of Commerce
DBE Directory 3

	Address Line2	UNIT B
	City	BREA
	State	CA
	Zip Code1	92821
	Area Code	(909)
	Phone Number	631-6878
	Fax Area Code	(909)
	Fax Phone Number	591-1716
	Work Codes	C8740 ELECTRICAL ENGINEERS; C8765 DRAFTING;
ACCORD ENGINEERING, INC	Address Line1	2923 PULLMAN STREET
	Address Line2	
	City	SANTA ANA
	State	CA
	Zip Code1	92705
	Area Code	(714)
	Phone Number	241-7200
	Fax Area Code	(949)
	Fax Phone Number	251-0563
	Work Codes	C8710 ENGINEERING; C8713 CONSULTANT, ENVIRONMENTAL; C8715 CONSULTANT, ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; C9869 ASBESTOS REMOVAL/ABATEMENT; C9980 DEMOLITION; C9981 BUILDING MOVER;
ACCU CONSTRUCTION INC	Address Line1	1526 BROOKHOLLOW DRIVE, SUITE 76
	Address Line2	
	City	SANTA ANA
	State	CA
	Zip Code1	92705
	Zip Code2	
	Area Code	(714)
	Phone Number	641-4730
	Fax Area Code	(714)
	Fax Phone Number	641-4704

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	Work Codes	C1575 REMOVE BRIDGE ITEM; C1580 MODIFY BRIDGE ITEM; C1601 CLEARING & GRUBBING; C1901 ROADWAY EXCAVATION; C1920 STRUCTURE EXCAVATION; C1930 STRUCTURE BACKFILL; C1940 DITCHES EXCAVATION; C9980 DEMOLITION; H6550 SUBDIVIDERS & DEVELOPERS;
ACE FENCE COMPANY	Address Line1	727 N. GLENDORA AVENUE,
	Address Line2	
	City	LA PUENTE
	State	CA
	Zip Code1	91744
	Area Code	(626)
	Phone Number	333-0727
	Fax Area Code	(626)
	Fax Phone Number	333-7843
	Work Codes	C0680 FENCING; C8320 METAL BEAM GUARD RAILING;
ACOUSTICS GROUP, INC.	Address Line1	2102 BUSINESS CENTER DR, STE. 130
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92612
	Area Code	(877)
	Phone Number	595-9988
	Fax Area Code	(877)
	Fax Phone Number	595-9981
	Work Codes	C8700 CONSULTANT, NON ENGINEERING;
ACT CONSULTING ENGINEERS, INC.	Address Line1	2201 DUPONT DRIVE, SUITE 630
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92612
	Area Code	(949)
	Phone Number	752-2268
	Fax Area Code	(949)
	Fax Phone Number	752-2263

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	Work Codes	C8707 FEASIBILITY STUDIES; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES;
ADVANCED EARTH SCIENCES, INC.	Address Line1	9307 RESEARCH DRIVE
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92618
	Area Code	(949)
	Phone Number	379-2450
	Fax Area Code	(949)
	Fax Phone Number	379-2470
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8721 RIGHT OF WAY ENGINEER; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS;
ADVANCED TECHNOLOGY LABORATORIES	Address Line1	3275 WALNUT AVENUE
	Address Line2	
	City	SIGNAL HILL
	State	CA
	Zip Code1	90755
	Zip Code2	
	Mailing Address Line1	P.O. BOX 92797
	Mailing Address Line2	
	Mailing City	LONG BEACH
	Mailing State	CA
	Mailing Zip Code1	90809
	Work Codes	I8730 RESEARCH & TESTING SERVICES; I8734 LABORATORY TESTING AND ANALYSIS;
ADVANTEC CONSULTING ENGINEERS, INC.	Address Line1	21700 COPLEY DRIVE, SUITE 350
	Address Line2	
	City	DIAMOND BAR

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	State	CA
	Zip Code1	91765
	Area Code	(909)
	Phone Number	860-6222
	Fax Area Code	(909)
	Fax Phone Number	860-6722
	Work Codes	C8703 TRAFFIC ENGINEER; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING;
AERO CONTRACTING SERVICES	Address Line1	43 ELDERWOOD
	Address Line2	
	City	ALISO VIEJO
	State	CA
	Zip Code1	92656
	Area Code	(949)
	Phone Number	831-1393
	Fax Area Code	(866)
	Fax Phone Number	230-8468
	Work Codes	C1575 REMOVE BRIDGE ITEM; C1580 MODIFY BRIDGE ITEM; C3910 PAVING ASPHALT (ASPHALT CONCRETE); C8707 FEASIBILITY STUDIES; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8765 DRAFTING; C9810 SMALL STRUCTURES;
AESCO, INC	Address Line1	17782 GEORGETOWN LANE
	Address Line2	
	City	HUNTINGTON BEACH
	State	CA
	Zip Code1	92647
	Zip Code2	
	Mailing Address Line1	6661 ALAMITOS CIRCLE
	Mailing Address Line2	
	Mailing City	HUNTINGTON BEACH
	Mailing State	CA
	Mailing Zip Code1	92647
	Area Code	(714)
	Phone Number	375-3830

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	Fax Area Code	(714)
	Fax Phone Number	375-3831
	Work Codes	I8073 DRUG TESTING; I8734 LABORATORY TESTING AND ANALYSIS;
ALATORRE & ASSOCIATES	Address Line1	24795 DAPHNE E.
	Address Line2	
	City	MISSION VIEJO
	State	CA
	Zip Code1	92691
	Zip Code2	4723
	Area Code	(951)
	Phone Number	487-1722
	Fax Area Code	(951)
	Fax Phone Number	487-1723
	Work Codes	C8705 DESIGN; C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8746 STRUCTURAL ENGINEER;
	Licenses	EC Civil Engineer;
ALLIANCE ENGINEERING CONSULTANTS, INC	Address Line1	4701 PATRICK HENRY DR., #10
	Address Line2	
	City	SANTA CLARA
	State	CA
	Zip Code1	95054
	Area Code	(408)
	Phone Number	970-9888
	Fax Area Code	(408)
	Fax Phone Number	970-9316
	Work Codes	C8705 DESIGN; C8715 CONSULTANT, ENGINEERING; C8740 ELECTRICAL ENGINEERS; C8765 DRAFTING; I7340 SERVICES TO BUILDINGS;
ALLSTATE SERVICES ENVIRONMETAL INC	Address Line1	1826 POMONA RD
	Address Line2	
	City	CORONA
	State	CA

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	Zip Code1	92880
	Area Code	(951)
	Phone Number	340-1717
	Fax Area Code	(951)
	Fax Phone Number	340-1448
	Work Codes	A0780 LANDSCAPE & HORTICULTURAL SERVICES; C0612 SAFETY; C0659 PAINT; C8700 CONSULTANT, NON ENGINEERING; C8701 BUSINESS ADMINISTRATION; C8702 MANAGEMENT INFORMATION SYSTEMS; C8703 TRAFFIC ENGINEER; C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; F5230 PAINT, GLASS, & WALLPAPER STORES; I8073 DRUG TESTING; I8730 RESEARCH & TESTING SERVICES; I8734 LABORATORY TESTING AND ANALYSIS; I8740 MANAGEMENT & PUBLIC RELATIONS; I8990 SERVICES, NEC; J9530 HOUSING & URBAN DEVELOPMENT; J9610 ADMIN. OF GENERAL ECONOMIC PROGRAMS;
ALPHA 1 CONSTRUCTION	Address Line1	17809 JERSEY AVENUE
	Address Line2	
	City	ARTESIA
	State	CA
	Zip Code1	90701
	Area Code	(562)
	Phone Number	926-7688
	Fax Area Code	(562)
	Fax Phone Number	926-5506
	Work Codes	C5100 CONCRETE STRUCTURE; C5501 STEEL STRUCTURES; C8710 ENGINEERING; C9802 BUILDING CONSTRUCTION; C9869 ASBESTOS REMOVAL/ABATEMENT; C9980 DEMOLITION;
AMMA TRANSIT PLANNING	Address Line1	393 TWO TREES ROAD
	Address Line2	
	City	RIVERSIDE
	State	CA
	Zip Code1	92507
	Area Code	(951)
	Phone Number	784-1333

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	Fax Area Code	(951)
	Fax Phone Number	784-1212
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; E4110 LOCAL & SUBURBAN TRANSPORTATION; E4130 INTERCITY & RURAL BUS TRANSPORTATION; I8730 RESEARCH & TESTING SERVICES;
AMORN ELECTRICAL ENGINEERS, INC.	Address Line1	3752 ATLANTIC AVE. # 4
	Address Line2	
	City	LONG BEACH
	State	CA
	Zip Code1	90807
	Zip Code2	
	Mailing Address Line1	4019 PINE AVENUE
	Mailing Address Line2	
	Mailing City	LONG BEACH
	Mailing State	CA
	Mailing Zip Code1	90807
	Area Code	(562)
	Phone Number	424-2838
	Fax Area Code	(562)
	Fax Phone Number	490-4996
	Work Codes	C8707 FEASIBILITY STUDIES; C8730 SAFETY STUDIES; C8740 ELECTRICAL ENGINEERS;
ANTICH CONSULTING CORPORATION	Address Line1	16746 BOLLINGER DRIVE
	Address Line2	
	City	PACIFIC PALISADES
	State	CA
	Zip Code1	90272
	Area Code	(310)
	Phone Number	480-8046
	Fax Area Code	(310)
	Fax Phone Number	539-5088

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	Work Codes	C8701 BUSINESS ADMINISTRATION; C8702 MANAGEMENT INFORMATION SYSTEMS; C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8715 CONSULTANT, ENGINEERING; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; I8740 MANAGEMENT & PUBLIC RELATIONS;
ANIL VERMA ASSOCIATES, INC	Address Line1	444 S. FLOWER STREET, SUITE 1688
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90071
	Area Code	(213)
	Phone Number	624-6908
	Fax Area Code	(213)
	Fax Phone Number	624-1188
	Work Codes	C8704 ARCHITECTURAL; C8707 FEASIBILITY STUDIES; C8730 SAFETY STUDIES; C8744 LANDSCAPE ARCHITECTS; C9801 BUILDING CONSTRUCTION; E4952 SEWERAGE SYSTEMS;
ARBRAS CORPORATION DBA PCAS	Address Line1	15751 ROXFORD ST., SUITE F
	Address Line2	
	City	SYLMAR
	State	CA
	Zip Code1	91342
	Area Code	(818)
	Phone Number	364-7470
	Fax Area Code	(818)
	Fax Phone Number	364-7472
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; I8730 RESEARCH & TESTING SERVICES; I8734 LABORATORY TESTING AND ANALYSIS; J9510 ENVIRONMENTAL QUALITY;
ARCON STRUCTURAL ENGINEERS, INC	Address Line1	22391 GILBERTO, SUITE E
	Address Line2	
	City	RANCHO SANTA MARGARI

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	State	CA
	Zip Code1	92688
	Zip Code2	
	Mailing Address Line1	22391 GILBERTO, SUITE E
	Mailing Address Line2	
	Mailing City	RANCHO SANTA MARGARI
	Mailing State	CA
	Mailing Zip Code1	92688
	Area Code	(949)
	Phone Number	766-5102
	Fax Area Code	(949)
	Fax Phone Number	766-1761
	Work Codes	C8705 DESIGN; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; C8746 STRUCTURAL ENGINEER; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS;
ARROW INSPECTIONS & TESTING, INC.	Address Line1	6515 SOMERSET BLVD.
	Address Line2	
	City	PARAMOUNT
	State	CA
	Zip Code1	90723
	Area Code	(562)
	Phone Number	484-0344
	Fax Area Code	(562)
	Fax Phone Number	484-3885
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; I7340 SERVICES TO BUILDINGS; I8734 LABORATORY TESTING AND ANALYSIS;
AUTOMATED SWITCHING & CONTROLS, INC - A S C I	Address Line1	1191 HUNTINGTON DRIVE #227
	Address Line2	
	City	DUARTE
	State	CA
	Zip Code1	91010

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	Zip Code2	
	Mailing Address Line1	1191 HUNTINGTON DRIVE #227
	Mailing Address Line2	
	Mailing City	DUARTE
	Mailing State	CA
	Mailing Zip Code1	91010
	Area Code	(626)
	Phone Number	969-8441
	Fax Area Code	(626)
	Fax Phone Number	969-8741
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8730 SAFETY STUDIES; C8740 ELECTRICAL ENGINEERS; C8900 RAIL CAR SERVICES; D3530 CONSTRUCTION & RELATED MACHINERY; E4580 AIRPORTS, FLYING FIELDS, & SERVICES; E4830 RADIO & TELEVISION BROADCASTING; I7371 COMPUTER PROGRAMMING; I7382 SECURITY SYSTEMS SERVICES;
AXIOM ENGINEERING & SCIENCE CORP	Address Line1	1322 BELL AVE. STE. 1G
	Address Line2	
	City	TUSTIN
	State	CA
	Zip Code1	92780
	Area Code	(714)
	Phone Number	247-1002
	Fax Area Code	(714)
	Fax Phone Number	247-1006
	Work Codes	C0700 CONSTRUCTION STAKING; C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8715 CONSULTANT, ENGINEERING; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8721 RIGHT OF WAY ENGINEER; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; C8760 SURVEYOR; I8734 LABORATORY TESTING AND ANALYSIS;
B A INC.	Address Line1	800 W. SIXTH ST. #400
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90017
	Area Code	(213)

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	Phone Number	622-2100
	Fax Area Code	(213)
	Fax Phone Number	622-7330
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C8710 ENGINEERING; C8765 DRAFTING; C8778 Construction Management - Water and Sewer Line and Related Structure Construction; E4940 WATER SUPPLY; E4952 SEWERAGE SYSTEMS; E4970 IRRIGATION SYSTEMS;
BALLESTEROS & ASSOCIATES, INC.	Address Line1	1106 W. MAGNOLIA BLVD.,
	Address Line2	
	City	BURBANK
	State	CA
	Zip Code1	91506
	Area Code	(818)
	Phone Number	842-7285
	Fax Area Code	(818)
	Fax Phone Number	842-1671
	Work Codes	C8903 ELECTRICAL; E4910 ELECTRIC SERVICES;
BASE ARCHITECTURE	Address Line1	6151 W. CENTURY BLVD. # 1200
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90045
	Zip Code2	
	Mailing Address Line1	6151 W. CENTURY BLVD. #1200
	Mailing Address Line2	
	Mailing City	LOS ANGELES
	Mailing State	CA
	Mailing Zip Code1	90045
	Area Code	(310)
	Phone Number	988-1080
	Fax Area Code	(310)
	Fax Phone Number	988-1085
	Work Codes	C8704 ARCHITECTURAL; C8720 CIVIL ENGINEERING;

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BODHI GROUP INC, THE	Address Line1	5480 BALTIMORE DRIVE, SUITE 207
	Address Line2	
	City	LA MESA
	State	CA
	Zip Code1	91942
	Zip Code2	
	Mailing Address Line1	10289 EL CAPITAL REAL ROAD
	Mailing Address Line2	
	Mailing City	EL CAJON
	Mailing State	CA
	Mailing Zip Code1	92021
	Area Code	(858)
	Phone Number	513-1469
	Fax Area Code	(858)
	Fax Phone Number	513-1609
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER;
BRAVO PACIFIC, INC.	Address Line1	11818 FAIRWAY DRIVE
	Address Line2	
	City	YUCAIPA
	State	CA
	Zip Code1	92399
	Area Code	(909)
	Phone Number	915-8391
	Fax Area Code	(909)
	Fax Phone Number	790-1637
	Work Codes	C0651 CONCRETE & CEMENT; D3530 CONSTRUCTION & RELATED MACHINERY;
C & J TECHNICAL SOLUTIONS & SERVICES, INC.	Address Line1	4000 VALLEY BLVD. #103
	Address Line2	
	City	WALNUT
	State	CA

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	Zip Code1	91789
	Area Code	(909)
	Phone Number	860-1200
	Fax Area Code	(909)
	Fax Phone Number	860-1211
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING;
C & L DRILLING CO	Address Line1	600 E. LAMBERT ROAD
	Address Line2	
	City	LA HABRA
	State	CA
	Zip Code1	90631
	Zip Code2	
	Mailing Address Line1	PO BOX 2484
	Mailing Address Line2	
	Mailing City	LA HABRA
	Mailing State	CA
	Mailing Zip Code1	90631
	Area Code	(562)
	Phone Number	691-3533
	Fax Area Code	(562)
	Fax Phone Number	690-0264
	Work Codes	C1575 REMOVE BRIDGE ITEM; C1580 MODIFY BRIDGE ITEM;
C E T ENGINEERING , INC	Address Line1	100 N. BARRANCA AVE., 7TH FLOOR
	Address Line2	
	City	WEST COVINA
	State	CA
	Zip Code1	91791
	Area Code	(626)
	Phone Number	858-2018
	Fax Area Code	(626)
	Fax Phone Number	332-8732

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	Work Codes	C0612 SAFETY; C8702 MANAGEMENT INFORMATION SYSTEMS; C8704 ARCHITECTURAL; C8705 DESIGN; C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8715 CONSULTANT, ENGINEERING; C8721 RIGHT OF WAY ENGINEER; C8722 ENVIRONMENTAL ENGINEER; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; I8740 MANAGEMENT & PUBLIC RELATIONS; I8990 SERVICES, NEC;
C-1 CONSTRUCTION CORP	Address Line1	3454 W. 1ST STREET, STE. #2
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90004
	Area Code	(213)
	Phone Number	365-2123
	Fax Area Code	(213)
	Fax Phone Number	365-3234
	Work Codes	C8710 ENGINEERING; C9801 BUILDING CONSTRUCTION; C9980 DEMOLITION; C9981 BUILDING MOVER;
CADD SQUAD / MEDD SQUAD	Address Line1	142 E. BONITA AVE STE 128
	Address Line2	
	City	SAN DIMAS
	State	CA
	Zip Code1	91773
	Zip Code2	
	Mailing Address Line1	142 E. BONITA AVE STE 128
	Mailing Address Line2	
	Mailing City	SAN DIMAS
	Mailing State	CA
	Mailing Zip Code1	91773
	Area Code	(909)
	Phone Number	596-2800
	Fax Area Code	(909)
	Fax Phone Number	596-2110

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	Work Codes	C8702 MANAGEMENT INFORMATION SYSTEMS; C8710 ENGINEERING; C8711 COMPUTER; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8740 ELECTRICAL ENGINEERS; C8765 DRAFTING; I7360 PERSONNEL SUPPLY SERVICES; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS; I7375 INFORMATION RETRIEVAL SYSTEMS; I7380 MISC BUSINESS SERVICES; I8990 SERVICES, NEC;
CALIFORNIA PROFESSIONAL ELECTRICAL ENGINEERING	Address Line1	929 OTTERBEIN AVENUE, UNIT E
	Address Line2	
	City	LA PUENTE
	State	CA
	Zip Code1	91748
	Area Code	(626)
	Phone Number	810-1338
	Fax Area Code	(626)
	Fax Phone Number	810-1322
	Work Codes	C8602 SIGNAL & LIGHTING; C8603 SIGNAL; C8604 LIGHTING; C8608 DETECTOR; C8611 RAMP METERING SYSTEM;
CALIFORNIA TESTING & INSPECTIONS, INC.	Address Line1	915 S. MATEO ST., SUITE 201
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90021
	Area Code	(213)
	Phone Number	488-8493
	Fax Area Code	(213)
	Fax Phone Number	488-9585
	Work Codes	C8720 CIVIL ENGINEERING; I8734 LABORATORY TESTING AND ANALYSIS;
	Licenses	EC Civil Engineer;
CALIFORNIA TRAFFIC MAINTENANCE, INC.	Address Line1	641 N. KEYSTONE STREET, UNIT D
	Address Line2	
	City	BURBANK

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	State	CA
	Zip Code1	91505
	Zip Code2	
	Mailing Address Line1	PO BOX 6486
	Mailing Address Line2	
	Mailing City	BURBANK
	Mailing State	CA
	Mailing Zip Code1	91505
	Area Code	(818)
	Phone Number	954-8271
	Fax Area Code	(818)
	Fax Phone Number	954-9266
	Work Codes	C9801 BUILDING CONSTRUCTION;
CALIFORNIA WATERSHED ENGINEERING CORP.	Address Line1	2100 E. HOWELL AVE., SUITE 209
	Address Line2	
	City	ANAHEIM
	State	CA
	Zip Code1	92806
	Area Code	(714)
	Phone Number	385-2602
	Fax Area Code	(714)
	Fax Phone Number	385-2605
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING;
CALLAND ENGINEERING, INC	Address Line1	576 E. LAMBERT ROAD
	Address Line2	
	City	BREA
	State	CA
	Zip Code1	92821
	Area Code	(714)
	Phone Number	671-1050

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	Fax Area Code	(714)
	Fax Phone Number	671-1090
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8780 Engineering - Geotechnical; C9826 LAND SURVEYING; I8734 LABORATORY TESTING AND ANALYSIS;
CANDOR ENGINEERING CONSULTANT	Address Line1	2044 FAIROAKS AVENUE,
	Address Line2	
	City	SOUTH PASADENA
	State	CA
	Zip Code1	91030
	Area Code	(310)
	Phone Number	999-5121
	Fax Area Code	(626)
	Fax Phone Number	441-3084
	Work Codes	C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8730 SAFETY STUDIES; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS;
	Licenses	EST Structural Engineer;
CASAMAR GROUP, LLC	Address Line1	23445 GLENRIDGE DRIVE
	Address Line2	
	City	NEWHALL
	State	CA
	Zip Code1	91321
	Area Code	(661)
	Phone Number	254-2373
	Fax Area Code	(661)
	Fax Phone Number	253-0549
	Work Codes	C8701 BUSINESS ADMINISTRATION; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING;
CBCS, INC	Address Line1	7077 ORANGEWOOD AVE, STE #211
	Address Line2	
	City	GARDEN GROVE
	State	CA
	Zip Code1	92841
	Zip Code2	1440

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	Area Code	(714)
	Phone Number	893-4537
	Fax Area Code	(714)
	Fax Phone Number	893-2587
	Work Codes	C8710 ENGINEERING; C8742 MECHANICAL ENGINEERS;
CD MONTGOMERY INC.	Address Line1	1077 PCH, #186
	Address Line2	
	City	SEAL BEACH
	State	CA
	Zip Code1	90740
	Zip Code2	
	Mailing Address Line1	1077 PCH, #186
	Mailing Address Line2	
	Mailing City	SEAL BEACH
	Mailing State	CA
	Mailing Zip Code1	90740
	Area Code	(562)
	Phone Number	826-2983
	Fax Area Code	(562)
	Fax Phone Number	296-5125
	Work Codes	C0651 CONCRETE & CEMENT; C4010 PORTLAND CEMENT & CONCRETE PAVEMENT; C5100 CONCRETE STRUCTURE; C5105 MINOR CONCRETE STRUCTURE; C5111 CONCRETE OVERLAY, DRILL & BOND; C5135 CONCRETE BLOCK & MASONRY RETAINING WALL; C5501 STEEL STRUCTURES; C7301 CONCRETE CURB & SIDEWALK - MISC; C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; C9801 BUILDING CONSTRUCTION; C9810 SMALL STRUCTURES; C9846 ADDITIONS, ALTERATIONS OR REPAIRS;
CENTURY DIVERSIFIED, INC	Address Line1	99 SOUTH LAKE AVENUE, SUITE # 210
	Address Line2	
	City	PASADENA
	State	CA
	Zip Code1	91108
	Area Code	(626)
	Phone Number	585-0966
	Fax Area Code	(626)

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	Fax Phone Number	585-1598
	Work Codes	C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT;
	Licenses	EC Civil Engineer;
CHO DESIGN ASSOCIATES, INC	Address Line1	3001 RED HILL AVENUE, SUITE 6-206
	Address Line2	
	City	COSTA MESA
	State	CA
	Zip Code1	92626
	Area Code	(714)
	Phone Number	427-0680
	Fax Area Code	(714)
	Fax Phone Number	427-0681
	Work Codes	C0612 SAFETY; C8701 BUSINESS ADMINISTRATION; C8702 MANAGEMENT INFORMATION SYSTEMS; C8703 TRAFFIC ENGINEER; C8705 DESIGN; C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS; I8740 MANAGEMENT & PUBLIC RELATIONS; I8990 SERVICES, NEC;
CINDY TRUMP INC DBA LINDY'S COLD PLANING	Address Line1	625 S. MOUNTAIN VIEW
	Address Line2	
	City	LA HABRA
	State	CA
	Zip Code1	90631
	Work Codes	C1531 PLANE ASPHALT CONCRETE; C1901 ROADWAY EXCAVATION; C2201 FINISHING ROADWAY; C2401 LIME TREATMENT; C3910 PAVING ASPHALT (ASPHALT CONCRETE); C3990 RECYCLE, RECLAIM ASPHALT CONCRETE; C4201 GROOVE & GRIND PAVEMENT; C9903 CONSTRUCTION CLEAN UP; C9905 CUTTING;
CIVIL WORKS ENGINEERS, INC.	Address Line1	3151 AIRWAY AVE., SUITE T-1
	Address Line2	
	City	COSTA MESA
	State	CA
	Zip Code1	92626

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	Area Code	(714)
	Phone Number	966-9060
	Fax Area Code	(714)
	Fax Phone Number	966-9085
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS;
CIVILSOURCE, INC.	Address Line1	9930 RESEARCH DR. #200
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92618
	Area Code	(949)
	Phone Number	585-0477
	Fax Area Code	(949)
	Fax Phone Number	585-0433
	Work Codes	C8705 DESIGN; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8765 DRAFTING; C8770 CONSTRUCTION MANAGEMENT; C9826 LAND SURVEYING; I7340 SERVICES TO BUILDINGS;
CNS ENGINEERS, INC	Address Line1	5 TESSERA AVENUE
	Address Line2	
	City	FOOTHILL RANCH
	State	CA
	Zip Code1	92610
	Area Code	(949)
	Phone Number	588-6191
	Fax Area Code	(949)
	Fax Phone Number	588-6191
	Work Codes	C8703 TRAFFIC ENGINEER; C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8730 SAFETY STUDIES; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS; I8990 SERVICES, NEC;
CLEAN EARTH ENVIRONMENTAL TESTING LABORATORY	Address Line1	1639 11TH ST., #114
	Address Line2	

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	City	SANTA MONICA
	State	CA
	Zip Code1	90404
	Area Code	(310)
	Phone Number	
	Fax Area Code	(310)
	Fax Phone Number	
	Agency Name	CITY OF LOS ANGELES
	Work Codes	I8734 LABORATORY TESTING AND ANALYSIS;
COLEMAN CONSTRUCTION	Address Line1	1973 W 48TH STREET
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90062
	Zip Code2	2104
	Mailing Address Line1	1973 W 48TH STREET
	Mailing Address Line2	
	Mailing City	LOS ANGELES
	Mailing State	CA
	Mailing Zip Code1	90062
	Mailing Zip Code2	2104
	Area Code	(323)
	Phone Number	295-5484
	Fax Area Code	(213)
	Fax Phone Number	295-1199
	Work Codes	C8770 CONSTRUCTION MANAGEMENT;
CONSTRUCTION CONSULTANT SERVICES, INC.	Address Line1	4826 EAST VISTA STREET
	Address Line2	
	City	LONG BEACH
	State	CA
	Zip Code1	90803

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	Area Code	(562)
	Phone Number	208-4779
	Fax Area Code	(562)
	Fax Phone Number	439-2024
	Work Codes	C1575 REMOVE BRIDGE ITEM; C1580 MODIFY BRIDGE ITEM; C8700 CONSULTANT, NON ENGINEERING; C8701 BUSINESS ADMINISTRATION; C8702 MANAGEMENT INFORMATION SYSTEMS; C9801 BUILDING CONSTRUCTION; I8740 MANAGEMENT & PUBLIC RELATIONS;
CONSULTING WEST ENGINEERS	Address Line1	31340 VIA COLINAS, SUITE 102
	Address Line2	
	City	WESTLAKE VILLAGE
	State	CA
	Zip Code1	91362
	Area Code	(818)
	Phone Number	889-3383
	Fax Area Code	(818)
	Fax Phone Number	889-4927
	Agency Name	CITY OF LOS ANGELES
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8740 ELECTRICAL ENGINEERS; C8742 MECHANICAL ENGINEERS;
CONTERA CONSTRUCTION CORP.	Address Line1	28545 OLD TOWN FRONT ST., SUITE 201
	Address Line2	
	City	TEMECULA
	State	CA
	Zip Code1	92590
	Area Code	(951)
	Phone Number	695-2800
	Fax Area Code	(951)
	Fax Phone Number	695-2801
	Work Codes	C1901 ROADWAY EXCAVATION; C1910 GRADING; C1920 STRUCTURE EXCAVATION; C1930 STRUCTURE BACKFILL; C1940 DITCHES EXCAVATION; C1980 IMPORTED BORROW;
COSTA & ASSOCIATES	Address Line1	1543 W GARVEY AVENUE N, #215
	Address Line2	

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	City	WEST COVINA
	State	CA
	Zip Code1	91790
	Area Code	(626)
	Phone Number	960-1811
	Fax Area Code	(626)
	Fax Phone Number	960-5271
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8746 STRUCTURAL ENGINEER;
D J P ENGINEERING, INC.	Address Line1	100 NORTH BARRANCA #860
	Address Line2	
	City	WEST COVINA
	State	CA
	Zip Code1	91791
	Area Code	(626)
	Phone Number	966-8200
	Fax Area Code	(626)
	Fax Phone Number	966-8255
	Work Codes	C8783 Engineering - Structural; C9826 LAND SURVEYING;
D M S ENGINEERING & ASSOCIATES, INC.	Address Line1	14621 GANDESA RD
	Address Line2	
	City	LA MIRADA
	State	CA
	Zip Code1	90638
	Area Code	(949)
	Phone Number	307-0015
	Fax Area Code	(714)
	Fax Phone Number	523-1639
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; C9802 BUILDING CONSTRUCTION;
D R CONSULTANTS & DESIGNERS, INC.	Address Line1	725 S. FIGUEROA ST. SUITE 3320
	Address Line2	

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	City	LOS ANGELES
	State	CA
	Zip Code1	90017
	Area Code	(213)
	Phone Number	687-1130
	Fax Area Code	(213)
	Fax Phone Number	687-1139
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C8710 ENGINEERING;
D'LEON CONSULTING ENGINEERS CORPORATION	Address Line1	3605 LONG BEACH BLVD SUITE 235
	Address Line2	
	City	LONG BEACH
	State	CA
	Zip Code1	90807
	Area Code	(562)
	Phone Number	989-4500
	Fax Area Code	(562)
	Fax Phone Number	989-4509
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING;
DAHL, TAYLOR & ASSOCIATES, INC	Address Line1	2960 S. DAIMLER STREET
	Address Line2	
	City	SANTA ANA
	State	CA
	Zip Code1	92705
	Zip Code2	5824
	Area Code	(949)
	Phone Number	756-8654
	Fax Area Code	(949)
	Fax Phone Number	502-0777
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS;

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DAMES ENGINEERING SERVICES	Address Line1	813 20TH STREET
	Address Line2	
	City	HERMOSA BEACH
	State	CA
	Zip Code1	90254
	Area Code	(805)
	Phone Number	368-5593
	Fax Area Code	(805)
	Fax Phone Number	499-2079
Work Codes	C8701 BUSINESS ADMINISTRATION; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8776 Construction Management - Other Heavy and Civil Construction; C9826 LAND SURVEYING;	
DDB ENGINEERING, INC.	Address Line1	15635 ALTON PARKWAY, SUITE 117
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92618
	Area Code	(949)
	Phone Number	727-4008
	Fax Area Code	(949)
	Fax Phone Number	727-4079
Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES;	
DEANA'S EQUIPMENT RENTAL CO.	Address Line1	6720 W. SYCAMORE LANE,
	Address Line2	
	City	PALMDALE
	State	CA
	Zip Code1	93551
	Area Code	(805)
	Phone Number	732-7575
	Fax Area Code	(661)
	Fax Phone Number	948-5588

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	Work Codes	C1531 PLANE ASPHALT CONCRETE; C1601 CLEARING & GRUBBING; C1901 ROADWAY EXCAVATION; C1910 GRADING; C1920 STRUCTURE EXCAVATION; C1925 SHAPED BEDDING; C1930 STRUCTURE BACKFILL; C1940 DITCHES EXCAVATION; C1970 EMBANKMENT CONSTRUCTION; C1980 IMPORTED BORROW; C2201 FINISHING ROADWAY; C2401 LIME TREATMENT; C2501 AGGREGATE SUBBASE; C2602 AGGREGATE BASE; C2700 CEMENT TREATED BASE; C2800 CONCRETE BASE; C3600 PENETRATION TREATMENT & PRIME COAT; C3701 SEAL COAT; C3901 ASPHALT CONCRETE; C3910 PAVING ASPHALT (ASPHALT CONCRETE); C3930 PAVEMENT REINFORCING FABRIC; C3940 PLACE ASPHALT CONCRETE DIKE & MISC; C3990 RECYCLE, RECLAIM ASPHALT CONCRETE; C4040 CLEAN & SEAL PAVEMENT JOINTS - ROUT & SEAL CRACKS; C4201 GROOVE & GRIND PAVEMENT; C9670 TRUCK RENTAL; C9771 TRUCK BROKER; C9774 TRUCKER;
DHAKA PACIFIC CORPORATION	Address Line1	1100 ARCADIA AVENUE SUITE C
	Address Line2	
	City	ARCADIA
	State	CA
	Zip Code1	91007
	Area Code	(626)
	Phone Number	446-2081
	Fax Area Code	(626)
	Fax Phone Number	446-2967
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; E4890 COMMUNICATIONS SERVICES, NEC;
DMS CONSULTANTS CIVIL ENGINEERS INC	Address Line1	12371 LEWIS ST., SUITE 203
	Address Line2	
	City	GARDEN GROVE
	State	CA
	Zip Code1	92840
	Area Code	(714)
	Phone Number	740-8840
	Fax Area Code	(714)
	Fax Phone Number	740-8842
	Work Codes	C8720 CIVIL ENGINEERING; C8765 DRAFTING;

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D M S ENGINEERING & ASSOCIATES, INC.	Address Line1	14621 GANDESA RD
	Address Line2	
	City	LA MIRADA
	State	CA
	Zip Code1	90638
	Area Code	(949)
	Phone Number	307-0015
	Fax Area Code	(714)
	Fax Phone Number	523-1639
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; C9802 BUILDING CONSTRUCTION;
DIAZ CONSULTANTS, INC.	Address Line1	1616 EAST 17TH STREET
	Address Line2	
	City	SANTA ANA
	State	CA
	Zip Code1	92705
	Zip Code2	8509
	Area Code	(714)
	Phone Number	838-8565
	Fax Area Code	(714)
	Fax Phone Number	838-8741
Work Codes	C8715 CONSULTANT, ENGINEERING; I8734 LABORATORY TESTING AND ANALYSIS;	
DYNAMIC ENGINEERING SERVICES, INC.	Address Line1	27395 ECHO CANYON COURT
	Address Line2	
	City	CORONA
	State	CA
	Zip Code1	92883
	Area Code	(951)
	Phone Number	471-8890
	Fax Area Code	(951)

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	Fax Phone Number	471-8892
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; I8890 SERVICES, NEC (NOT ELSEWHERE CLASSIFIED);
EARTH MECHANICS, INC.	Address Line1	17800 NEWHOPE STREET, SUITE B
	Address Line2	
	City	FOUNTAIN VALLEY
	State	CA
	Zip Code1	92708
	Area Code	(714)
	Phone Number	751-3826
	Fax Area Code	(714)
	Fax Phone Number	751-3928
	Work Codes	C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; I8730 RESEARCH & TESTING SERVICES; I8734 LABORATORY TESTING AND ANALYSIS;
E.C. FIRE CO., INC.	Address Line1	2846 W. 8TH ST., STE. 101
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90005
	Area Code	(213)
	Phone Number	383-0303
	Fax Area Code	(213)
	Fax Phone Number	383-9366
	Work Codes	C0612 SAFETY; C8903 ELECTRICAL; E4910 ELECTRIC SERVICES; E4930 COMBINATION UTILITY SERVICES;
ECS TECHNOLOGY	Address Line1	1010 E. ACACIA AVE., SUITE 209
	Address Line2	
	City	GLENDALE
	State	CA
	Zip Code1	91205
	Area Code	(818)
	Phone Number	507-1928
	Fax Area Code	(818)

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	Fax Phone Number	243-4899
	Work Codes	C8705 DESIGN; C8740 ELECTRICAL ENGINEERS; C8765 DRAFTING;
ED ROSE CONSTRUCTION INC	Address Line1	4080 GILBERT AVE.
	Address Line2	
	City	CORONA
	State	CA
	Zip Code1	92881
	Area Code	(951)
	Phone Number	549-1727
	Fax Area Code	(951)
	Fax Phone Number	340-2428
	Work Codes	C5100 CONCRETE STRUCTURE; C8720 CIVIL ENGINEERING; C9802 BUILDING CONSTRUCTION;
EI & C ENGINEERING, INC.	Address Line1	15635 ALTON PARKWAY, SUITE 117
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92618
	Zip Code2	
	Mailing Address Line1	15635 ALTON PARKWAY, SUITE 117
	Mailing Address Line2	
	Mailing City	IRVINE
	Mailing State	CA
	Mailing Zip Code1	92618
	Area Code	(949)
	Phone Number	679-8760
	Fax Area Code	(949)
	Fax Phone Number	679-8865
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8740 ELECTRICAL ENGINEERS;
E. M. OIL TRANSPORT, INC.	Address Line1	1145 SOUTH TAYLOR AVENUE
	Address Line2	

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	City	MONTEBELLO
	State	CA
	Zip Code1	90640
	Area Code	(323)
	Phone Number	722-9088
	Fax Area Code	(323)
	Fax Phone Number	722-5459
	Work Codes	C0624 PETROLEUM, OIL, LUBRICANTS; C2201 FINISHING ROADWAY;
E M S LABORATORIES, INC.	Address Line1	117 WEST BELLEVUE DRIVE
	Address Line2	
	City	PASADENA
	State	CA
	Zip Code1	91105
	Zip Code2	2503
	Area Code	(626)
	Phone Number	568-4065
	Fax Area Code	(626)
	Fax Phone Number	796-5282
	Work Codes	I8734 LABORATORY TESTING AND ANALYSIS;
EL CAMINO CONSTRUCTION & ENGINEERING CORP.	Address Line1	810 ROSWELL AVENUE
	Address Line2	
	City	LONG BEACH
	State	CA
	Zip Code1	90804
	Area Code	(562)
	Phone Number	433-1000
	Fax Area Code	(562)
	Fax Phone Number	433-1132
	Work Codes	C5100 CONCRETE STRUCTURE; C8710 ENGINEERING; C9842 MASONRY; D3530 CONSTRUCTION & RELATED MACHINERY;

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ELECTRICAL BUILDING SYSTEMS, INC.	Address Line1	10700 VENTURA BLVD., UNIT 2-E
	Address Line2	
	City	STUDIO CITY
	State	CA
	Zip Code1	91604
	Area Code	(818)
	Phone Number	763-9179
	Fax Area Code	(818)
	Fax Phone Number	763-9439
ELECTRO SERV CO.	Address Line1	2021 W. COMMONWEALTH, SUITE L
	Address Line2	
	City	FULLERTON
	State	CA
	Zip Code1	92833
	Area Code	(714)
	Phone Number	626-0135
	Fax Area Code	(714)
	Fax Phone Number	626-0136
	Work Codes	C8710 ENGINEERING; C9802 BUILDING CONSTRUCTION; 18734 LABORATORY TESTING AND ANALYSIS;
ELITE COMPANIES US, INC	Address Line1	15321 LA SALLE LANE
	Address Line2	
	City	HUNTINGTON BEACH
	State	CA
	Zip Code1	92647
	Area Code	(714)
	Phone Number	716-6196
	Fax Area Code	(714)
	Fax Phone Number	908-0337
	Work Codes	C8773 Construction Management - Highway, Street and Bridge Construction; C8776 Construction Management - Other Heavy and Civil Construction;
ELITE ENGINEERING CONSULTANT	Address Line1	1274 CENTER COURT DR., SUITE 212

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	Address Line2	
	City	COVINA
	State	CA
	Zip Code1	91724
	Area Code	(626)
	Phone Number	859-7707
	Fax Area Code	(626)
	Fax Phone Number	859-7721
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING;
EMPIRE 3 CONSULTING ENGINEERS	Address Line1	7010 ARLINGTON AVE #205
	Address Line2	
	City	RIVERSIDE
	State	CA
	Zip Code1	92503
	Zip Code2	1507
	Area Code	(951)
	Phone Number	509-1900
	Fax Area Code	(951)
	Fax Phone Number	509-1911
	Work Codes	C8710 ENGINEERING;
ENCARNACION GUTIERREZ CONSTRUCTION	Address Line1	290 N. MADISON AVE. #307
	Address Line2	
	City	PASADENA
	State	CA
	Zip Code1	91101
	Area Code	(510)
	Phone Number	541-7109
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8765 DRAFTING; C9802 BUILDING CONSTRUCTION; C9999 BROKER (FOR FEE ONLY); D3530 CONSTRUCTION & RELATED MACHINERY;

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EPHREM CONTRACTORS	Address Line1	3819 COUNTRY CLUB DR., #302
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90019
	Area Code	(310)
	Phone Number	800-6979
	Work Codes	C8710 ENGINEERING; C9801 BUILDING CONSTRUCTION;
	Fax Phone Number	865-2210
	Work Codes	C8770 CONSTRUCTION MANAGEMENT;
EXCEL CONCRETE BREAKING, INC.	Address Line1	5039 EUREKA AVENUE
	Address Line2	
	City	YORBA LINDA
	State	CA
	Zip Code1	92886
	Area Code	(714)
	Phone Number	528-9235
	Fax Area Code	(714)
Fax Phone Number	528-9275	
Work Codes	C0651 CONCRETE & CEMENT;	
EXENI PAVING & GRADING, INC.	Address Line1	1905 CALLE BOGOTA
	Address Line2	
	City	ROWLAND HEIGHTS
	State	CA
	Zip Code1	91748
	Zip Code2	
	Mailing Address Line1	P.O. BOX 1232
	Mailing Address Line2	
	Mailing City	WHITTIER
	Mailing State	CA
	Mailing Zip Code1	90609

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	Area Code	(805)
	Phone Number	650-3091
	Fax Area Code	(805)
	Fax Phone Number	650-5208
	Work Codes	C1901 ROADWAY EXCAVATION;
EXTENDED RESOURCES	Address Line1	1517 S. JENNIFER AVE.
	Address Line2	
	City	GLENDORA
	State	CA
	Zip Code1	91740
	Area Code	(626)
	Phone Number	914-3715
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8740 ELECTRICAL ENGINEERS; I8740 MANAGEMENT & PUBLIC RELATIONS;
F P A UNDERGROUND, INC.	Address Line1	1505 HAMPTON ROAD
	Address Line2	
	City	SAN MARINO
	State	CA
	Zip Code1	91108
	Zip Code2	
	Mailing Address Line1	201 N. GARVEY AVE. #102
	Mailing Address Line2	
	Mailing City	MONTEREY PARK
	Mailing State	CA
	Mailing Zip Code1	91754
	Mailing Zip Code2	
	Area Code	(626)
	Phone Number	372-1771
	Fax Area Code	(626)
	Fax Phone Number	280-8007
FALCON ENGINEERING SERVICES INC.	Address Line1	1020 AQUINO CIRCLE

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	Address Line2	
	City	CORONA
	State	CA
	Zip Code1	92879
	Area Code	(951)
	Phone Number	768-9419
	Fax Area Code	(951)
	Fax Phone Number	278-2808
	Work Codes	C8705 DESIGN; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; C8773 Construction Management - Highway, Street and Bridge Construction;
FINE GRADE EQUIPMENT, INC.	Address Line1	41729 CIELO VISTA DR
	Address Line2	
	City	PALMDALE
	State	CA
	Zip Code1	93551
	Zip Code2	
	Mailing Address Line1	P.O. BOX 2798
	Mailing Address Line2	
	Mailing City	LANCASTER
	Mailing State	CA
	Mailing Zip Code1	93539
	Mailing Zip Code2	
	Area Code	(661)
	Phone Number	949-8788
	Fax Area Code	(661)
	Fax Phone Number	722-8900
	Work Codes	C1901 ROADWAY EXCAVATION; C1910 GRADING; C3910 PAVING ASPHALT (ASPHALT CONCRETE); C9908 HEAVY EQUIPMENT RENTAL;
	Phone Number	824-7230
	Fax Area Code	(909)
	Fax Phone Number	824-7385
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8765 DRAFTING;

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FORSTER COMPANY, INC.	Address Line1	10828 LOU DILLON AVENUE
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90059
	Zip Code2	
	Mailing Address Line1	P. O. BOX 72176
	Mailing Address Line2	
	Mailing City	LOS ANGELES
	Mailing State	CA
	Mailing Zip Code1	90002
	Mailing Zip Code2	0176
	Area Code	(323)
	Phone Number	569-0217
	Fax Area Code	(323)
	Fax Phone Number	569-0200
	Work Codes	C8770 CONSTRUCTION MANAGEMENT; I8890 SERVICES, NEC (NOT ELSEWHERE CLASSIFIED);
FUNDAMENT & ASSOCIATES	Address Line1	26 EXECUTIVE PARK SUITE 100
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92614
	Area Code	(949)
	Phone Number	251-1131
	Fax Area Code	(949)
	Fax Phone Number	251-9434
	Work Codes	C8705 DESIGN; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8742 MECHANICAL ENGINEERS; C8765 DRAFTING;
G CREW, THE	Address Line1	116 N. MARYLAND AVE SUITE #130
	Address Line2	
	City	GLENDALE
	State	CA

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DBE Directory 39

	Zip Code1	91206
	Zip Code2	
	Mailing Address Line1	P. O. BOX 10606
	Mailing Address Line2	
	Mailing City	GLENDALE
	Mailing State	CA
	Mailing Zip Code1	91206
	Area Code	(818)
	Phone Number	240-4157
	Fax Area Code	(818)
	Fax Phone Number	240-8616
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C8701 BUSINESS ADMINISTRATION; C8702 MANAGEMENT INFORMATION SYSTEMS; C8773 Construction Management - Highway, Street and Bridge Construction; I7360 PERSONNEL SUPPLY SERVICES; I8734 LABORATORY TESTING AND ANALYSIS; I8740 MANAGEMENT & PUBLIC RELATIONS;
G C TECH, INC. (GARDNER CONSULTING PLANNERS)	Address Line1	417 S. HILL ST. #203
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90013
	Area Code	(213)
	Phone Number	833-5910
	Fax Area Code	(213)
	Fax Phone Number	253-2710
	Work Codes	C1701 DEVELOP WATER SUPPLY; C8700 CONSULTANT, NON ENGINEERING; C8701 BUSINESS ADMINISTRATION; C8702 MANAGEMENT INFORMATION SYSTEMS; C8761 GEOPHYSICS; E4940 WATER SUPPLY; E4970 IRRIGATION SYSTEMS; I7336 COMMERCIAL ART AND GRAPHIC DESIGN; I8740 MANAGEMENT & PUBLIC RELATIONS;
GEO-CAL, INC	Address Line1	P.O. BOX 9493
	Address Line2	
	City	SAN BERNADINO

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	State	CA
	Zip Code1	92427
	Area Code	(909)
	Phone Number	880-1146
	Fax Area Code	(909)
	Fax Phone Number	880-1557
	Work Codes	C8770 CONSTRUCTION MANAGEMENT; J9510 ENVIRONMENTAL QUALITY;
GEO ENVIRONMENTAL, INC.	Address Line1	2691 RICHTER AVENUE, SUITE 127
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92606
	Area Code	(949)
	Phone Number	263-8334
	Fax Area Code	(949)
	Fax Phone Number	263-8338
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8761 GEOPHYSICS; C8780 Engineering - Geotechnical; C8782 Engineering - Seismic;
GEOBASE, INC	Address Line1	23362 PERALTA DRIVE, UNIT 4
	Address Line2	
	City	LAGUNA HILLS
	State	CA
	Zip Code1	92653
	Area Code	(949)
	Phone Number	588-3744
	Fax Area Code	(949)
	Fax Phone Number	588-3746
	Work Codes	C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; I8730 RESEARCH & TESTING SERVICES; I8734 LABORATORY TESTING AND ANALYSIS;
GEOSPATIAL PROFESSIONAL SOLUTIONS, INC.	Address Line1	3151 AIRWAY AVENUE G2
	Address Line2	

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	City	COSTA MESA
	State	CA
	Zip Code1	92626
	Area Code	(949)
	Phone Number	459-3052
	Work Codes	C8705 DESIGN; C8710 ENGINEERING; C8760 SURVEYOR; C8765 DRAFTING; I7336 COMMERCIAL ART AND GRAPHIC DESIGN; I8890 SERVICES, NEC (NOT ELSEWHERE CLASSIFIED);
GERONIMO CONCRETE, INC.	Address Line1	4560 N. HUNTINGTON DR.
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90032
	Zip Code2	
	Mailing Address Line1	P.O. BOX 42027
	Mailing Address Line2	
	Mailing City	LOS ANGELES
	Mailing State	CA
	Mailing Zip Code1	90042
	Area Code	(323)
	Phone Number	225-2016
	Fax Area Code	(323)
	Fax Phone Number	222-8312
	Work Codes	C5105 MINOR CONCRETE STRUCTURE; C5110 CONCRETE SURFACE FINISH; C5135 CONCRETE BLOCK & MASONRY RETAINING WALL; C7301 CONCRETE CURB & SIDEWALK - MISC; C8000 FENCING;
GKC ENGINEERING CORP.	Address Line1	16025 ARROW HIGHWAY, SUITE A
	Address Line2	
	City	IRWINDALE
	State	CA
	Zip Code1	91706
	Area Code	(626)
	Phone Number	813-3708

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	Fax Area Code	(626)
	Fax Phone Number	813-3687
	Work Codes	C8720 CIVIL ENGINEERING;
GLOBAL BUSINESS SOLUTIONS, INC.	Address Line1	600 ANTON BLVD, 11TH FLOOR
	Address Line2	
	City	COSTA MESA
	State	CA
	Zip Code1	92626
	Zip Code2	
	Mailing Address Line1	600 ANTON BLVD,
	Mailing Address Line2	ELEVENTH FLOOR
	Mailing City	COSTA MESA
	Mailing State	CA
	Mailing Zip Code1	92626
	Area Code	(408)
	Phone Number	390-4710
	Fax Area Code	(714)
	Fax Phone Number	276-6468
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT;
GLOBAL GEO-ENGINEERING, INC	Address Line1	3 CORPORATE PARK, SUITE 270
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92606
	Area Code	(949)
	Phone Number	221-0900
	Fax Area Code	(949)
	Fax Phone Number	221-0091
	Work Codes	C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES;
GONZALES, SUAREZ & ASSOCIATES, INC.	Address Line1	615 N. EUCLID AVE., #111

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	Address Line2	
	City	ONTARIO
	State	CA
	Zip Code1	91786
	Area Code	(909)
	Phone Number	949-4808
	Fax Area Code	(909)
	Fax Phone Number	949-4908
	Work Codes	C5100 CONCRETE STRUCTURE; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; C9802 BUILDING CONSTRUCTION;
GOOD LIGHT ENGINEERING	Address Line1	58510 CAMPERO DR
	Address Line2	
	City	YUCCA VALLEY
	State	CA
	Zip Code1	92284
	Mailing Address Line1	P.O. BOX 1984
	Mailing Address Line2	
	Mailing City	YUCCA VALLEY
	Mailing State	CA
	Mailing Zip Code1	92286
	Area Code	(760)
	Phone Number	401-3947
	Work Codes	C8720 CIVIL ENGINEERING;
	Licenses	EC Civil Engineer;
HARD CORE ENGINEERING, INC	Address Line1	1708 HUNTINGTON DRIVE
	Address Line2	
	City	SOUTH PASADENA
	State	CA
	Zip Code1	91030
	Area Code	(626)
	Phone Number	863-3042

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	Work Codes	C8715 CONSULTANT, ENGINEERING; C8746 STRUCTURAL ENGINEER; C8771 Construction Management - Commercial and Institutional Building Construction; C8772 Construction Management - Institutional Building Construction; C8773 Construction Management - Highway, Street and Bridge Construction; C8783 Engineering - Structural;
HERCULES ENGINEERING SYSTEMS	Address Line1	15317 LAKEWOOD BLVD.
	Address Line2	
	City	PARAMOUNT
	State	CA
	Zip Code1	90723
	Area Code	(562)
	Phone Number	633-3366
	Fax Area Code	(562)
	Fax Phone Number	633-3339
	Work Codes	C8705 DESIGN; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8740 ELECTRICAL ENGINEERS; C8765 DRAFTING; C8770 CONSTRUCTION MANAGEMENT; C8903 ELECTRICAL;
	Licenses	EE Electrical Engineer ; EFP Fire Protection Engineer;
HERSON GO, P.E.	Address Line1	1 SANDPEBBLE
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92603
	Area Code	(949)
	Phone Number	735-9816
	Work Codes	C8711 COMPUTER; C8715 CONSULTANT, ENGINEERING;
HIGGINSWORKS	Address Line1	2601 E. VICTORIA STREET, #16
	Address Line2	
	City	COMPTON
	State	CA
	Zip Code1	90220
	Zip Code2	
	Mailing Address Line1	PMB 135
	Mailing Address Line2	603 E UNIVERSITY DRIVE
	Mailing City	CARSON

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	Mailing State	CA
	Mailing Zip Code1	90746
	Area Code	(310)
	Phone Number	993-3844
	Fax Area Code	(310)
	Fax Phone Number	608-4470
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C8720 CIVIL ENGINEERING;
HNK TECH, INC.	Address Line1	3960 WILSHIRE BLVD. # 305
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90010
	Area Code	(213)
	Phone Number	384-2100
	Fax Area Code	(213)
	Fax Phone Number	384-2224
	Work Codes	C1201 TRAFFIC CONTROL SYSTEM; C5501 STEEL STRUCTURES; C5570 STEEL CRIB WALL; C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8712 PUBLIC RELATIONS; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; C8901 AIR CONDITIONING/SHEET METAL; C9801 BUILDING CONSTRUCTION; C9858 RESIDENTIAL ELECTRICAL; C9862 RESIDENTIAL AIR CONDITIONING & SHEET METAL; C9866 HEATING & AIR CONDITIONING;
HYDROLOGIC SCIENCE, INC.	Address Line1	9955 JONATHAN AVE
	Address Line2	
	City	CHERRY VALLEY
	State	CA
	Zip Code1	92223
	Area Code	(951)
	Phone Number	906-2052
	Work Codes	C8720 CIVIL ENGINEERING;
HYM ENGINEERING, INC	Address Line1	6380 ROLAND STREET
	Address Line2	
	City	BUENA PARK

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	State	CA
	Zip Code1	90621
	Area Code	(714)
	Phone Number	523-2372
	Fax Area Code	(562)
	Fax Phone Number	249-6609
	Work Codes	C1910 GRADING; C3901 ASPHALT CONCRETE; C9802 BUILDING CONSTRUCTION;
I D C CONSULTING ENGINEERS, INC	Address Line1	203 WEST CERRITOS AVENUE
	Address Line2	
	City	ANAHEIM
	State	CA
	Zip Code1	92805
	Area Code	(714)
	Phone Number	520-9070
	Fax Area Code	(714)
	Work Codes	C0612 SAFETY; C8705 DESIGN; C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS; I8990 SERVICES, NEC;
INNOVATIVE ENGINEERING GROUP, INC.	Address Line1	2501 DAVIDSON DRIVE #200
	Address Line2	
	City	MONTEREY PARK
	State	CA
	Zip Code1	91754
	Area Code	(323)
	Phone Number	262-9199
	Fax Area Code	(323)
	Fax Phone Number	292-9198
	Work Codes	C8710 ENGINEERING;
INTEGRATED CONSULTANTS, INC.	Address Line1	4000 W. VALLEY BLVD. #105

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	Address Line2	
	City	WALNUT
	State	CA
	Zip Code1	91789
	Area Code	(909)
	Phone Number	444-1800
	Fax Area Code	(909)
	Fax Phone Number	444-1800
	Work Codes	C8742 MECHANICAL ENGINEERS;
INTEGRATED ENGINEERING MANAGEMENT	Address Line1	302 W 5TH STREET, STE 207
	Address Line2	
	City	SAN PEDRO
	State	CA
	Zip Code1	90731
	Zip Code2	
	Mailing Address Line1	302 W 5TH STREET, STE 207
	Mailing Address Line2	
	Mailing City	SAN PEDRO
	Mailing State	CA
	Mailing Zip Code1	90731
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING;
INTERNATIONAL ENGINEERS & SCIENTISTS, INCORPORATED	Address Line1	1138 EAST SYCAMORE AVENUE
	Address Line2	
	City	ORANGE
	State	CA
	Zip Code1	92866
	Area Code	(714)
	Phone Number	639-8098

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	Fax Area Code	(714)
	Fax Phone Number	639-8098
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; I8990 SERVICES, NEC;
INTERNATIONAL ENVIRONMENTAL CORP.	Address Line1	13432 WENTWORTH ST.
	Address Line2	
	City	ARLETA
	State	CA
	Zip Code1	91331
	Zip Code2	
	Mailing Address Line1	PO BOX 4218
	Mailing Address Line2	
	Mailing City	PANORAMA CITY
	Mailing State	CA
	Mailing Zip Code1	91412
	Area Code	(818)
	Phone Number	892-9341
	Fax Area Code	(818)
	Fax Phone Number	997-0938
	Work Codes	C0620 LANDSCAPING & NURSERY;
INTEGRIS MANAGEMENT GROUP, LLC	Address Line1	8599 HAVEN AVE. #202
	Address Line2	
	City	RANCHO CUCAMONGA
	State	CA
	Zip Code1	91730
	Area Code	(909)
	Phone Number	534-8470
	Work Codes	C8705 DESIGN; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING;
ITS CONSENSUS	Address Line1	301 CALLE DESCANSO, STE 100
	Address Line2	

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	City	SAN CLEMENTE
	State	CA
	Zip Code1	92673
	Area Code	(949)
	Phone Number	498-4123
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8730 SAFETY STUDIES;
J A D & ASSOCIATES	Address Line1	500 KRAEMER STREET STE. 306
	Address Line2	
	City	BREA
	State	CA
	Zip Code1	92821
	Area Code	(714)
	Phone Number	577-1102
	Fax Area Code	(714)
	Fax Phone Number	577-1103
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; C8765 DRAFTING; I7388 INTERIOR DECORATING & DESIGN;
J F Q & ASSOCIATES	Address Line1	21732 S. VERMONT AVE #213
	Address Line2	
	City	TORRANCE
	State	CA
	Zip Code1	90502
	Area Code	(310)
	Phone Number	320-1598
	Fax Area Code	(310)
	Fax Phone Number	320-1227
	Work Codes	C8720 CIVIL ENGINEERING; C8760 SURVEYOR;
J M DIAZ, INC.	Address Line1	18645 E. GALE AVENUE #212
	Address Line2	
	City	CITY OF INDUSTRY
	State	CA
	Zip Code1	91748

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	Area Code	(626)
	Phone Number	581-1722
	Fax Area Code	(626)
	Fax Phone Number	581-1472
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES;
J N A BUILDERS, INC.	Address Line1	3549 EL CAMINITO
	Address Line2	
	City	LA CRESCENTA
	State	CA
	Zip Code1	91214
	Area Code	(818)
	Work Codes	C5100 CONCRETE STRUCTURE; C8700 CONSULTANT, NON ENGINEERING; C9802 BUILDING CONSTRUCTION; D3530 CONSTRUCTION & RELATED MACHINERY;
J. YOSTANTO CORPORATION	Address Line1	20315 VIA MANRESA
	Address Line2	
	City	YORBA LINDA
	State	CA
	Zip Code1	92887
	Area Code	(714)
	Phone Number	693-7707
	Fax Area Code	(714)
	Fax Phone Number	693-7707
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING;
JCE STRUCTURAL ENGINEERING GROUP, INC.	Address Line1	234 E. COLORADO BLVD., SUITE 725
	Address Line2	
	City	PASADENA
	State	CA
	Zip Code1	91101
	Zip Code2	2225
	Area Code	(626)

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	Phone Number	585-1822
	Fax Area Code	(626)
	Fax Phone Number	585-1824
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING;
JCI DESIGN AND ENGINEERING	Address Line1	4443 CASA GRANDE CIR, #169
	Address Line2	
	City	CYPRESS
	State	CA
	Zip Code1	90630
	Area Code	(714)
	Phone Number	743-2364
	Fax Area Code	(909)
	Fax Phone Number	627-1508
	Work Codes	C8720 CIVIL ENGINEERING; C8794 Environmental - Water Quality;
J N A BUILDERS, INC.	Address Line1	3549 EL CAMINITO
	Address Line2	
	City	LA CRESCENTA
	State	CA
	Zip Code1	91214
	Area Code	(818)
	Phone Number	281-5262
	Fax Area Code	(818)
	Fax Phone Number	248-0013
	Work Codes	C5100 CONCRETE STRUCTURE; C8700 CONSULTANT, NON ENGINEERING; C9802 BUILDING CONSTRUCTION; D3530 CONSTRUCTION & RELATED MACHINERY;
JEFF OVIEDO & ASSOCIATES, INC.	Address Line1	1621 BROWNING
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92606
	Area Code	(949)
	Phone Number	251-0702

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	Fax Area Code	(949)
	Fax Phone Number	251-0704
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING;
JERRY D. SMITH DBA JASZ CO.	Address Line1	1746 S. ORANGE GROVE AVENUE
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90019
	Area Code	(323)
	Phone Number	857-1727
	Fax Area Code	(323)
	Fax Phone Number	857-1972
	Work Codes	D3530 CONSTRUCTION & RELATED MACHINERY; D3640 ELECTRIC LIGHTING & WIRING EQUIPMENT; E4952 SEWERAGE SYSTEMS;
JLC ENGINEERING & CONSULTING, INC.	Address Line1	40040 COLISEUM
	Address Line2	
	City	MURRIETA
	State	CA
	Zip Code1	92562
	Area Code	(951)
	Phone Number	304-9552
	Fax Area Code	(951)
	Fax Phone Number	304-3568
	Work Codes	C8705 DESIGN; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8765 DRAFTING;
JOSEPH ENGINEERING	Address Line1	758 S. HOLLENBECK AVENUE
	Address Line2	
	City	COVINA
	State	CA
	Zip Code1	91723
	Area Code	(626)
	Phone Number	974-6624
	Fax Area Code	(626)

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	Fax Phone Number	331-3638
	Work Codes	C0651 CONCRETE & CEMENT; C5100 CONCRETE STRUCTURE; C9801 BUILDING CONSTRUCTION; C9810 SMALL STRUCTURES;
K2 TRAFFIC ENGINEERING, INC	Address Line1	1442 IRVINE BLVD., SUITE 210
	Address Line2	
	City	TUSTIN
	State	CA
	Zip Code1	92780
	Area Code	(714)
	Phone Number	832-2116
	Fax Area Code	(949)
	Fax Phone Number	266-5875
	Work Codes	C8703 TRAFFIC ENGINEER; C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8765 DRAFTING;
KAL ARCHITECTS, INC.	Address Line1	12-J MAUCHLY DRIVE,
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92618
	Zip Code2	6303
	Area Code	(949)
	Phone Number	450-8420
	Fax Area Code	(949)
	Fax Phone Number	450-8424
	Work Codes	C8704 ARCHITECTURAL; C8720 CIVIL ENGINEERING; C9801 BUILDING CONSTRUCTION; I7388 INTERIOR DECORATING & DESIGN;
KAM YAN & ASSOCIATES	Address Line1	433 HEGENBERGER
	Address Line2	
	City	OAKLAND
	State	CA
	Zip Code1	94621
	Area Code	(510)
	Phone Number	562-0581

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	Fax Area Code	(510)
	Fax Phone Number	562-0584
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8746 STRUCTURAL ENGINEER; C8783 Engineering - Structural;
KIM, CASEY & HARASE, INC.	Address Line1	11844 STEWARTON DRIVE
	Address Line2	
	City	NORTHRIDGE
	State	CA
	Zip Code1	91326
	Area Code	(213)
	Phone Number	385-2810
	Fax Area Code	(818)
	Fax Phone Number	923-5189
	Work Codes	C8701 BUSINESS ADMINISTRATION; C8702 MANAGEMENT INFORMATION SYSTEMS; C8703 TRAFFIC ENGINEER; C8704 ARCHITECTURAL; C8705 DESIGN; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8740 ELECTRICAL ENGINEERS; C8742 MECHANICAL ENGINEERS; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS; I8740 MANAGEMENT & PUBLIC RELATIONS;
L A WELDING & FABRICATION CORP.	Address Line1	13550 RAVEN STREET
	Address Line2	
	City	SYLMAR
	State	CA
	Zip Code1	91342
	Area Code	(818)
	Phone Number	621-8447
	Fax Area Code	(818)
	Fax Phone Number	367-5078
	Work Codes	C9801 BUILDING CONSTRUCTION; C9810 SMALL STRUCTURES; C9846 ADDITIONS, ALTERATIONS OR REPAIRS;
L.D. KING ENGINEERING CO., INC	Address Line1	2151 CONVENTION CENTER WAY, #100
	Address Line2	

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	City	ONTARIO
	State	CA
	Zip Code1	91764
	Area Code	(909)
	Phone Number	937-0200
	Fax Area Code	(909)
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8760 SURVEYOR; C8765 DRAFTING;
LEVINE/SEEGEL ASSOCIATES	Address Line1	2601 OCEAN PARK BLVD., #212,
	Address Line2	
	City	SANTA MONICA
	State	CA
	Zip Code1	90405
	Area Code	(310)
	Phone Number	450-1990
	Fax Area Code	(310)
	Work Codes	C8710 ENGINEERING; C8740 ELECTRICAL ENGINEERS; C8742 MECHANICAL ENGINEERS;
LIN CONSULTING, INC.	Address Line1	21660 E. COPLEY DR. # 270
	Address Line2	
	City	DIAMOND BAR
	State	CA
	Zip Code1	91765
	Area Code	(909)
	Phone Number	396-6850
	Fax Area Code	(909)
	Fax Phone Number	396-8150
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES;
L H ENGINEERING CO.	Address Line1	708 N. VALLEY ST., SUITE S
	Address Line2	
	City	ANAHEIM
	State	CA
	Zip Code1	92801

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	Area Code	(714)
	Phone Number	758-8035
	Fax Area Code	(714)
	Fax Phone Number	758-8037
	Work Codes	C1940 DITCHES EXCAVATION; C9801 BUILDING CONSTRUCTION; C9810 SMALL STRUCTURES; C9822 CARPENTRY;
LINDY'S COLD PLANING	Address Line1	625 S. MOUNTAIN VIEW
	Address Line2	
	City	LA HABRA
	State	CA
	Zip Code1	90631
	Area Code	(714)
	Phone Number	720-8289
	Fax Area Code	(562)
	Fax Phone Number	697-2039
	Work Codes	C4201 GROOVE & GRIND PAVEMENT;
N C C I INC.	Address Line1	16222 GUNDRY AVENUE
	Address Line2	
	City	PARAMOUNT
	State	CA
	Zip Code1	90723
	Zip Code2	1422
	Area Code	(562)
	Phone Number	220-1120
	Fax Area Code	(562)
	Fax Phone Number	220-1133
	Work Codes	C0651 CONCRETE & CEMENT; C5100 CONCRETE STRUCTURE; C9801 BUILDING CONSTRUCTION; E4952 SEWERAGE SYSTEMS;
MCC EQUIPMENT RENTALS, INC.	Address Line1	32389 DUNLAP BOULEVARD
	Address Line2	
	City	YUCAIPA
	State	CA
	Zip Code1	92399

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	Zip Code2	
	Mailing Address Line1	P.O. BOX 1730
	Mailing Address Line2	
	Mailing City	YUCAIPA
	Mailing State	CA
	Mailing Zip Code1	92399
	Area Code	(909)
	Phone Number	795-9300
	Fax Area Code	(909)
	Fax Phone Number	795-7308
	Work Codes	C2700 CEMENT TREATED BASE; C2800 CONCRETE BASE; C3901 ASPHALT CONCRETE; C3910 PAVING ASPHALT (ASPHALT CONCRETE); C6200 ALTERNATIVE PIPE CULVERT; C6401 ASBESTOS-CEMENT PIPE; C6500 REINFORCED CONCRETE PIPE; C6552 JACKED REINFORCED CONCRETE PIPE; C6591 NON-REINFORCED CONCRETE PIPE; C6650 CORRUGATED METAL PIPE (CSP); C6680 JACKED CORRUGATED STEEL PIPE; C6800 SUBSURFACE DRAIN; C6811 EDGE DRAIN; C6815 HORIZONTAL DRAIN; C6900 DOWNDRAIN; C7000 PLASTIC PIPE; C7006 CORRUGATED STEEL PIPE INLET & RISER; C7026 CORRUGATED STEEL PIPE ENERGY DISSIPATOR; C7035 WELDED STEEL PIPE; C7041 JACKED WELDED STEEL PIPE; C7065 DEBRIS RACK-DRAINAGE GATE; C7112 REINFORCED CONCRETE SEWER PIPE; C7140 CLAY SEWER PIPE; C7160 ASBESTOS-CEMENT SEWER PIPE; C7180 CAST IRON SEWER PIPE; C7191 SEWER MANHOLE; C7194 JUNCTION CHAMBER; C7200 ROCK SLOPE PROTECTION; C7250 SACKED CONCRETE; C9860 WATER METER & TEMP FACILITIES; C9872 SEWER CONNECTION;
M S NAVARRO ENGINEERING	Address Line1	10741 VIKING AVENUE
	Address Line2	
	City	NORTHRIDGE
	State	CA
	Zip Code1	91326
	Area Code	(818)
	Phone Number	368-7262
	Fax Area Code	(818)
	Fax Phone Number	368-7065
	Work Codes	C8740 ELECTRICAL ENGINEERS; C8903 ELECTRICAL; E4910 ELECTRIC SERVICES;

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M. F. VEGA & ASSOCIATES, LLC	Address Line1	3859 REVERE AVE.
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90039
	Area Code	(323)
	Phone Number	363-6161
	Fax Area Code	(323)
	Fax Phone Number	621-7691
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING;
	MANAGEMENT CONSULTING FOR INFRASTRUCTURE, LLC	Address Line1	515 S. FLOWER ST. #3600
Address Line2		
	City	LOS ANGELES
	State	CA
	Zip Code1	90071
	Area Code	(714)
	Phone Number	642-1220
	Fax Area Code	(562)
	Fax Phone Number	683-0324
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING;
	MAROKO & SHWE, INC	Address Line1	1106-B W. MAGNOLIA BLVD.,
Address Line2		
	City	BURBANK
	State	CA
	Zip Code1	91506
	Zip Code2	1812
	Area Code	(818)
	Phone Number	830-1161
	Fax Area Code	(818)
	Fax Phone Number	830-6121

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	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS;
MASTEK INC	Address Line1	1644 S. ADALIA AVE
	Address Line2	
	City	HACIENDA HEIGHTS
	State	CA
	Zip Code1	91745
	Area Code	(626)
	Phone Number	723-4986
	Fax Area Code	(626)
	Fax Phone Number	737-6015
	Work Codes	C8740 ELECTRICAL ENGINEERS; E4910 ELECTRIC SERVICES;
MC LEAN & SCHULTZ, INC.	Address Line1	3040 SATURN STREET, SUITE 105
	Address Line2	
	City	BREA
	State	CA
	Zip Code1	92821
	Zip Code2	6293
	Area Code	(714)
	Phone Number	985-1100
	Fax Area Code	(714)
	Fax Phone Number	985-1105
	Work Codes	C8705 DESIGN; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8730 SAFETY STUDIES;
MDC ENGINEERS, INC	Address Line1	2316 1/2 SOUTH UNION AVENUE #5
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90007
	Area Code	(213)
	Phone Number	746-2844
	Fax Area Code	(213)

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	Fax Phone Number	749-9748
	Work Codes	C8740 ELECTRICAL ENGINEERS;
	Licenses	EE Electrical Engineer ;
MERCADO ASSOCIATES	Address Line1	25583 AVENUE STANFORD
	Address Line2	
	City	VALENCIA
	State	CA
	Zip Code1	91355
	Area Code	(661)
	Phone Number	753-9295
	Fax Area Code	(661)
MING YANG YEH & ASSOCIATES, INC.	Address Line1	131 WEST GREEN STREET
	Address Line2	
	City	PASADENA
	State	CA
	Zip Code1	91105
	Zip Code2	2027
	Area Code	(626)
	Phone Number	449-9886
	Fax Area Code	(626)
	Fax Phone Number	449-9086
	Work Codes	C8710 ENGINEERING; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS;
MKH CONSULTING ENGINEERS	Address Line1	23679 CALABASAS ROAD, #82
	Address Line2	
	City	CALABASAS
	State	CA
	Zip Code1	91302
	Area Code	(818)
	Phone Number	716-1944
	Fax Area Code	(818)
	Fax Phone Number	347-6161

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	Work Codes	C8706 DESIGN BRIDGES; C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; C9801 BUILDING CONSTRUCTION;
MLE ENVIRONMENTAL TECHNOLOGIES, INC.	Address Line1	11511 RAGUSA DRIVE
	Address Line2	
	City	RANCHO CUCAMONGA
	State	CA
	Zip Code1	91701
	Zip Code2	
	Mailing Address Line1	PO BOX 4606
	Mailing Address Line2	
	Mailing City	RANCHO CUCAMONGA
	Mailing State	CA
	Mailing Zip Code1	91729
	Area Code	(909)
	Phone Number	989-7191
	Fax Area Code	(909)
	Fax Phone Number	989-4791
	Work Codes	C1601 CLEARING & GRUBBING; C1901 ROADWAY EXCAVATION; C1920 STRUCTURE EXCAVATION; C1930 STRUCTURE BACKFILL; C1940 DITCHES EXCAVATION; C8700 CONSULTANT, NON ENGINEERING; C8730 SAFETY STUDIES; C9980 DEMOLITION; E4954 HAZARDOUS WASTE COLLECTION AND DISPOSAL; J9510 ENVIRONMENTAL QUALITY;
MICRON ENVIRONMENTAL LABS	Address Line1	3567 LEXINGTON AVE.,
	Address Line2	
	City	EL MONTE
	State	CA
	Zip Code1	91731
	Area Code	(626)
	Phone Number	454-4782
	Fax Area Code	(626)
	Fax Phone Number	454-4849
	Work Codes	I8734 LABORATORY TESTING AND ANALYSIS;

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MURTHY TRANSPORTATION	Address Line1	2832 ALDERBERRY CT
	Address Line2	
	City	FULLERTON
	State	CA
	Zip Code1	92835
	Area Code	(714)
	Phone Number	674-0545
	Fax Area Code	(714)
	Fax Phone Number	774-4620
	Work Codes	C8603 SIGNAL; C8703 TRAFFIC ENGINEER; C8715 CONSULTANT, ENGINEERING;
MVR CONSULTING	Address Line1	34967 HAGEN HEIGHTS
	Address Line2	
	City	BEAUMONT
	State	CA
	Zip Code1	92223
	Zip Code2	7433
	Area Code	(951)
	Phone Number	845-4391
	Fax Area Code	(951)
	Fax Phone Number	845-3421
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; E4110 LOCAL & SUBURBAN TRANSPORTATION; E4952 SEWERAGE SYSTEMS; I8730 RESEARCH & TESTING SERVICES; J9510 ENVIRONMENTAL QUALITY; J9530 HOUSING & URBAN DEVELOPMENT; J9620 REGULATIONS, ADMIN. OF TRANSPORTATION;
OPTIMAL HYDRO ENGINEERING, INC.	Address Line1	400 CONTINENTAL BLVD. #600
	Address Line2	
	City	EL SEGUNDO
	State	CA
	Zip Code1	90245
	Area Code	(626)
	Phone Number	348-6264
	Work Codes	C8710 ENGINEERING;

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ORTIZ ASPHALT PAVING, INC	Address Line1	382 EAST ORANGE SHOW ROAD
	Address Line2	
	City	SAN BERNARDINO
	State	CA
	Zip Code1	92408
	Zip Code2	
	Mailing Address Line1	P O BOX 883
	Mailing Address Line2	
	Mailing City	COLTON
	Mailing State	CA
	Mailing Zip Code1	92324
	Area Code	(909)
	Phone Number	386-1200
	Fax Area Code	(909)
	Fax Phone Number	386-1288
Work Codes	C0639 ASPHALT; C1910 GRADING; C3901 ASPHALT CONCRETE; C3910 PAVING ASPHALT (ASPHALT CONCRETE); C3930 PAVEMENT REINFORCING FABRIC; C3940 PLACE ASPHALT CONCRETE DIKE & MISC;	
OSTOVANI & ASSOCIATES, INC.	Address Line1	481-B E. WHITTIER BLVD.
	Address Line2	
	City	LA HABRA
	State	CA
	Zip Code1	90631
	Area Code	(562)
	Phone Number	691-1426
	Fax Area Code	(562)
	Fax Phone Number	691-9831
	Work Codes	C8710 ENGINEERING; C8740 ELECTRICAL ENGINEERS; C9801 BUILDING CONSTRUCTION;
P.A. ARCA ENGINEERING, INC.	Address Line1	500 E. CARSON PLAZA DRIVE, SUITE #201
	Address Line2	
	City	CARSON

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	State	CA
	Zip Code1	90746
	Area Code	(310)
	Phone Number	768-3828
	Fax Area Code	(310)
	Fax Phone Number	878-6940
	Work Codes	C8710 ENGINEERING;
PACIFIC MARINE CONSTRUCTION CO	Address Line1	33260 ZELLAR STREET
	Address Line2	
	City	LAKE ELSINORE
	State	CA
	Zip Code1	92530
	Area Code	(951)
	Phone Number	678-5872
	Fax Area Code	(951)
	Fax Phone Number	678-5872
	Work Codes	C9801 BUILDING CONSTRUCTION;
PACRIM ENGINEERING	Address Line1	233 W. CERRITOS AVENUE
	Address Line2	
	City	ANAHEIM
	State	CA
	Zip Code1	92805
	Area Code	(714)
	Phone Number	683-0470
	Fax Area Code	(714)
	Fax Phone Number	683-0460
	Work Codes	C8705 DESIGN; C8706 DESIGN BRIDGES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8746 STRUCTURAL ENGINEER; C8771 Construction Management - Commercial and Institutional Building Construction; C8773 Construction Management - Highway, Street and Bridge Construction; C8776 Construction Management - Other Heavy and Civil Construction; C8783 Engineering - Structural;

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PALENCIA CONSULTING ENGINEERS	Address Line1	2837 LEMONWOOD COURT
	Address Line2	
	City	FULLERTON
	State	CA
	Zip Code1	92835
	Area Code	(714)
	Phone Number	293-7033
	Fax Area Code	(714)
	Fax Phone Number	671-9966
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING;
PBS ENGINEERS, INC.	Address Line1	2100 E. ROUTE 66, SUITE 101
	Address Line2	
	City	GLENDORA
	State	CA
	Zip Code1	91740
	Zip Code2	
	Mailing Address Line1	2100 E ROUTE 66, SUITE 101
	Mailing Address Line2	
	Mailing City	GLENDORA
	Mailing State	CA
	Mailing Zip Code1	91740
	Area Code	(626)
	Phone Number	650-0350
	Fax Area Code	(626)
	Fax Phone Number	650-0352
	Work Codes	C8710 ENGINEERING; C8740 ELECTRICAL ENGINEERS;
PINA STRUCTURAL ENGINEERING	Address Line1	2218A MARSHALLFIELD LANE
	Address Line2	
	City	REDONDO BEACH
	State	CA
	Zip Code1	90278

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	Area Code	(310)
	Phone Number	372-9455
	Fax Area Code	(310)
	Fax Phone Number	372-6944
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING;
PLAN CHECK ASSOCIATES, INC.	Address Line1	1051 N. MEADS
	Address Line2	
	City	ORANGE
	State	CA
	Zip Code1	92869
	Zip Code2	
	Mailing Address Line1	3419 E. CHAPMAN AVE #480
	Mailing Address Line2	
	Mailing City	ORANGE
	Mailing State	CA
	Mailing Zip Code1	92869
	Mailing Zip Code2	
	Certification Type	DBE
	Area Code	(714)
	Phone Number	538-0933
	Work Codes	C8704 ARCHITECTURAL; C8707 FEASIBILITY STUDIES; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8746 STRUCTURAL ENGINEER;
PMK ASSOCIATES, INC	Address Line1	23 BENAVENTE
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92606
	Certification Type	DBE
	EMail	peterkimpmk@yahoo.com
	Contact Name	PETER KIM
	Area Code	(949)
	Phone Number	466-3126
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES;

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POLARIS ADVANCED ENGINEERING	Address Line1	480 ANDERWOOD CT STE # 7
	Address Line2	
	City	POMONA
	State	CA
	Zip Code1	91768
	Area Code	(909)
	Phone Number	620-1546
	Fax Area Code	(909)
	Fax Phone Number	629-8851
	Work Codes	C8707 FEASIBILITY STUDIES; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES;
Licenses	EC Civil Engineer;	
POWER-TECH ENGINEERS, INC.	Address Line1	355 S. LEMON AVE., STE. A
	Address Line2	
	City	WALNUT
	State	CA
	Zip Code1	91789
	Area Code	(909)
	Phone Number	595-5314
	Fax Area Code	(909)
	Fax Phone Number	595-5314
	Work Codes	C8710 ENGINEERING; C8740 ELECTRICAL ENGINEERS; C8903 ELECTRICAL;
PRAAD GEOTECHNICAL, INC.	Address Line1	5465 S. CENTINELA AVENUE
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90066
	Area Code	(310)
	Phone Number	313-3111
	Fax Area Code	(310)
	Fax Phone Number	313-4441

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	Work Codes	C8780 Engineering - Geotechnical; I8734 LABORATORY TESTING AND ANALYSIS;
PROCESS PROFILES	Address Line1	5657 RUTHWOOD DRIVE
	Address Line2	
	City	CALABASAS
	State	CA
	Zip Code1	91302
	Zip Code2	
	Mailing Address Line1	P. O. BOX 8264
	Mailing Address Line2	
	Mailing City	CALABASAS
	Mailing State	CA
	Mailing Zip Code1	91372
	Area Code	(818)
	Phone Number	878-0454
	Work Codes	C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8721 RIGHT OF WAY ENGINEER; C8730 SAFETY STUDIES; I8730 RESEARCH & TESTING SERVICES; J9510 ENVIRONMENTAL QUALITY;
PROJECT PARTNERS, INC.	Address Line1	18301 VON KARMAN STREET, STE. 340
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92612
	Area Code	(949)
	Phone Number	852-9300
	Fax Area Code	(949)
	Fax Phone Number	582-9322
	Work Codes	A0780 LANDSCAPE & HORTICULTURAL SERVICES; C0612 SAFETY; C8701 BUSINESS ADMINISTRATION; C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8715 CONSULTANT, ENGINEERING; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; I7360 PERSONNEL SUPPLY SERVICES;
RAMOS CONSULTING SERVICES, INC.	Address Line1	2275 HUNTINGTON DRIVE #448
	Address Line2	

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	City	SAN MARINO
	State	CA
	Zip Code1	91108
	Area Code	(626)
	Phone Number	905-4888
	Fax Area Code	(626)
	Fax Phone Number	689-2383
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C8705 DESIGN; C8711 COMPUTER; C8720 CIVIL ENGINEERING; C8765 DRAFTING;
RANI ENGINEERING, INC.	Address Line1	2170 W. ESTHER ST.
	Address Line2	
	City	LONG BEACH
	State	CA
	Zip Code1	90813
	Area Code	(562)
	Phone Number	314-8766
	Fax Area Code	(562)
	Fax Phone Number	436-0328
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8760 SURVEYOR; C8765 DRAFTING; J9510 ENVIRONMENTAL QUALITY;
RIO JORDAN CONSTRUCTION	Address Line1	7432 LEMORAN AVE
	Address Line2	
	City	PICO RIVERA
	State	CA
	Zip Code1	90660
	Area Code	(562)
	Phone Number	942-0228
	Fax Area Code	(888)
	Fax Phone Number	308-0936
	Work Codes	C0651 CONCRETE & CEMENT; C3901 ASPHALT CONCRETE; C5110 CONCRETE SURFACE FINISH; C5135 CONCRETE BLOCK & MASONRY RETAINING WALL;
R K M CONSULTING ENGINEERS, INC.	Address Line1	215 W. POMONA BLVD., #209

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	Address Line2	
	City	MONTEREY PARK
	State	CA
	Zip Code1	91754
	Area Code	(323)
	Phone Number	727-0416
	Fax Area Code	(323)
	Fax Phone Number	727-9923
	Work Codes	C8710 ENGINEERING; C8742 MECHANICAL ENGINEERS; C8765 DRAFTING;
ROBERT'S BACKHOE SERVICE, INC.	Address Line1	32987 TURTLE DOVE DRIVE
	Address Line2	
	City	LAKE ELSINORE
	State	CA
	Zip Code1	92530
	Area Code	(909)
	Phone Number	678-0813
	Fax Area Code	(909)
	Fax Phone Number	678-5957
	Work Codes	C6200 ALTERNATIVE PIPE CULVERT; C7035 WELDED STEEL PIPE;
R Z GROUP	Address Line1	2121 PINECREST DRIVE
	Address Line2	
	City	ALTADENA
	State	CA
	Zip Code1	91001
	Area Code	(626)
	Phone Number	696-9500
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER;
S P E C S CIVIL, INC.	Address Line1	7253 COTTAGE GROVE DRIVE
	Address Line2	
	City	CORONA
	State	CA
	Zip Code1	92880

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	Area Code	(951)
	Phone Number	217-3007
	Fax Area Code	(951)
	Fax Phone Number	824-9520
	Work Codes	C8720 CIVIL ENGINEERING; C8760 SURVEYOR;
S Y LEE ASSOCIATES, INC.	Address Line1	216 S. JACKSON ST. #101
	Address Line2	
	City	GLENDALE
	State	CA
	Zip Code1	91205
	Contact Name	SANG YONG LEE
	Area Code	(818)
	Phone Number	242-2800
	Fax Area Code	(818)
	Fax Phone Number	244-4341
	Work Codes	C8710 ENGINEERING;
S&K ENGINEERS	Address Line1	421 E. HUNTINGTON DRIVE
	Address Line2	
	City	MONROVIA
	State	CA
	Zip Code1	91016
	Area Code	(626)
	Phone Number	930-1383
	Fax Area Code	(626)
	Fax Phone Number	930-1385
	Work Codes	C8742 MECHANICAL ENGINEERS;
S & T ENGINEERING INC.	Address Line1	15437 PROCTOR AVE
	Address Line2	
	City	CITY OF INDUSTRY
	State	CA
	Zip Code1	91745
	Area Code	(626)

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	Phone Number	961-4534
	Fax Area Code	(626)
	Fax Phone Number	961-4535
	Work Codes	18734 LABORATORY TESTING AND ANALYSIS;
S2 ENGINEERING	Address Line1	8608 UTICA AVENUE
	Address Line2	SUITE 100
	City	RANCHO CUCAMONGA
	State	CA
	Zip Code1	91701
	Area Code	(909)
	Phone Number	373-8240
	Fax Area Code	(909)
	Fax Phone Number	373-8241
	Work Codes	C8702 MANAGEMENT INFORMATION SYSTEMS; C8703 TRAFFIC ENGINEER; C8715 CONSULTANT, ENGINEERING; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8770 CONSTRUCTION MANAGEMENT; 18734 LABORATORY TESTING AND ANALYSIS;
SA ASSOCIATES (CORP)	Address Line1	1130 W. HUNTINGTON DRIVE, UNIT 12
	Address Line2	
	City	ARCADIA
	State	CA
	Zip Code1	91007
	Area Code	(626)
	Phone Number	821-3456
	Fax Area Code	(626)
	Fax Phone Number	445-1461
	Work Codes	C8710 ENGINEERING;
SABA ENGINEER & ASSOCIATES	Address Line1	6644 GOLDEN OAK LANE
	Address Line2	
	City	FONTANA
	State	CA
	Zip Code1	92336
	Area Code	(909)

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	Phone Number	471-0326
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8765 DRAFTING;
SAFEPROBE, INC.	Address Line1	3424 WILSHIRE BLVD., SUITE 1108
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90010
	Area Code	(213)
	Phone Number	251-5960
	Fax Area Code	(213)
	Fax Phone Number	258-5966
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING;
SAMROD CORPORATION	Address Line1	151 EAST AVE., H-8
	Address Line2	
	City	LANCASTER
	State	CA
	Zip Code1	93535
	Area Code	(661)
	Phone Number	945-3602
	Fax Area Code	(661)
	Fax Phone Number	949-8536
	Work Codes	C1575 REMOVE BRIDGE ITEM; C1580 MODIFY BRIDGE ITEM; C2800 CONCRETE BASE; C9801 BUILDING CONSTRUCTION; C9846 ADDITIONS, ALTERATIONS OR REPAIRS;
SARAKKI ASSOCIATES	Address Line1	9841 IRVINE CENTER DRIVE, SUITE 203
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92618
	Zip Code2	4315
	Area Code	(949)
	Phone Number	851-3000
	Fax Area Code	(949)

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	Fax Phone Number	851-3055
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; I7371 COMPUTER PROGRAMMING; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS;
S C ENVIRONMENTAL, INC.	Address Line1	3637 HONEYGLEN WAY
	Address Line2	
	City	ONTARIO
	State	CA
	Zip Code1	91761
	Area Code	(909)
	Phone Number	947-4859
	Fax Area Code	(909)
	Fax Phone Number	947-6640
	Work Codes	C2065 IRRIGATION SYSTEM; C8700 CONSULTANT, NON ENGINEERING; C8770 CONSTRUCTION MANAGEMENT; E4940 WATER SUPPLY; J9510 ENVIRONMENTAL QUALITY;
SAFEWORK, INC.	Address Line1	20750 VENTURA BOULEVARD, SUITE 330
	Address Line2	
	City	WOODLAND HILLS
	State	CA
	Zip Code1	91364
	Area Code	(818)
	Phone Number	716-0384
	Fax Area Code	(818)
	Fax Phone Number	703-6486
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C9801 BUILDING CONSTRUCTION; E4952 SEWERAGE SYSTEMS;
SEPULVEDA CONSTRUCTION, INC.	Address Line1	233 W. CERRITOS AVENUE,
	Address Line2	
	City	ANAHEIM
	State	CA
	Zip Code1	92805
	Area Code	(714)

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	Phone Number	683-0471
	Fax Area Code	(714)
	Fax Phone Number	683-1105
SIMPLEX CONSTRUCTION MANAGEMENT, INC.	Address Line1	970 N. TUSTIN AVE., SUITE 201
	Address Line2	
	City	ANAHEIM
	State	CA
	Zip Code1	92807
	Area Code	(714)
	Phone Number	575-1148
	Fax Area Code	(714)
	Fax Phone Number	575-1149
	Work Codes	C8770 CONSTRUCTION MANAGEMENT;
SOL CONSTRUCTION, INC.	Address Line1	1600 CHICAGO AVE., SUITE R #2
	Address Line2	
	City	RIVERSIDE
	State	CA
	Zip Code1	92507
	Zip Code2	
	Mailing Address Line1	231 E ALESSANDRO BLVD. A445
	Mailing Address Line2	
	Mailing City	RIVERSIDE
	Mailing State	CA
	Mailing Zip Code1	92508
	Area Code	(951)
	Phone Number	653-1155
	Fax Area Code	(951)
	Fax Phone Number	653-1116
	Work Codes	C1575 REMOVE BRIDGE ITEM; C1580 MODIFY BRIDGE ITEM; C5110 CONCRETE SURFACE FINISH; C5135 CONCRETE BLOCK & MASONRY RETAINING WALL; C5150 CORE CONCRETE - REPAIR BRIDGE DECK;

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SOLIS GROUP, THE	Address Line1	145 VISTA AVENUE #104
	Address Line2	
	City	PASADENA
	State	CA
	Zip Code1	91107
	Area Code	(626)
	Phone Number	685-6989
	Fax Area Code	(626)
	Fax Phone Number	685-6985
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C9802 BUILDING CONSTRUCTION; J9510 ENVIRONMENTAL QUALITY;
	Fax Area Code	(213)
	Fax Phone Number	489-3761
	Work Codes	D3710 MOTOR VEHICLES & EQUIPMENT; E4150 SCHOOL BUSES;
STORMS & LOWE ASSOCIATES	Address Line1	9841 AIRPORT BLVD., SUITE 150
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90045
	Area Code	(310)
	Phone Number	665-0600
	Fax Area Code	(310)
	Fax Phone Number	665-0606
	Work Codes	C8710 ENGINEERING; C8742 MECHANICAL ENGINEERS;
SUMMIT CONSULTING AND ENGINEERING, INC.	Address Line1	300 N. LAKE AVE., STE. 320
	Address Line2	
	City	PASADENA
	State	CA
	Zip Code1	91101
	Area Code	(626)
	Phone Number	449-9052
	Fax Area Code	(626)

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	Fax Phone Number	584-0151
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING;
SUPER SEAL & STRIPE, INC	Address Line1	310 A STREET
	Address Line2	
	City	FILLMORE
	State	CA
	Zip Code1	93015
	Zip Code2	
	Mailing Address Line1	PO BOS 755
	Mailing Address Line2	
	Mailing City	FILLMORE
	Mailing State	CA
	Mailing Zip Code1	93016
	Area Code	(805)
	Phone Number	524-7345
	Fax Area Code	(805)
	Fax Phone Number	524-7428
	Work Codes	C3701 SEAL COAT; C5601 SIGN STRUCTURE; C5620 ROADSIDE SIGN; C8201 OBJECT MARKER; C8406 PAINTED TRAFFIC STRIPE & MARKING; C8501 PAVEMENT MARKING; C9906 SANDBLASTING;
SUSTAINABLE CIVIL ENGINEERING SOLUTIONS, INC.	Address Line1	5 BERGAMO
	Address Line2	
	City	IRVINE
	State	CA
	Zip Code1	92614
	Area Code	(949)
	Phone Number	221-8669
	Work Codes	C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING;
T & B ENGINEERING, INC	Address Line1	4344 LATHAM STREET, STE. 100
	Address Line2	

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	City	RIVERSIDE
	State	CA
	Zip Code1	92501
	Area Code	(951)
	Phone Number	684-6200
	Fax Area Code	(951)
	Fax Phone Number	684-6226
	Work Codes	C8705 DESIGN; C8720 CIVIL ENGINEERING; C8746 STRUCTURAL ENGINEER; C8765 DRAFTING; C8783 Engineering - Structural;
TGR GEOTECHNICAL, INC.	Address Line1	3037 S. HARBOR BLVD.
	Address Line2	
	City	SANTA ANA
	State	CA
	Zip Code1	92704
	Zip Code2	
	Mailing Address Line1	3037 S. HARBOR BLVD.
	Mailing Address Line2	
	Mailing City	SANTA ANA
	Mailing State	CA
	Mailing Zip Code1	92704
	Area Code	(714)
	Phone Number	641-7189
	Fax Area Code	(714)
	Fax Phone Number	641-7190
	Work Codes	C8720 CIVIL ENGINEERING; I8734 LABORATORY TESTING AND ANALYSIS;
THE NICKERSON COMPANY	Address Line1	6820 LATIJERA BLVD. #210
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90045
	Zip Code2	
	Mailing Address Line1	3680 W CHAPMAN LANE

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	Mailing Address Line2	.
	Mailing City	INGLEWOOD
	Mailing State	CA
	Mailing Zip Code1	90305
	Area Code	(310)
	Phone Number	338-0809
	Fax Area Code	(310)
	Fax Phone Number	338-0822
	Work Codes	C8770 CONSTRUCTION MANAGEMENT;
THINKPLANET CORPORATION	Address Line1	169 S. DONNA CT.
	Address Line2	
	City	ANAHEIM
	State	CA
	Zip Code1	92807
	Zip Code2	
	Mailing Address Line1	PO BOX 4178
	Mailing Address Line2	
	Mailing City	FULLERTON
	Mailing State	CA
	Mailing Zip Code1	92834
	Area Code	(714)
	Phone Number	350-4160
	Work Codes	C8740 ELECTRICAL ENGINEERS;
TM ENGINEERS, INC	Address Line1	226 AVENIDA DEL MAR
	Address Line2	
	City	SAN CLEMENTE
	State	CA
	Zip Code1	92672
	Area Code	(949)
	Phone Number	361-0618
	Fax Area Code	(949)
	Fax Phone Number	361-0754

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	Work Codes	C8710 ENGINEERING; C9801 BUILDING CONSTRUCTION; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS;
TOYAMA & ASSOCIATES	Address Line1	21741 CENTURIAN WAY
	Address Line2	
	City	SANTA CLARITA
	State	CA
	Zip Code1	91350
	Zip Code2	1667
	Mailing Address Line1	P.O. BOX 801719
	Mailing Address Line2	
	Mailing City	SANTA CLARITA
	Mailing State	CA
	Mailing Zip Code1	91380
	Area Code	(661)
	Phone Number	296-3880
	Fax Area Code	(661)
	Fax Phone Number	296-0072
	Work Codes	C8742 MECHANICAL ENGINEERS;
TRAFFIC CONTROL ENGINEERING, INC.	Address Line1	231 E. IMPERIAL HWY., SUITE #241
	Address Line2	
	City	FULLERTON
	State	CA
	Zip Code1	92835
	Area Code	(714)
	Phone Number	447-6077
	Fax Area Code	(714)
	Fax Phone Number	447-6081
	Work Codes	C8710 ENGINEERING;
	Licenses	EC Civil Engineer; ET Traffic Engineer;
TRANSGLOBAL ENGINEERING, INC.	Address Line1	110 RETREAT
	Address Line2	

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	City	IRVINE
	State	CA
	Zip Code1	92603
	Area Code	(949)
	Phone Number	300-9397
	Fax Area Code	(949)
	Fax Phone Number	737-7643
	Work Codes	C8720 CIVIL ENGINEERING;
	Licenses	EC Civil Engineer;
TREZOS & COMPANY, INCORPORATED	Address Line1	6732 KARIN PLACE
	Address Line2	
	City	SAN GABRIEL
	State	CA
	Zip Code1	91775
	Zip Code2	
	Mailing Address Line1	P.O. BOX 80614
	Mailing Address Line2	
	Mailing City	SAN MARINO
	Mailing State	CA
	Mailing Zip Code1	91118
	Area Code	(626)
	Phone Number	695-9712
	Fax Area Code	(626)
	Fax Phone Number	287-8071
	Work Codes	C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8770 CONSTRUCTION MANAGEMENT;
UGE & ECS, INC.	Address Line1	550 N. FIGUEROA ST., UNIT 6036
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90012
	Area Code	(213)
	Phone Number	625-1016

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	Fax Area Code	(231)
	Fax Phone Number	862-6879
	Work Codes	C8700 CONSULTANT, NON ENGINEERING; C9801 BUILDING CONSTRUCTION; C9903 CONSTRUCTION CLEAN UP;
UNIPLAN ENGINEERING, INC.	Address Line1	550 CARSON PLAZA DRIVE, SUITE 116
	Address Line2	
	City	CARSON
	State	CA
	Zip Code1	90746
	Area Code	(310)
	Phone Number	523-3993
	Fax Area Code	(310)
	Fax Phone Number	523-3994
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS;
V & V CONSULTING	Address Line1	18218 SANTA LAURETTA ST.
	Address Line2	
	City	FOUNTAIN VALLEY
	State	CA
	Zip Code1	92708
	Area Code	(714)
	Phone Number	968-7476
	Fax Area Code	(714)
	Fax Phone Number	968-7476
	Work Codes	C8700 CONSULTANT, NON ENGINEERING;
V A P CONSTRUCTION INC	Address Line1	16425 ILLUSION WAY
	Address Line2	
	City	LA MIRADA
	State	CA
	Zip Code1	90638
	Area Code	(714)
	Phone Number	253-3270

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	Fax Area Code	(714)
	Fax Phone Number	551-9420
	Work Codes	C0651 CONCRETE & CEMENT; C7301 CONCRETE CURB & SIDEWALK - MISC; C8331 CONCRETE BARRIER;
V C A ENGINEERS, INC.	Address Line1	3951 MEDFORD STREET
	Address Line2	
	City	LOS ANGELES
	State	CA
	Zip Code1	90063
	Area Code	(323)
	Phone Number	729-6098
	Fax Area Code	(323)
	Fax Phone Number	729-6043
	Work Codes	C8720 CIVIL ENGINEERING; C8746 STRUCTURAL ENGINEER;
	Licenses	EC Civil Engineer; EST Structural Engineer;
VLG ENGINEERING	Address Line1	23142 MOULTON PKWY #240
	Address Line2	
	City	LAGUNA HILLS
	State	CA
	Zip Code1	92653
	Area Code	(949)
	Phone Number	455-1559
	Fax Area Code	(949)
	Fax Phone Number	455-1818
	Work Codes	A0780 LANDSCAPE & HORTICULTURAL SERVICES; C0612 SAFETY; C8701 BUSINESS ADMINISTRATION; C8702 MANAGEMENT INFORMATION SYSTEMS; C8703 TRAFFIC ENGINEER; C8704 ARCHITECTURAL; C8705 DESIGN; C8706 DESIGN BRIDGES; C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS; I7373 INTEGRATED SYSTEMS & CAD/CAM SYSTEMS; I8740 MANAGEMENT & PUBLIC RELATIONS; I8990 SERVICES, NEC;
VSL ENGINEERING	Address Line1	31805 TEMECULA PARKWAY, SUITE 129
	Address Line2	
	City	TEMECULA
	State	CA

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	Zip Code1	92592
	Area Code	(951)
	Phone Number	296-3930
	Fax Area Code	(888)
	Fax Phone Number	537-1396
	Work Codes	C8720 CIVIL ENGINEERING;
W R C CONSULTING SERVICES, INC	Address Line1	1800 E. GARRY AVENUE, SUITE 213
	Address Line2	
	City	SANTA ANA
	State	CA
	Zip Code1	92705
	Area Code	(949)
	Phone Number	833-8388
	Fax Area Code	(949)
	Fax Phone Number	833-8380
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8742 MECHANICAL ENGINEERS;
WAGNER ENGINEERING & SURVEY, INC	Address Line1	16933 PARTHENIA ST., STE. 100
	Address Line2	
	City	NORTHRIDGE
	State	CA
	Zip Code1	91343
	Area Code	(818)
	Phone Number	892-6565
	Fax Area Code	(818)
	Fax Phone Number	892-6611
	Work Codes	C8710 ENGINEERING; C8720 CIVIL ENGINEERING; C8760 SURVEYOR; C9826 LAND SURVEYING;
WESTERN E. GROUP	Address Line1	1237 S. EUCLID ST., SUITE C
	Area Code	(714)
	Phone Number	491-0786

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	Fax Area Code	(714)
	Fax Phone Number	491-9786
	Work Codes	C8740 ELECTRICAL ENGINEERS; C8903 ELECTRICAL;
WILTEC	Address Line1	610 N. LAKE AVE.
	Address Line2	
	City	PASADENA
	State	CA
	Zip Code1	91105
	Area Code	(626)
	Phone Number	564-1944
	Fax Area Code	(626)
	Fax Phone Number	564-0969
	Work Codes	C8703 TRAFFIC ENGINEER; C8707 FEASIBILITY STUDIES; C8716 ARCHITECTURAL ENGINEER; C8720 CIVIL ENGINEERING; C8730 SAFETY STUDIES; C8740 ELECTRICAL ENGINEERS; C8742 MECHANICAL ENGINEERS;
YOUNG ENGINEERS & CONTRACTORS	Address Line1	21060 RUNNING BRANCH RD.
	Address Line2	
	City	DIAMOND BAR
	State	CA
	Zip Code1	91765
	Area Code	(909)
	Phone Number	860-2881
	Fax Area Code	(909)
	Fax Phone Number	860-2881
	Work Codes	C8707 FEASIBILITY STUDIES; C8710 ENGINEERING; C8715 CONSULTANT, ENGINEERING; C8720 CIVIL ENGINEERING; C8722 ENVIRONMENTAL ENGINEER; C8730 SAFETY STUDIES; C8770 CONSTRUCTION MANAGEMENT;

Attachment 3
Monitoring and Enforcement Mechanisms/Legal Remedies

Monitoring and Enforcement: 26.29(d)

The City of Commerce will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26.

1. We will bring to the attention of the Department of Transportation any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 26.109.
2. We will consider similar action under our own legal authorities, including responsibility determinations in future contracts. Attachment 3 lists the regulation, provisions, and contract remedies available to us in the events of non-compliance with the DBE regulation by a participant in our procurement activities.
3. We will also provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award is actually performed by the DBEs. This will be accomplished by review of certified payroll of all subcontractors, including DBEs, and will include written certification that we have reviewed contracting records and monitored work sites on which DBEs are performing. This will occur for each contract/project on which DBEs are participating.
4. We will keep a running tally of actual payments to DBE firms for work committed to them at the time of contract award.

Attachment 4
Section 26.45: Overall Goal Calculation

ATTACHMENT 4
Goal Setting Methodology

I. Executive Summary:

The City of Commerce submits this Triennial goal and methodology to the Federal Transit Administration (FTA) pursuant to 49 Code of Federal Regulation (CFR) section 26.45 for federally assisted transit contracts. For the current Triennial period, the City of Commerce has established an overall Disadvantaged Business Enterprise (DBE) Program goal of 5.8 percent, without any Step Two adjustments. This overall goal is expected to be achieved through 5.8 percent race-neutral measures.

II. Goal-Setting Methodology – Section 26.45:

The City of Commerce followed a two-step process for setting its overall DBE goal.

- Step One describes the calculation of a base figure for the relative availability of DBEs.
- Step Two is the examination of all evidence available to determine if an adjustment to the base figure is needed to arrive at the overall goal.

A. Step One Base Figure – Section 26.45 (c)

City of Commerce Contracts for Federal Transit and Highway Projects:

WORK CATEGORY	AGENCY	NAICS WORK CODES	FEDERAL FUNDING
Garfield Avenue Street Rehabilitation Project (Telegraph Rd to Malt Ave)	FHWA	237310 541330 541380	\$122,000
Washington Boulevard Road Widening and Reconstruction Project	FHWA	237310 541330 541380	\$2,702,000
Sheila Street and Commerce Way Rehabilitation Project	FHWA	237310 541330 541380	\$490,000
Garfield Avenue at Slauson Avenue Intersection Project	FHWA	237310 541330 541380	\$475,000
Washington Blvd. Median Improvement (HSIP Grant)	FHWA	237310 541330 541380	\$254,100
Garfield Avenue Street Improvements (Gage Ave to Ferguson Dr)	FHWA	237310 541330 541380	\$499,915
Bus Shelters (FTA GRANT ID 90-Y671)	FTA	485113 336510 237990	\$ 667,533
Medi Ride (FTA GRANT ID CA-03-0593)	FTA	485113	\$ 500,000

		336510 237990	
Bus Expansion (FTA GRANT ID CA-03-0593)	FTA	485113 336510 237990	\$ 554,000
Bus Replacement (FTA GRANT ID CA-03-0593)	FTA	485113 336510 237990	\$ 554,000
ADA Equip. (FTA GRANT ID CA-03-0593)	FTA	485113 336510 237990	\$ 123,000
Ass. Capital (FTA GRANT ID CA-03-0593)	FTA	485113 336510 237990	\$ 323,650
Bus Lift (FTA GRANT ID CA-90-Y847)	FTA	485113 336510 237990	\$ 120,000
Bus Washer (FTA GRANT ID CA-90-Y847)	FTA	485113 336510 237990	\$ 284,000
Paint Facility (FTA GRANT ID CA-90-Y847)	FTA	485113 336510 237990	\$ 90,000
ADP Software (FTA GRANT ID CA-96-X072)	FTA	485113 336510 237990	\$ 165,000
TOTALS			\$7,924,198

The following represents the City of Commerce Projected federally funded contract and expenditures by NAICS code for the Triennial period.

NAICS WORK CODE	NAICS DESCRIPTION	CODE	ESTIMATED DOLLAR VALUE	% OF FEDERAL FUNDING BY WORK CATEGORY	WEIGHT BY NAICS WORK CODE
237310	Highway, Street, and Bridge Construction		\$4,088,713	51.60	0.5160
541330	Engineering Services		\$369,302	4.66	0.0466
541380	Testing Laboratories		\$85,000	1.07	0.0170
485113	Bus Transit Systems (Except Mixed Mode)		\$2,366,828	29.87	0.2987
336510	Rapid Transit Cars and Equipment Manufacturer		\$676,237	8.53	0.0853
237990	Construction Management, Mass Transit		\$338,118	4.27	0.0427
TOTAL			\$	100.0%	1.000

DBE Firms (Numerator Calculations):

The next step in the calculation is to determine the total number of DBE's in our market area willing to perform work by each NAICS work category. We looked up the related work code on the California Unified Certification Program (CUCP) website <http://www.dot.ca.gov/ucp/GetLicenseForm.do> using the following query criteria. The number of DBE firms that we're able to perform these projects per NAICS work category are as follows:

NAICS Category: 23 Construction
NAICS Work Category: 237310 Highway, Street, and Bridge Construction
County: Los Angeles, Orange, Riverside, San Bernardino
Licenses: C08 Concrete Contractors, C10 Electrical Contractor, C12 Earthwork and Paving Contractor, C27 Landscaping Contractor, C31 Construction Zone Traffic Control Contractor, C32 Parking and Highway Improvement Contractor, D42 Sign Installation, D63 Construction Cleanup
Firm Type: DBE

The search returned 41 records of DBE's available to do work in this NAICS work category. After, we checked the list to select those located within the Market Area counties, we found 18 companies within our market area.

NAICS Category: 54 Professional, Scientific, and Technical Services
NAICS Work Category: 541330 Engineering Services
County: Los Angeles, Orange, Riverside, San Bernardino
Firm Type: DBE

The search returned 334 records of DBE's available to do work in this NAICS work category. After, we checked the list to select those located within the Market Area counties, we found 155 companies within our market area.

NAICS Category: 54 Professional, Scientific, and Technical Services
NAICS Work Category: 541380 Testing Laboratories
County: Los Angeles, Orange, Riverside, San Bernardino
Firm Type: DBE

The search returned 53 records of DBE's available to do work in this NAICS work category. After, we checked the list to select those located within the Market Area counties, we found 29 companies within our market area.

NAICS Category: 48 Transportation and Warehousing
NAICS Work Category: 485113 Bus and other Motor Vehicle Transit
County: Los Angeles, Orange, Riverside, San Bernardino
Firm Type: DBE

The search returned 4 records of DBE's available to do work in this NAICS work category. After, we checked the list to select those located within the Market Area counties, we found 4 companies within our market area.

NAICS Category: 33 Manufacturing
NAICS Work Category: 336510 Railroad Rolling Stock Manufacturers

County: Los Angeles, Orange, Riverside, San Bernardino
 Firm Type: DBE

The search returned 4 records of DBE's available to do work in this NAICS work category. After, we checked the list to select those located within the Market Area counties, we found 1 company within our market area.

NAICS Category: 23 Construction
 NAICS Work Category: 237990 Other Heavy and Civil Engineering Construction
 County: Los Angeles, Orange, Riverside, San Bernardino
 Firm Type: DBE

The search returned 93 records of DBE's available to do work in this NAICS work category. After, we checked the list to select those located within the Market Area counties, we found 49 companies within our market area.

Total Number of Firms (Denominator Calculations):

For the NAICS Work Categories identified for the Numerator, we identified the **total firms** by NAICS work category in the same market area (Los Angeles, Orange, Riverside, and San Bernardino Counties) that are willing to perform this work. The information was found by going to the following website <http://censtats.census.gov/cbpnaic/cbpnaic.shtml>. From here, we obtained a detailed number of companies by Counties in California, by adding up the total of firms by County for the four Counties in our market area. The following is a table with summary information for the NAICS Codes showing the companies by County and total for each NAICS work code.

NAICS Work Code	Los Angeles	Orange	Riverside	San Bernardino	Total Companies for NAICS Work Code
237310	96	73	51	55	275
541330	1,513	1,107	257	232	3,109
541380	178	122	31	26	357
485113	153	11	5	3	172
336510	8	1	0	0	9
237990	372	37	33	29	471

From previous calculations, the following is a summary table showing the DBE firms (numerator), total firms (denominator), and % of total contract funding in the NAICS work category (weight).

NAICS Work Code	No. of DBE Firms	Market Area Total Firms	% of Total Contract Funding by NAICS (weight)
237310	18	275	0.5160
541330	155	3,109	0.0466
541380	29	357	0.0170

485113	4	172	0.2987
336510	1	9	0.0853
237990	49	471	0.0427

AADPL Calculation:

$$\text{AADPL (Base Figure)} = \left(\frac{\text{No. of DBE's in 237310}}{\text{No. of all firms in 237310}} \times \text{Weight} \right) +$$

$$\left(\frac{\text{No. of DBE's in 541330}}{\text{No. of all firms in 541330}} \times \text{Weight} \right) + \left(\frac{\text{No. of DBE's in 541380}}{\text{No. of all firms in 541380}} \times \text{Weight} \right) +$$

$$\left(\frac{\text{No. of DBE's in 485113}}{\text{No. of all firms in 485113}} \times \text{Weight} \right) + \left(\frac{\text{No. of DBE's in 336510}}{\text{No. of all firms in 336510}} \times \text{Weight} \right) +$$

$$\left(\frac{\text{No. of DBE's in 237990}}{\text{No. of all firms in 237990}} \times \text{Weight} \right) \times 100$$

$$\text{AADPL (Base Figure)} = \frac{18 \times 0.5160}{275} + \frac{155 \times 0.0466}{3,109} + \frac{29 \times 0.0170}{357} + \frac{4 \times 0.2987}{172} + \frac{1 \times 0.0853}{9}$$

$$+ \frac{49 \times 0.0427}{471} \times 100 = 5.8\%$$

AADPL= 5.8% (Race-neutral measures)

B. Step Two Adjustments – Section 26.45 (d)

Upon establishing the Base Figure, the City reviewed and assessed other known relevant evidence to determine what additional adjustments, if any, were needed to narrowly tailor the Base Figure to the City's marketplace. Factors considered in determining the City DBE participating that can be expected, absent discrimination included the following:

1. Current Capacity of DBEs Measured by Actual Attainments from FFYs 2004/2005 to 2011/2012:

Project	Fiscal Year*	\$ Total Contract Amount	\$ Paid to DBE Firms	DBE Goal Attainment
Citywide Pedestrian Safety Program	2004/2005	\$242,338	\$0	0.00%
Slauson Avenue Improvements	2004/2005	\$393,430	\$32,072	8.15%
Washington Boulevard Rehabilitation Project	2009/2010	\$495,760	\$0	0.00%
Garfield-Slauson Intersection Improvements	2009/2010	\$516,847	\$39,955	7.73%
CNG Fueling Station	2010/2011	\$3,197,305	\$13,200	0.41%
TOTAL		\$4,845,680	\$85,227	1.76%

*Note: There were no federal projects for the City from FFYs 2006/2007 to 2007/2008.

2. Evidence from Disparity Study:

The City of Commerce has not conducted any Disparity study in Transportation Industry.

3. Other Agencies DBE Goal in the Area:

The City of Commerce found their DBE Goal comparable with other Agencies in the area which ranges from 3-13%.

4. Resultant Goal Adjustment:

Based on the available information, no adjustment was utilized. The City of Commerce AADPL = 5.8% (Race-Neutral Measures).

III. Public Participation:

The City has published a Public Notice in general circulation media, women/minority focused media, announcing the City's proposed overall annual goals, for the FY 2012-2015 contracts assisted by FTA. Such Notice informed the public that the proposed goals and their rationale were available for inspection at the City during normal business hours for 30 days following the date of the Public Notice and that the City would accept comments on the goals for 45 days from the date of the Public Notice. The required public participation provisions were fully satisfied prior to submitting the City's DBE Program and Overall Annual DBE Goal for Final Review and Approval.

The circulation of this public notice allows the City's DBE goal analysis to be reviewed by minority, women, local business chambers, community organizations, and other U.S. DOT and FTA recipients in accordance with Public Participation Regulatory Requirements of 49 CFR Part 26.45. Through the circulation of this public notice, these entities are knowledgeable about the availability of disadvantaged and non-disadvantaged businesses and the effects of discrimination on contracting opportunities for DBEs within the City's marketplace.

CITY OF COMMERCE

DBE PROGRAM GOAL FOR FYs 2012-2015

SUMMARY OF COMMENTS AND THE CITY'S RESPONSE

The City of Commerce published "Public Notice: Overall Annual Disadvantaged Business Enterprise Goal" on ___ in the __. The 45 days commenting period ended on ___.

NO COMMENTS IN DRAFT REPORT – AWAITING RESULTS OF 45 DAY REVIEW.

Attachment 5
Forms 1 & 2 for Demonstration of Good Faith Efforts

FORM 1: DISADVANTAGED BUSINESS ENTERPRISE (DBE) UTILIZATION

The undersigned bidder/offeror has satisfied the requirements of the bid specification in the following manner (please check the appropriate space):

_____ The bidder/offeror is committed to a minimum of _____ % DBE utilization on this contract.

_____ The bidder/offeror (if unable to meet the DBE goal of _____%) is committed to a minimum of _____%

DBE utilization on this contract a submits documentation demonstrating good faith efforts.

Name of bidder/offeror's firm: _____

State Registration No. _____

By _____

(Signature) Title

FORM 2: LETTER OF INTENT

Name of bidder/offeror's firm: _____

Address: _____

City: _____ State: _____ Zip: _____

Name of DBE firm: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____

Description of work to be performed by DBE firm:

The bidder/offeror is committed to utilizing the above-named DBE firm for the work described above. The estimated dollar value of this work is \$ _____.

Affirmation

The above-named DBE firm affirms that it will perform the portion of the contract for the estimated dollar value as stated above.

By _____
(Signature) (Title)

If the bidder/offeror does not receive award of the prime contract, any and all representations in this Letter of Intent and Affirmation shall be null and void.

(Submit this page for each DBE subcontractor.)

Attachment 6
Certification Forms

All California UCP information and certification forms can be found through the following link:

<http://www.californiaucp.org/>

Attachment 7
Regulations: 49 CFR Part 26

State and location	Community No.	Effective date authorization/cancellation of sale of flood insurance in community	Current effective map Date	Date certain federal assistance no longer available in SFHAs
Taft, Town of, Muskogee County	400128	June 26, 1976, Emerg; August 25, 1987, Reg; February 4, 2011, Susp.	.....do*	Do.
Wainwright, Town of, Muskogee County	400129	March 9, 1976, Emerg; August 8, 1978, Reg; February 4, 2011, Susp.	.....do*	Do.
Warner, Town of, Muskogee County	400130	December 29, 1976, Emerg; May 25, 1978, Reg; February 4, 2011, Susp.	.....do*	Do.
Webbers Falls, Town of, Muskogee County.	400131	November 28, 1975, Emerg; May 1, 1980, Reg; February 4, 2011, Susp.	.....do*	Do.
Texas:				
Bandera County, Unincorporated Areas	480020	January 21, 1974, Emerg; November 1, 1978, Reg; February 4, 2011, Susp.	.....do*	Do.
Benavides, City of, Duval County	480792	July 24, 1975, Emerg; March 4, 1986, Reg; February 4, 2011, Susp.	.....do*	Do.
Colorado County, WCID Number 2	481489	October 28, 1977, Emerg; June 1, 1988, Reg; February 4, 2011, Susp.	.....do*	Do.
Colorado County, Unincorporated Areas	480144	February 29, 1980, Emerg; September 19, 1990, Reg; February 4, 2011, Susp.	.....do*	Do.
Columbus, City of, Colorado County	480145	February 19, 1975, Emerg; June 19, 1985, Reg; February 4, 2011, Susp.	.....do*	Do.
Duval County, Unincorporated Areas	480202	July 24, 1975, Emerg; May 1, 1987, Reg; February 4, 2011, Susp.	.....do*	Do.
Eagle Lake, City of, Colorado County ...	480146	July 30, 1975, Emerg; April 1, 1987, Reg; February 4, 2011, Susp.	.....do*	Do.
Lamesa, City of, Dawson County	480191	February 25, 1972, Emerg; April 30, 1976, Reg; February 4, 2011, Susp.	.....do*	Do.
San Diego, City of, Duval and Jim Wells Counties.	481199	December 26, 1975, Emerg; March 1, 1987, Reg; February 4, 2011, Susp.	.....do*	Do.

*-do- = Ditto.
Code for reading third column: Emerg.—Emergency; Reg.—Regular; Susp.—Suspension.

Dated: January 19, 2011.
Sandra K. Knight,
Deputy Federal Insurance and Mitigation Administrator, Mitigation.
[FR Doc. 2011-1930 Filed 1-27-11; 8:45 am]
BILLING CODE 9110-12-P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

49 CFR Part 26

[Docket No. OST-2010-0118]

RIN 2105-AD75

Disadvantaged Business Enterprise: Program Improvements

AGENCY: Office of the Secretary (OST), DOT.

ACTION: Final rule.

SUMMARY: This rule improves the administration of the Disadvantaged Business Enterprise (DBE) program by increasing accountability for recipients with respect to meeting overall goals, modifying and updating certification requirements, adjusting the personal net worth (PNW) threshold for inflation, providing for expedited interstate certification, adding provisions to foster small business participation, improving

post-award oversight, and addressing other issues.

DATES: Effective Dates: This rule is effective February 28, 2011.

FOR FURTHER INFORMATION CONTACT: Robert C. Ashby, Deputy Assistant General Counsel for Regulation and Enforcement, U.S. Department of Transportation, 1200 New Jersey Avenue, SE., Washington, DC 20590, Room W94-302, 202-366-9310, bob.ashby@dot.gov.

SUPPLEMENTARY INFORMATION: The Department of Transportation issued an advance notice of proposed rulemaking (ANPRM) concerning several DBE program issues on April 8, 2009 (74 FR 15904). The first issue raised in the ANPRM concerned counting of items obtained by a DBE subcontractor from its prime contractor. The second concerned ways of encouraging the “unbundling” of contracts to facilitate participation by small businesses, including DBEs. The third was a request for comments on potential improvements to the DBE application form and personal net worth (PNW) form. The fourth asked for suggestions related to program oversight. The fifth concerned potential regulatory action to facilitate certification for firms seeking to work as DBEs in more than one state.

The sixth concerned additional limitations on the discretion of prime contractors to terminate DBEs for convenience, once the prime contractor had committed to using the DBE as part of its showing of good faith efforts. The Department received approximately 30 comment letters regarding these issues.

On May 10, 2010, the Department issued a notice of proposed rulemaking (NPRM) seeking further comment on proposals based on the ANPRM and proposing new provisions (75 FR 25815). The NPRM proposed an inflationary adjustment of the PNW cap to \$1.31 million, the figure that would result from proposed Federal Aviation Administration (FAA) reauthorization legislation then pending in both Houses of Congress. The Department proposed additional measures to hold recipients accountable for their performance in achieving DBE overall goals.

The NPRM also proposed amendments to the certification-related provisions of the DBE regulation. Those proposals resulted from the Department’s experience dealing with certification issues and certification appeal cases during the years since the last major revision of the DBE rule in 1999. The proposed amendments were intended to clarify issues that have arisen and avoid problems with which

recipients (*i.e.*, state highway agencies, transit authorities, and airport sponsors who receive DOT grant financial assistance) and the Department have had to grapple over the last 11 years.

The Department received approximately 160 comments on the NPRM from a variety of interested parties, including DBE and non-DBE firms, associations representing them, and recipients of DOT financial assistance. A summary of comments on the major issues in the rulemaking, and the Department's responses to those comments, follows.

Counting Purchases From Prime Contractors

Under current counting rules, a DBE subcontractor and its prime contractor may count for DBE credit the entire cost of a construction contract, including items that the DBE subcontractor purchases or leases from a third party (*e.g.*, in a so-called "furnish and install" contract). There is an exception to this general rule: A DBE and its prime contractor may not count toward goals items that the DBE purchases or leases from its own prime contractor. The reason for this provision is that doing so would allow the prime contractor to count for DBE credit items that it produced itself.

As noted in the ANPRM, one DBE subcontractor and a number of prime contractors objected to this approach, saying that it unfairly denies a DBE in this situation the opportunity to count credit for items it has obtained from its prime contractor rather than from other sources. Especially in situations in which a commodity might only be available from a single source—a prime contractor or its affiliate—the rule would create a hardship, according to proponents of this view. The ANPRM proposed four options (1) keeping the rule as is; (2) keeping the basic rule as is, but allowing recipients to make exceptions in some cases; (3) allowing DBEs to count items purchased from any third party source, including the DBE's prime contractor; and (4) not allowing any items obtained from any non-DBE third party to be counted for DBE credit. Comment was divided among the four alternatives, which each garnering some support. For purposes of the NPRM, the Department decided not to propose any change from the current rule.

Comment on the issue was again divided. Seven commenters favored allowing items obtained from any source to be counted for credit, including the firm that was the original proponent of the idea and another DBE, two prime contractors' associations, a

prime contractor, and two State Departments of Transportation (DOTs). These commenters generally made the same arguments as had proponents of this view at the ANPRM stage. Thirteen commenters, among which were several recipients, a DBE contractors' association, and DBE contractors, favored the NPRM's proposed approach of not making any change to the existing rule, and they endorsed the NPRM's rationale. Sixteen commenters, including a recipient association and a number of DBE companies, supported disallowing credit for any items purchased or leased from a non-DBE source. They believed that this approach supported the general principle of awarding DBE credit only for contributions that DBEs themselves make on a contract.

DOT Response

The Department remains unconvinced that it is appropriate for a prime contractor to produce an item (*e.g.*, asphalt), provide it to its own DBE subcontractor, and then count the value of the item toward its good faith efforts to meet DBE goals. The item—asphalt, in this example—is a contribution to the project made by the prime contractor itself and simply passed through the DBE. That is, the prime contractor, on paper, sells the item to the DBE, who then charges the cost of the item it just bought from the prime contractor as part of its subcontract price, which the prime then reports as DBE participation. In the Department's view, this pass-through relationship is inconsistent with the most important principle of counting DBE participation, which is that credit should only be counted for value that is added to the transaction by the DBE itself.

As mentioned in the ANPRM and NPRM, the current rule treats counting of items purchased by DBEs from non-DBE sources differently, depending on whether the items are obtained from the DBE's prime contractor or from a third-party source. The Department's current approach is a reasonable compromise between the commonly accepted practice of obtaining items from non-DBE sources as part of the contracting process and maintaining the principle of counting only the DBE's own contributions for credit toward goals, which is most seriously violated when the prime contractor itself is the source of the items. This compromise respects the dual, somewhat divergent, goals of accommodating a common way of doing business and avoiding a too-close relationship between a prime contractor and a DBE subcontractor that distorts the counting of credit toward DBE goals.

This compromise has been part of the regulation since 1999 and, with the exception of the proponent of changing the regulation and its prime contractor partners, has never been raised by program participants as a widespread problem requiring regulatory change. For these reasons, the Department will leave the existing regulatory language intact.

Terminations of DBE Firms

The NPRM proposed that a prime contractor who, in the course of meeting its good faith efforts requirements on a procurement involving a contract goal, had submitted the names of one or more DBEs to work on the project, could not terminate a DBE firm without the written consent of the recipient. The firm could be terminated only for good cause. The NPRM proposed a list of what constituted good cause for this purpose.

Over 40 comments addressed this subject, a significant majority of which supported the proposal. Two recipients said the proposal was unnecessary and a third expressed concern about workload implications. Several recipients said that they already followed this practice.

However, commenters made a variety of suggestions with respect to the details of the proposal. A DBE firm questioned a good cause element that would allow a firm to be terminated for not meeting reasonable bonding requirements, noting that lack of access to bonding is a serious problem for many DBEs. A DBE contractors' association said that a DBE's action to halt performance should not necessarily be a ground for termination, because in some cases such an action could be a justified response to an action beyond its control (*e.g.*, the prime failing to make timely payments). A DBE requested clarification of what being "not responsible" meant in this context. A number of commenters, including recipients and DBEs, suggested that a prime could terminate a DBE only if the DBE "unreasonably" failed to perform or follow instructions from the prime.

A prime contractors' association suggested additional grounds for good cause to terminate, including not performing to schedule or not performing a commercially useful function. Another such association said the rule should be consistent with normal business practices and not impede a prime contractor's ability to remove a poorly performing subcontractor for good cause. A recipient wanted a public safety exception to the time frame for a DBE's reply to a prime contractor's notice

proposing termination, and another recipient wanted to shorten that period from five to two days. A State unified certification program (UCP) suggested adopting its State's list of good cause reasons, and a consultant suggested that contracting officers, not just the DBE Liaison Officer (DBELO), should be involved in the decision about whether to concur in a prime contractor's desire to terminate a DBE. A recipient wanted to add language concerning the prime contractor's obligation to make good faith efforts to replace a terminated DBE with another DBE.

DOT Response

The Department, like the majority of commenters on this issue, believes that the proposed amendment will help to prevent situations in which a DBE subcontractor, to which a prime contractor has committed work, is arbitrarily dismissed from the project by the prime contractor. Comments to the docket and in the earlier stakeholder sessions have underlined that this has been a persistent problem. By specifying that a DBE can be terminated only for good cause—not simply for the convenience of the prime contractor—and with the written consent of the recipient, this amendment should help to end this abuse.

With respect to the kinds of situations in which “good cause” for termination can exist, the Department has modified the language of the rule to say that good cause includes a situation where the DBE subcontractor has failed or refused to perform the work of its subcontract in accordance with normal industry standards. We note that industry standards may vary among projects, and could be higher for some projects than others, a matter the recipient could take into account in determining whether to consent to a prime contractor's proposal to terminate a DBE firm. However, good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the prime contractor (e.g., the failure of the prime contractor to make timely payments or the unnecessary placing of obstacles in the path of the DBE's work).

Good cause also does not exist if the prime contractor seeks to terminate a DBE it relied upon to obtain the contract so that it can self-perform the work in question or substitute another DBE or non-DBE firm. This approach responds to commenters who were concerned about prime contractors imposing unreasonable demands on DBE subcontractors while offering recipients a more definite standard than simple

reasonableness in deciding whether to approve a prime contractor's proposal to terminate a DBE firm. We have also adopted a recipient's suggestion to permit the time frame for the process to be shortened in a case where public necessity (e.g., safety) requires a shorter period of time before the recipient's decision.

In addition to the enumerated grounds, a recipient may permit a prime contractor to terminate a DBE for “other documented good cause that the recipient determines compels the termination of the DBE subcontractor.” This means that the recipient must document the basis for any such determination, and the prime contractor's reasons for terminating the DBE subcontractor make the termination essential, not merely discretionary or advantageous. While the recipient need not obtain DOT operating administration concurrence for such a decision, FHWA, FTA, and FAA retain the right to oversee such determinations by recipients.

Personal Net Worth

The NPRM proposed to make an inflationary adjustment in the personal net worth (PNW) cap from its present \$750,000 to \$1.31 million, based on the consumer price index (CPI) and relating back to 1989, as proposed in FAA authorization bills pending in Congress. The NPRM noted that such an adjustment had long been sought by DBE groups and that it maintained the status quo in real dollar terms. The Department also asked for comment on the issue of whether assets counted toward the PNW calculation should continue to include retirement savings products. The rule currently does include them, but the pending FAA legislation would move in the direction of excluding them from the calculation.

Of the 95 commenters who addressed the basic issue of whether the Department should make the proposed inflationary adjustment, 71—representing all categories of commenters—favored doing so. Many said that such an adjustment was long overdue and that it would mitigate the problem of a “glass ceiling” limiting the growth and development of DBE firms. A few commenters said that such adjustments should be done regionally or locally rather than nationally, to reflect economic differences among areas of the country. A number of the commenters wanted to make sure the Department made similar adjustments annually in the future. A member of Congress suggested that the PNW should be increased to \$2.5 million, while a few recipients favored a smaller

increase (e.g., to \$1 million). A few commenters also suggested that the Department explore some method of adjusting PNW other than the CPI, but they generally did not spell out what the alternative approaches might be.

The opponents of making the adjustment, mostly recipients and DBEs, made several arguments. The first was that \$1.31 million was too high and would include businesses owners who were not truly disadvantaged. The second was that raising the PNW number would favor larger, established, richer DBEs at the expense of smaller, start-up firms. These larger companies could then stay in the program longer, to the detriment of the program's aims. Some commenters said that the experience in their states was that very few firms were becoming ineligible for PNW reasons, suggesting that a change in the current standard was unnecessary.

With respect to the issue of retirement assets, about 28 comments, primarily from DBE groups and recipients, favored excluding some retirement assets from the PNW calculation, often asserting that this was appropriate because such funds are illiquid and not readily available to contribute toward the owners' businesses. Following this logic, some of the comments said that Federally-regulated illiquid retirement plans (e.g., 401k, Roth IRA, Keough, and Deferred Compensation plans, as well as 529 college savings plans) be excluded while other assets that are more liquid (CDs, savings accounts) be counted, even if said to be for retirement purposes. A number of these commenters said that a monetary cap on the amount that could be excluded (e.g., \$500,000) would be acceptable.

The 17 comments opposing excluding retirement accounts from the PNW calculation generally supported the rationale of the existing regulation, which is that assets of this kind, even if illiquid, should be regarded as part of an individual's wealth for PNW purposes. A few commenters also said that, since it is most likely wealthier DBE owners who have such retirement accounts, excluding them would help these more established DBEs at the expense of smaller DBEs who are less likely to be able to afford significant retirement savings products. Again, commenters said that this provision, by effectively raising the PNW cap, would inappropriately allow larger firms to stay in the program longer. Some of the commenters would accept exclusion of retirement accounts if an appropriate cap were put in place, however.

Finally, several commenters asked for a revised and improved PNW form with

additional guidance and instructions on how to make PNW calculations (*e.g.*, with respect to determining the value of a house or business).

DOT Response

To understand the purpose and effect of the Department's proposal to change the PNW threshold from the long-standing \$750,000 figure, it is important to keep in mind what an inflationary adjustment does. (Because of the passage of time from the issuance of the NPRM to the present time, the amount of the inflationary adjustment has changed slightly, from \$1.31 million to \$1.32 million.) The final rule's adjustment is based on the Department of Labor's consumer price index (CPI) calculator. This calculator was used because, of various readily available means of indexing for inflation, CPI appears to be the one that is most nearly relevant to an individual's personal wealth. Such an adjustment simply keeps things as they were originally in real dollar terms.

That is, in 1989, \$750,000 bought a certain amount of goods and services. In 2010, given the effects of inflation over 21 years, it would take \$1.32 million in today's dollars to buy the same amount of goods and services. The buying power of assets totaling \$750,000 in 1989 is the same as the buying power of assets totaling \$1.32 million in 2010. Notwithstanding the fact that \$1.32 million, on its face, is a higher number than \$750,000, the wealth of someone with \$1.32 million in assets today is the same, in real dollar or buying power terms, as that of someone with \$750,000 in 1989.

Put another way, if the Department did not adjust the \$750,000 number for inflation, our inaction would have the effect of establishing a significantly lower PNW cap in real dollar terms. A PNW cap of \$750,000 in 2010 dollars is equivalent to a PNW cap of approximately \$425,700 in 1989 dollars. This means that a DBE applicant today would be allowed to have \$325,000 less in real dollar assets than his or her counterpart in 1989.

The Department believes, in light of this understanding of an inflationary adjustment, that making the proposed adjustment at this time is appropriate. This is a judgment that is shared by the majority of commenters and both Houses of Congress. We do not believe that any important policy interest is served by continuing to lower the real dollar PNW threshold, which we believe would have the effect of further limiting the pool of eligible DBE owners beyond what is intended by the Department in adopting the PNW standard.

The Department is using 1989 as the base year for its inflationary adjustment for two reasons. First, doing so is consistent with what both the House and Senate determined was appropriate in the context of FAA authorization bills that both chambers passed. Second, while the Department adopted a PNW standard in 1999, the standard itself, which was adopted by the Small Business Administration (SBA) before 1989, has never been adjusted for inflation at any time. By 1999, the real dollar value of the original \$750,000 standard had already been eroded by inflation, and the Department believes that it is reasonable to take into account the effect of inflation on the standard that occurred before as well as after the Department adopted it.

We appreciate the concerns of commenters who opposed the proposed inflationary adjustment. Some of these commenters, it appears, may not have fully understood that an inflationary adjustment simply maintains the status quo in real dollar terms. The concern that making the adjustment would favor larger, established DBEs over smaller, start-up companies has some basis, and reflects the longstanding tension in the program between its role as an incubator for new firms and its purpose of allowing DBE firms to grow and develop to the point where they may be in a better position to compete for work outside the DBE program. Allowing persons with larger facial amounts of assets may seem to permit participation of people who are less disadvantaged than formerly in the program, but disadvantage in the DBE program has always properly been understood as relative disadvantage (*i.e.*, relative to owners and businesses in the economy generally), not absolute deprivation. People who own successful businesses are more affluent, by and large, than many people who participate in the economy only as employees, but this does not negate the fact that socially disadvantaged persons who own businesses may well, because of the effects of discrimination, accumulate less wealth than their non-socially disadvantaged counterparts. Consequently, the concerns of opponents of this change are not sufficient to persuade us to avoid making the proposed inflationary adjustment.

We do not believe that it is practical, in terms of program administration, to have standards that vary with recipient or region. We acknowledge that one size may not fit all to perfection, but the complexity of administering a national program with a key eligibility standard that varies, perhaps significantly, among

jurisdictions would be, in our view, an even greater problem. Nor do we see a strong policy rationale for a change to some fixed figure (*e.g.*, \$1 million, \$2.5 million) that is not tied to inflation. We do agree, however, that an improved PNW form would be an asset to the program, and we will propose such a form for comment in the next stage NPRM on the DBE program, which we hope to issue in 2011. This NPRM may also continue to examine other PNW issues.

Whenever there is a change in a rule of this sort, the issue of how to handle the transition between the former rule and the new rule inevitably arises. We provide the following guidance for recipients and firms applying for DBE certification.

- For applications or decertification actions pending on the date this amendment is published, but before its effective date, recipients should make decisions based on the new standards, though these decisions should not take effect until the amendment's effective date.

- Beginning on the effective date of this amendment, all new certification decisions must be based on the revised PNW standard, even if the application was filed or a decertification action pertaining to PNW began before this date.

- If a denial of an application or decertification occurred before the publication date of this amendment, because the owner's PNW was above \$750,000 but not above \$1.32 million, and the matter is now being appealed within the recipient's or unified certification program's (UCP's) process, then the recipient or UCP should resolve the appeal using the new standard. Recipients and UCPs may request updated information where relevant. In the case of an appeal pending before the Departmental Office of Civil Rights (DOCR) under section 26.89, DOCR will take the same approach or remand the matter, as appropriate.

- If a firm was decertified or its application denied within a year before the effective date of this amendment, because the owner's PNW was above \$750,000 but not above \$1.32 million, the recipient or UCP should permit the firm to resubmit PNW information without any further waiting period, and the firm should be recertified if the owner's PNW is not over \$1.32 million and the firm is otherwise eligible.

- We view any individual who has misrepresented his or her PNW information, whether before or after the inflationary adjustment takes effect, as having failed to cooperate with the DBE

program, in violation of 49 CFR 26.109(c). In addition to other remedies that may apply to such conduct, recipients should not certify a firm that has misrepresented this information.

The Department is not ready, at this time, to make a decision on the issue of retirement assets. The comments suggested a number of detailed issues the Department should consider before proposing any specific provisions on this subject. We will further consider commenters' thoughts on this issue at a future time.

Interstate Certification

In response to longstanding concerns of DBEs and their groups, the NPRM proposed a mechanism to make interstate certification easier. The proposed mechanism did not involve pure national reciprocity (*i.e.*, in which each state would give full faith and credit to other states' certification decisions, with the result that a certification by any state would be honored nationwide). Rather, it created a rebuttable presumption that a firm certified in its home state would be certified in other states. A firm certified in home state A could take its application materials to State B. Within 30 days, State B would decide either to accept State A's certification or object to it. If it did not object, the firm would be certified in State B. If State B did object, the firm would be entitled to a proceeding in which State B bore the burden of proof to demonstrate that the firm should not be certified in State B. The NPRM also proposed that the DOT Departmental Office of Civil Rights (DOCR) would create a database that would be populated with denials and decertifications, which the various State UCPs would check with respect to applicants and currently certified firms.

This issue was one of the most frequently commented-upon subjects in the rulemaking. Over 30 comments, from a variety of sources including DBEs, DBE organizations, and a prime contractors' association. Members of Congress and others supported the proposed approach. They emphasized that the necessity for repeated certification applications to various UCPs, and the very real possibility of inconsistent results on the same facts, were time-consuming, burdensome, and costly for DBEs. In a national program, they said, there should be national criteria, uniformity of forms and interpretations, and more consistent training of certification personnel. The proposed approach, they said, while not ideal, would be a useful step toward those goals.

An approximately equal number of commenters, predominantly recipients but also including some DBEs and associations, opposed the proposal, preferring to keep the existing rules (under which recipients can, but are not required to, accept certifications made by other recipients) in place. Many of these commenters said that their certification programs frequently had to reject out-of-state firms that had been certified by their home states because the home states had not done a good job of vetting the qualifications of the firms for certification. They asserted that there was too much variation among states concerning applicable laws and regulations (*e.g.*, with respect to business licensing or marital property laws), interpretations of the DBE rule, forms and procedures, and the training of certifying agency personnel for something like the NPRM proposal to work well. Before going to something like the NPRM proposal, some of these commenters said, DOT should do more to ensure uniform national training, interpretations, forms etc.

Commenters opposed to the NPRM proposal were concerned that the integrity of the program would be compromised, as questionable firms certified by one state would slip into the directories of other states without adequate vetting. Moreover, the number of certification actions each state had to consider, and the number of certified firms that each state would have to manage, could increase significantly, straining already scarce resources.

A smaller number of commenters addressed the idea of national reciprocity. Some of these commenters said that, at least for the future, national reciprocity was a valuable goal to work toward. Some of these commenters, including an association that performs certification reviews nationally for MBE and WBE suppliers (albeit without on-site reviews) and a Member of Congress, supported using such a model now. On the other hand, other commenters believed national reciprocity was an idea whose time had not come, for many of the same reasons stated by commenters opposed to the NPRM proposal. Some of the commenters on the NPRM proposal said that the proposal would result in *de facto* national reciprocity, which they believed was bad for the program.

Two features of the NPRM proposal attracted considerable adverse comment. Thirty-one of the 34 comments addressing the proposed 30-day window for "State B" to decide whether to object to a home state certification of a firm said that the proposed time was too short. These

commenters, mostly recipients, suggested time frames ranging from 45–90 days. They said that the 30-day time frame would be very difficult to meet, given their resources, and would cause States to accept questionable certifications from other States simply because there was insufficient time to review the documentation they had been given. Moreover, the 30-day window would mean that out-of-state firms would jump to the front of the line for consideration over in-state firms, concerning which the rule allows 90 days for certification. This would be unfair to in-state firms, they said.

In addition, 22 of 28 commenters on the issue of the burden of proof for interstate certification—again, predominantly recipients—said that it was the out-of-state applicant firm, rather than State B, that should have the burden of proof once State B objected to a home state certification of the firm. These commenters also said that is was more sensible to put the out-of-state firm in the same position as any other applicant for certification by having to demonstrate to the certifying agency that it was eligible, rather than placing the certification agency in the position of the proponent in a decertification action for a firm that it had previously certified. Again, commenters said, the NPRM proposal would favor out-of-state over in-state applicants.

A few comments suggested trying reciprocal certification on a regional basis (*e.g.*, in the 10 Federal regions) before moving to a more national approach. Others suggested that only recent information (*e.g.*, applications and on-site reports less than three years old) be acceptable for interstate certification purposes. Some states pointed to state laws requiring local licenses or registration before a firm could do business in the State: Some commenters favored limiting out-of-state applications to those firms that had obtained the necessary permits, while one commenter suggested prohibiting States from imposing such requirements prior to DBE certification. Some comments suggested limiting the grounds on which State B could object to the home state certification of a firm (*i.e.*, "good cause" rather than "interpretive differences," differences in state law, evidence of fraud in obtaining home state certification).

There was a variety of other comments relevant to the issue of interstate certification. Most commenters who addressed the idea of the DOCR database supported it, though some said that denial/decertification data should be available only to certification agencies, not the general

public. Some also said that having to input and repeatedly check the data base would be burdensome. One commenter suggested including a firm's Federal Taxpayer ID number in the database entry. One commenter suggested a larger role for the database: Applicants should electronically input their application materials to the database, which would then be available to all certifying agencies, making individual submissions of application information to the States unnecessary. Some commenters wanted DOT to create or lead a national training and/or accreditation effort for certifier personnel.

DOT Response

Commenters on interstate were almost evenly divided on the best course of action for the Department to take. Most DBEs favored making interstate certification less difficult for firms that wanted to work outside their home states; most recipients took the opposite point of view. This disagreement reflects, we believe, a tension between two fundamental objectives of the program. On one hand, it is important to facilitate the entry of DBE firms into this national program, so that they can compete for DOT-assisted contracting wherever those opportunities exist, while reducing administrative burdens and costs on the small businesses that seek to participate. On the other hand, it is important to maintain the integrity of the program, so that only eligible firms participate and ineligible firms do not take unfair advantage of the program.

The main concern of proponents of the NPRM proposal was that failing to make changes to facilitate interstate certification would leave in place unnecessary and unreasonable barriers to the participation of firms outside of their home states. The main concern of opponents of the NPRM proposal was that making the proposed changes would negatively affect program integrity. Their comments suggest that there is considerable mistrust among certification agencies and programs. Many commenters appear to believe that, while their own certification programs do a good job, other states' certification programs do not. Much of the opposition to facilitating interstate certification appears to have arisen from this mistrust, as certification agencies seek to prevent questionable firms certified by what they perceive as weak certification programs in other states from infiltrating their domains.

The Department does not believe that it is constructive to take the position that certification programs nationwide

are so hopelessly inadequate that the best response is to leave interstate barriers in place to contain the perceived contagion of poorly qualified, albeit certified, firms within the boundaries of their own states. To the contrary, we believe that, under a system like that proposed in the NPRM, if firms certified by State A are regularly rebuffed by States B, C, D, etc., State A firms will have an incentive to bring pressure on their certification agency to improve its performance.

The Department also believes that suggestions made by commenters, such as improving training and standardizing forms and interpretations, can improve the performance of certification agencies generally. In the follow-on NPRM the Department hopes to issue in 2011, one of the subjects we will address is improvements in the certification application and PNW forms, which certification agencies then would be required to use without alteration. DOT already provides many training opportunities to certification personnel, such as the National Transportation Institute courses provided by the Federal Transit Administration, presentations by knowledgeable DOT DBE staff at meetings of transportation organizations, and webinars and other training opportunities provided by Departmental Office of Civil Rights personnel. The Department will consider further ways of fostering training and education for certifiers (e.g., a DOT-provided web-based training course for certifiers). The Department also produces guidance on certification-related issues to assist certifiers in making decisions that are consistent with this regulation, and we will continue that practice.

While we will continue to work with our state and local partners to improve the certification process, we do not believe that steps to facilitate interstate certification should be taken only after all recipients achieve an optimal level of performance. The DBE program is a national program; administrative barriers to participation impair the important program objective of encouraging DBE firms to compete for business opportunities; provisions to facilitate interstate certification can be drafted in a way that permits "State B" to screen out firms that are not eligible in accordance with this regulation. Consequently, the Department has decided to proceed with a modified form of the NPRM proposal. However, the final rule will not make compliance with the new section 26.85 mandatory until January 1, 2012, in order to provide additional time for recipients and UCPs to take advantage of training

opportunities and to establish any needed administrative mechanisms to carry out the new provision. This will also provide time for DOCR to make its database for denials and decertifications operational.

As under the NPRM, a firm certified in its home state would present its certification application package to State B. In response to commenters' concerns about the time available, State B would have 60 days, rather than 30 as in the NPRM, to determine whether it had specific objections to the firm's eligibility and to communicate those objections to the firm. If State B believed that the firm was ineligible, State B would state, with particularity, the specific reasons or objections to the firm's eligibility. The firm would then have the opportunity to respond and to present information and arguments to State B concerning the specific objections that State B had made. This could be done in writing, at an in-person meeting with State B's decision maker, or both. Again in response to commenters' concerns, the firm, rather than State B, would have the burden of proof with respect, and only with respect, to the specific issues raised by State B's objections. We believe that these changes will enhance the ability of certification agencies to protect the integrity of the program while also enhancing firms' ability to pursue business opportunities outside their home states.

We emphasize that State B's objections must be specific, so that the firm can respond with information and arguments focused clearly on the particular issues State B has identified, rather than having to make an unnecessarily broad presentation. It is not enough for State B to say "the firm is not controlled by its disadvantaged owner" or "the owner exceeds the PNW cap." These are conclusions, not specific, fact-based objections. Rather, State B might say "the disadvantaged owner has a full-time job with another organization and has not shown that he has sufficient time to exercise control over the day-to-day operations of the firm" or "the owner's property interests in assets X, Y, and Z were improperly valued and cause his PNW to exceed \$1.32 million." This degree of specificity is mandatory regardless of the regulatory ground (e.g., new information, factual errors in State A's certification: See section 26.85(d)(2)) on which State B makes an objection. For example, if State B objected to the firm's State A certification on the basis that State B's law required a different result, State B would say something like "State B Revised Statutes Section xx.yyyy

provides only that a registered engineer has the power to control an engineering firm in State B, and the disadvantaged owner of the firm is not a registered engineer, who is therefore by law precluded from controlling the firm in State B.”

On receiving this specific objection, the owner of the firm would have the burden of proof that he or she does meet the applicable requirements of Part 26. In the first example above, the owner would have to show that either he or she does not now have a full-time job elsewhere or that, despite the demands of the other job, he or she can and does control the day-to-day operations of the firm seeking certification. This burden would be to make the required demonstration by a preponderance of the evidence, the same standard used for initial certification actions generally. This owner would not bear any burden of proof with respect to size, disadvantage, ownership, or other aspects of control, none of which would be at issue in the proceeding. The proceeding, and the firm’s burden of proof, would concern only matters about which State B had made a particularized, specific objection. This narrowing of the issues should save time and resources for firms and certification agencies alike.

The firm’s response to State B’s particularized objections could be in writing and/or in the form of an in-person meeting with State B’s decision maker to discuss State B’s objections to the firm’s eligibility. The decision maker would have to be someone who is knowledgeable about the eligibility provisions of the DBE rule.

We recognize that, in unusual circumstances, the information the firm provided to State B in response to State B’s specific objections could contain new information, not part of the original record, that could form the basis for an additional objection to the firm’s certification. In such a case, State B would immediately notify the firm of the new objection and offer the firm a prompt opportunity to respond.

Section 26.85(d)(2) of the final rule lists the grounds a State B can rely upon to object to a State A certification of a firm. These are largely the same as in the NPRM. In response to a comment, the Department cautions that by saying that a ground for objection is that State A’s certification is inconsistent with this regulation, we do not intend for mere interpretive disagreements about the meaning of a regulatory provision to form a ground for objection. Rather, State B would have to cite something in State A’s certification that contradicted

a provision in the regulatory text of Part 26.

The final rule also gives, as a ground for objecting to a State A certification, that a State B law “requires” a result different from the law of State (see the engineering example above). To form the basis for an objection on this ground, a difference between state laws must be outcome-determinative with respect to a certification. For example, State A may treat marital property as jointly held property, while State B is a community property state. The laws are different, but both, in a given case, may well result in each spouse having a 50 percent share of marital assets. This would not form the basis for a State B objection.

With respect to state requirements for business licenses, the Department believes that states should not erect a “Catch 22” to prevent DBE firms from other states from becoming certified. That is, if a firm from State A wants to do business in State B as a DBE, it is unlikely to want to pay a fee to State B for a business license before it knows whether it will be certified. Making the firm get the business license and pay the fee before the certification process takes place would be an unnecessary barrier to the firm’s participation that would be contrary to this regulation.

The Department believes that regional certification consortia, or reciprocity agreements among states in a region, are a very good idea, and we anticipate working with UCPs in the future to help create such arrangements. Among other things, the experience of actually working together could help to mitigate the current mistrust among certification agencies. However, we do not believe it would be appropriate to mandate such arrangements at this time.

The Department believes that the DOCR database of decertification and denial actions would be of great use in the certification process. However, the system is not yet up and running. Consequently, the final rule includes a one-year delay in the implementation date of requirements for use of the database.

Other Certification-Related Issues

The NPRM asked for comment on whether there should be a requirement for periodic certification reviews and/or updates of on-site reviews concerning certified firms. The interval most frequently mentioned by commenters on this subject was five years, though there was also some support for three-, six-, and seven-year intervals. A number of commenters suggested that such reviews should include an on-site update only when the firm’s circumstances had

changed materially, in order to avoid burdening the limited resources of certifying agencies. Having a standardized on-site review form would reduce burdens, some commenters suggested. Other commenters suggested that the timing of reviews should be left to certifying agencies’ discretion, or that on-site updates should be done on a random basis of a smaller number of firms.

The NPRM also asked about the handling of situations where an applicant withdraws its application before the certifying agency makes a decision. Should certifying agencies be able to apply the waiting period (e.g., six or 12 months) used for reapplications after denials in this situation? Comments on this issue, mostly from recipients but also from some DBEs and their associations, were divided. Some commenters said that there were often good reasons for a firm to withdraw and correct an application (e.g., a new firm unaccustomed to the certification process) and that their experience did not suggest that a lot of firms tried to game the system through repeated withdrawals. On the other hand, some commenters said that having to repeatedly process withdrawn and resubmitted applications was a burden on their resources that they would want to mitigate through applying a reapplication waiting period. One recipient said that, even in the absence of a waiting period, the resubmitted application should go to the back of the line for processing. Still others wanted to be able to apply case-by-case discretion concerning whether to impose a waiting period on a particular firm. A few commenters suggested middle-ground positions, such as imposing a shorter waiting period (e.g., 90 days) than that imposed on firms who are denied or applying a waiting period only for a second or subsequent withdrawal and reapplication by the same firm.

Generally, commenters were supportive of the various detail-level certification provision changes proposed in the NPRM (e.g., basing certification decisions on current circumstances of a firm). Commenters did speak to a wide variety of certification issues, however. One commenter said that in its state, the UCP arbitrarily limited the number of NAICS codes in which a firm could be certified, a practice the commenter said the regulation should forbid. In addition, this commenter said, the UCP inappropriately limited certification of professional services firms owned by someone who was not a licensed professional in a field, even in the

absence of a state law requiring such licensure. A number of commenters said that recipients should not have to automatically certify SBA-certified 8(a) firms, while another commenter recommended reviving the now-lapsed DOT-SBA memorandum of understanding (MOU) on certification issues. A DBE association said that certifying agencies should not count against firms seeking certification (e.g., with respect to independence determinations) investments from or relationships with larger firms that are permitted under other Federal programs (e.g., HubZone or other SBA programs). One commenter favored, and another opposed, allowing States to use their own business specialty classifications in addition to or in lieu of NAICS codes.

One recipient recommended a provision to prevent owners from transferring personal assets to their companies to avoid counting them in the PNW calculation. Another said the certification for the PNW statement should specifically say that the information is "complete" as well as true. Yet another suggested that a prime contractor who owns a high percentage (e.g., 49 percent) of a DBE should not be able to use that DBE for credit. There were a number of suggestions that more of the certification process be done electronically, rather than on paper. A few comments said that getting back to an applicant within 20 days, as proposed in the NPRM, concerning whether the application was complete was too difficult for some recipients who have small staffs.

DOT Response

The Department believes that regularly updated on-site reviews are an extremely important tool in helping avoid fraudulent firms or firms that no longer meet eligibility requirements from participating in the DBE program. Ensuring that only eligible firms participate is a key part of maintaining the integrity of the program. We also realize that on-site reviews can be time- and resource-intensive. Consequently, while we believe that it is advisable for recipients and UCPs to conduct updated on-site reviews of certified companies on regular and reasonably frequent basis, and we strongly encourage such updated reviews, we have decided not to mandate a particular schedule, though we urge recipients to regard on-site reviews as a critical part of their compliance activities. When recipients or UCPs become aware of a change in circumstances or concerns that a firm may be ineligible or engaging in misconduct (e.g., from notifications of changes by the firm itself, complaints,

information in the media, etc.), the recipient or UCP should review the firm's eligibility, including doing an on-site review.

When recipients in other states (see discussion of interstate certification above) obtain the home state's certification information, they must rely on the on-site report that the home state has in its files plus the affidavits of no change, etc. that the firm has filed with the home state. It is not appropriate for State B to object to an out-of-state firm's certification because the home state's on-site review is older than State B thinks desirable, since that would unfairly punish a firm for State A's failure to update the firm's on-site review. However, if an on-site report is more than three years old, State B could require that the firm provide an affidavit to the effect that all the facts in the report remain true and correct.

While we recognize that reports that have not been updated, or which do not appear to contain sufficient analysis of a firm's eligibility, make certification tasks more difficult, our expectation is that the Department's enhanced interstate certification process will result in improved quality in on-site reviews so that recipients in various states have a clear picture of the structure and operation of firms and the qualifications of their owners. To this end, we encourage recipients and UCPs to establish and maintain communication in ways that enable information collected in one state to be shared readily with certification agencies in other states. This information sharing can be done electronically to reduce costs.

Firms may withdraw pending applications for certification for a variety of reasons, many of them legitimate. A withdrawal of an application is not the equivalent of a denial of that application. Consequently, we believe that it is inappropriate for recipients and UCPs to penalize firms that withdraw pending applications by applying the up-to-12 month waiting period of section 26.86(c) to such withdrawals, thereby preventing the firm from resubmitting the application before that time elapses. We believe that permitting recipients to place resubmitted applications at the end of the line for consideration sufficiently protects the recipients' workloads from being overwhelmed by repeated resubmissions. For example, suppose that Firm X withdraws its application in August. It resubmits the application in October. Meanwhile, 20 other firms have submitted applications. The recipient must accept Firm X's resubmission in October, but is not

required to consider it before the 20 applications that arrived in the meantime. Recipients should also closely examine changes made to the firm since the time of its first application.

We agree with commenters that it is not appropriate for recipients to limit NAICS codes in which a firm is certified to a certain number. Firms may be certified in NAICS codes for however many types of business they demonstrate that they perform and concerning which their disadvantaged owners can demonstrate that they control. We have added language to the regulation making this point. We also agree that it is not appropriate for a recipient or UCP to insist on professional certification as a *per se* condition for controlling a firm where state law does not impose such a requirement. We have no objection to a recipient or UCP voluntarily using its own business classification system in addition to using NAICS codes, but it is necessary to use NAICS codes.

SBA has now gone to a self-certification approach for small disadvantaged business, the SBA 8(a) program differs from the DBE program in important respects, and the SBA-DOT memorandum of understanding (MOU) on certification matters lapsed over five years ago. Under these circumstances, we have decided to delete former sections 26.84 and 26.85, relating to provisions of that MOU.

DBE firms in the DBE program must be fully independent, as provided in Part 26. If a firm has become dependent on a non-DBE firm through participation in another program, then it may be found ineligible for DBE program purposes. To say otherwise would create inconsistent standards that would enable firms already participating in other programs to meet a lower standard than other firms for DBE participation.

We believe that adding a regulatory provision prohibiting owners from transferring personal assets to their companies to avoid counting them in the PNW calculation would be difficult to implement, since owners of businesses often invest assets in the companies for legitimate reasons. However, as an interpretive matter, recipients are authorized to examine such transfers and, if they conclude that the transfer is a ruse to avoid counting personal assets toward the PNW calculation rather than a legitimate investment in the company and its growth, recipients or UCPs may continue to count the assets toward PNW.

We agree that the certification for the PNW statement should specifically say

that the information is “complete” as well as true and that a somewhat longer time period would be appropriate for recipients and UCPs to get back to applicants with information on whether their applications were complete. We have added a regulatory text statement on the former point and extended the time period on the latter point to 30 days.

If a prime contractor who owns a high percentage of a DBE that it wishes to use on a contract, issues concerning independence, affiliation, and commercially useful function can easily arise. For this reason, recipients should closely scrutinize such relationships. This scrutiny may well result, in some cases, in denying DBE credit or initiating decertification action.

We encourage the use of electronic methods in the application and certification process. As in other areas, electronic methods can reduce administrative burdens and speed up the process.

Accountability and Goal Submissions

The NPRM proposed that if a recipient failed to meet its overall goal, it would, within 60 days, have to analyze the shortfall, explain the reasons for it, and come up with corrective actions for the future. All State DOTs and the largest transit authorities and airports would have to send their analyses and corrective action plans to DOT operating administrations; smaller transit authorities and airports would retain them on file. While there would not be any requirement to meet a goal—to “hit the number”—failure to comply with these requirements could be regarded as a failure to implement a recipient’s program in good faith, which could lead to a finding of noncompliance with the regulation.

In a related provision, the Department asked questions in the NPRM concerning the recent final provision concerning submitting overall goals on a three-year, rather than an annual, basis. In particular, the NPRM asked whether it should be acceptable for a recipient to submit year-to-year projections of goals within the structure of a three-year goal and how implementation of the accountability proposal would work in the context of a three-year goal, whether or not year-to-year projections were made.

About two-thirds of the 64 comments addressing the accountability provision supported it. These commenters included DBEs, recipients, and some associations and other commenters. Some of these commenters, in fact, thought the proposal should be made

stronger. For example, a commenter suggested that a violation “will” rather than “could” be found for failure to provide the requested information. Another suggested that, beyond looking at goal attainment numbers, the accountability provisions should be broadened to include the recipient’s success with respect to a number of program elements (e.g., good faith efforts on contracts, outreach, DBE liaison officer’s role, training and education of staff).

Commenters also presented various ideas for modifying the proposal. These included suggestions that the Department should add a public input component, provide more guidance on the shortfall analysis and how to do it, delay its effective date to allow recipients to find resources to comply, ensure ongoing measurement of achievements rather than just measuring at the end of a year or three-year period, ensure that there is enough flexibility in explaining the reasons for a shortfall, or lengthen the time recipients have to submit the materials (e.g., 90 days, or 60 days after the recipient’s report of commitments and achievements is due). One commenter suggested that an explanation should be required only when there is a pattern of goal shortfalls, not in individual instances. There could be a provision for excusing recipients who fell short of their goal by very small amount, or even if the recipient made 80 percent of its goal.

Opponents of the proposal—mostly recipients plus a few associations—said that the proposal would be too administratively burdensome. In addition, they feared that making recipients explain a shortfall and propose corrective measures would turn the program into a prohibited set-aside or quota program, a concern that was particularly troublesome in states affected by the *Western States* decision. Moreover, a number of commenters said, the inability of recipients to meet overall goals was often the result of factors beyond their control. In addition, recipients might unrealistically reduce goals in order to avoid having to explain missing a more ambitious target.

With respect to the reporting intervals for goals, 28 of the 39 commenters who addressed the issue favored some form of at least optional yearly reporting of goals, either in the form of annual goal submissions or, more frequently, of year-to-year projections of goals within the framework of a three-year overall goal. The main reason given for this preference was a concern that projects and the availability of Federal funding for them were sufficiently volatile that making a projection that was valid for

a three-year period was problematic. This point of view was advanced especially by airports. Some other commenters favored giving recipients discretion whether to report annually or triennially. Commenters who took the point of view that the three-year interval was preferable agreed with original rationale of reducing repeated paperwork burdens on recipients. One commenter asked that the rule specify that, especially in a three-year interval schedule of goal submission, a recipient “must” submit revisions if circumstances change.

There was discussion in the NPRM of the relationship between the goal submission interval and the accountability provision. For example, if a recipient submitted overall goals on a three-year basis, would the accountability provision be triggered annually, based on the recipient’s annual report (as the NPRM suggested) or only on the basis of the recipient’s performance over the three-year period? If there were year-to-year projections within a three-year goal, would the accountability provision relate to accountability for the annual projection or the cumulative three-year goal? Commenters who favored year-to-year projections appeared to believe that accountability would best relate to each year’s projection, though the discussion of this issue in the comments was often not explicit. Some comments, including one from a Member of Congress, did favor holding recipients accountable for each year’s separate performance.

There was a variety of other comments on goal-related issues. Some commenters asked that the three DOT operating administrations coordinate submitting goals so that a State DOT submitting goals every three years would be able to submit its FHWA, FAA, and FTA goals in the same year. A DBE group wanted the Department to strengthen requirements pertaining to the race-neutral portion of a recipient’s overall goal. A commenter who works with transit vehicle manufacturers requested better monitoring of transit vehicle manufacturers by FTA. A group representing DBEs wanted recipients to focus on potential, and not just certified, DBEs for purposes of goal setting. The same group also urged consideration of separate goals for minority- and women-owned firms.

DOT Response

Under Part 26, the Department has always made unmistakably clear that the DBE program does not impose quotas. No one ever has been, or ever will be, sanctioned for failing to “hit the number.” However, goals must be

implemented in a meaningful way. A recipient's overall goal represents its estimate of the DBE participation it would achieve in the absence of discrimination and its effects. Failing to meet an overall goal means that the recipient has not completely remedied discrimination and its effects in its DOT-assisted contracting. In the Department's view, good faith implementation of a DBE program by a recipient necessarily includes understanding why the recipient has not completely remedied discrimination and its effects, as measured by falling short of its "level playing field" estimate of DBE participation embodied in its overall goal. Good faith implementation further means that, having considered the reasons for such a shortfall, the recipient will devise program actions to help minimize the potential for a shortfall in the future.

Under the Department's procedures for reviewing overall goals and the methodology supporting them, the Department has the responsibility of ensuring that a recipient's goals are well-grounded in relevant data and are derived using a sound methodology. The Department would not approve a recipient's goal submission if it appeared to understate the "level playing field" amount of DBE participation the recipient could rationally expect, whether to avoid being accountable under the new provisions of the rule or for other reasons.

For these reasons, the Department is adopting the NPRM's proposed accountability mechanism. We do not believe that the concerns of some commenters that this mechanism would create a quota system are justified: No one will be penalized for failing to meet an overall goal. Moreover, promoting transparency and accountability is not synonymous with imposing a penalty and should not be viewed as such. Understanding the reasons for not meeting a goal and coming up with ways of avoiding a shortfall in the future, while not creating a quota system, do help to ensure that recipients take seriously the responsibility to address discrimination and its effects.

Moreover, the administrative burden of compliance falls only on those recipients who fail to meet a goal, not on all recipients. Understanding what is happening in one's program, why it is happening, and how to fix problems is, or ought to be, a normal, everyday part of implementing a program, so the analytical tasks involved in meeting this requirement should not be new to recipients. We do not envision that recipients' responses to this requirement

would be book-length; a reasonable succinct summary of the recipient's analysis and proposed actions should be sufficient though, like all documents submitted in connection with the DBE program, it should show the work and reasoning leading to the recipient's conclusions.

For example, a recipient might determine that its process for ascertaining whether prime bidders who failed to meet contract goals had made adequate good faith efforts was too weak, and that prime bidders consequently received contracts despite making insufficient efforts to find DBEs for contracts. In such a case, the recipient could take corrective action such as more stringent review of bidder submissions or meeting with prime bidders to provide guidance and assistance on how to do a better job of making good faith efforts.

We agree that there may be circumstances in which a recipient's inability to meet a goal is for reasons beyond its control. If that is the case, the recipient's response to this requirement can be to identify such factors, as well as suggesting how these problems may be taken into account and surmounted in the future. We also agree with those commenters who said that good-faith implementation of a DBE program involves more than meeting an overall goal. Factors like those cited by commenters are important as part of an overall evaluation of a recipient's success. This accountability provision, however, is intended to focus on the process recipients are using to achieve their overall goals, rather than to act as a total program evaluation tool. The operating administrations will continue to conduct program reviews that address the breadth of recipients' program implementation.

The Department believes that a clear, bright-line trigger for the application of the accountability provision makes the most sense administratively and in terms of achieving the purpose of the provision. Consequently, we are not adopting suggestions that the provision be triggered only by a pattern of missing goals, or an average of missing goals over the period of a three-year overall goal, or a shortfall of a particular percentage. Any shortfall means that a recipient has dealt only incompletely with the effects of discrimination, and we believe that it is appropriate in any such case that the recipient understand why that is the case and what steps to take to improve program implementation in the future.

The three-year goal review interval was intended to reduce administrative burdens on recipients. Nevertheless, we

understand that some recipients, especially airports, may be more comfortable with annual projections and updates of overall goals. We have no objection to recipients making annual projections, for informational purposes, within the three-year overall goal. It is still the formally submitted and reviewed three-year goal, however, and not the informal annual projections, that count from the point of view of the accountability mechanism. For example, suppose an airport has a three-year annual overall goal of 12 percent. For informational purposes, the airport chooses to make informal annual projections of 6, 12, and 18 percent for years 1–3, respectively (which, by the way, are not required to be submitted to the Department). The accountability mechanism requirements would be triggered in each of the three years covered by the overall goal if DBE achievements in each year were less than 12 percent.

The Department agrees that recipients should be accountable for effectively carrying out the race-neutral portion of their programs. If a recipient fell short of its overall goal because it did not achieve the projected race-neutral portion of its goal, then this is something the recipient would have to explain and establish measures to correct (e.g., by stepping up race-neutral efforts and/or concluding that it needed to increase race-conscious means of achieving its goal). We also agree that it is reasonable, in calculating goals and in doing disparity studies, to consider potential DBEs (e.g., firms apparently owned and controlled by minorities or women that have not been certified under the DBE program) as well as certified DBEs. This is consistent with good practice in the field as well as with DOT guidance. Separate goals for various groups of disadvantaged individuals are possible with a program waiver of the DBE regulation, if a sufficient case is made for the need for group-specific goals.

In the section of the rule concerning goal-setting (49 CFR 26.45), the Department is also taking this opportunity to make a technical correction. In the final rule establishing the three year DBE goal review cycle, the Department inadvertently omitted from § 26.45(f)'s regulatory text paragraphs (3), (4), and (5), which govern the content of goal submissions, operating administration review of the submission, and review of interim goal setting mechanisms. It was never the intent of the Department to remove or otherwise change those provisions of section 26.45(f) of the rule. This final rule corrects that error by restructuring

paragraphs (1) and (2) of section 26.45(f) and restoring the language of paragraphs (3), (4), and (5) of that section of the rule. We apologize for any confusion that this error may have caused.

The Department supports strong outreach efforts by recipients to encourage minority- and women-owned firms to become certified as DBEs, so that recipients can set and meet realistic goals. However, we caution recipients against stating or implying that minority- and women-owned firms can participate in recipients' contracts only if they become certified as DBEs. It would be contrary to nondiscrimination requirements of this part and of Title VI for a recipient to limit the opportunity of minority- or women-owned firms to compete for any contract because the firm was not a certified DBE.

Program Oversight

The NPRM proposed to require recipients to certify that they have monitored the paperwork and on-site performance of DBE contracts to make sure that DBEs actually perform them. Comment was divided on this proposal, with 21 comments favoring either the proposal or stronger oversight mechanisms and 18 opposed.

Commenters who favored the proposal, including DBEs and some associations and recipients, generally believed that the provision would make it less likely that post-award abuse of DBEs by prime contractors would occur. One recipient noted that it already followed this approach with respect to ARRA grants. Some commenters wanted the Department to require additional steps, such as requiring recipients to make periodic visits to the job site and keeping records of each visit, to ensure that the DBELO did in fact have direct access to the organization's CEO concerning DBE matters, and to maintain sufficient trained staff to do needed monitoring. DBE associations wanted mandatory monitoring of good faith efforts (e.g., by keeping records of all contacts made by prime contractors) and terminations of DBEs by prime contractors, as well as to have certifications signed by persons higher up in the organization than the DBELO (e.g., the CEO). Another commenter sought further checking concerning counting issues. A consultant and a recipient suggested that recipient certifications should be more frequent than a one-time affair, (e.g., monthly or quarterly).

Commenters who opposed the NPRM proposal, most of whom were recipients, said that the workload the certification requirement would create would be too administratively

burdensome, particularly for recipients with small staffs. The certification requirement could duplicate existing commercially useful function reviews. They also doubted the payoff in terms of improved DBE program implementation would be worth the effort. Some recipients said that they did monitor post-award performance and that the proposed additional paperwork requirement step would add little to the substance of their processes. One recipient noted that it would be very difficult to perform an on-site review of contract performance in the case of professional services consultants whose work was performed out of state.

One recipient suggested that a middle ground might be to have the recipient certify monitoring of a sample of contracts, since it lacked the staff for field monitoring of all contracts. A consultant suggested selecting contracts for monitoring based on a "risk-based analysis" of contracts or by focusing on contracts where prime contractors' achievements did not measure up to their commitments. One recipient suggested limiting the certification requirement to one commercially useful function review per year on a contract. A few recipients asked for guidance on what constituted adequate staffing for the DBE program.

DOT Response

The Department's DBE rule already includes a provision (49 CFR 26.37(b)) requiring recipients to have a monitoring and enforcement mechanism to ensure that work committed to DBEs is actually performed by DBEs. The trouble is that, based on the Department's experience, this provision is not being implemented by recipients as well as it should be. The FHWA review team that has been examining state implementation of the DBE program found that many states did not have an effective compliance monitoring program in place. DBE fraud cases investigated by the Department's Office of Inspector General and criminal prosecutions in the Federal courts have highlighted numerous cases in which recipients were unaware, often for many years, of situations in which non-DBE companies were claiming DBE credit for work that DBEs did not perform.

The Department believes that, for the DBE program to be meaningful, it is not enough that prime contractors commit to the use of DBEs at the time of contract award. It is also necessary that the DBEs actually perform the work involved. Recipients need to know whether DBEs are actually performing the work involved, lest program effectiveness suffer and the door be left open to fraud.

Recipients must actually monitor each contract, on paper and in the field, to ensure that they have this knowledge. Monitoring DBE compliance on a contract is no less important, and should be no more brushed aside, than compliance of with project specifications. This is important for prime contracts performed by DBEs as well as for situations in which DBEs act as subcontractors, and the monitoring and certification requirements will apply to both situations.

Consequently, the Department believes that the proposed requirement that recipients memorialize the monitoring they are already required to perform has merit. Its intent is to make sure that the monitoring actually takes place and that the recipient stands by the statement that DBE participation claimed on a contract actually occurred. This monitoring, and the recipient's written certification that it took place, must occur with respect to every contract on which DBE participation is claimed, not just a sample or percentage of such contracts, to make sure that the program operates as it is intended. It applies to contracts entered into prior to the effective date of this rule, since the obligation to monitor work performed by DBEs has always been a key feature of the DBE program.

With respect to concerns about administrative burden, the Department believes that monitoring is something that recipients have been responsible for conducting since the inception of Part 26. Therefore, we are not asking recipients to do something with which they can claim they are unfamiliar. Moreover, as the final rule version of this provision makes clear, recipients can combine the on-site monitoring for DBE compliance with other monitoring they do. For example, the inspector who looks at a project to make sure that the contractor met contract specifications before final payment is authorized could also confirm that DBE requirements were honestly met.

While we believe that more intensive and more frequent monitoring of DBE performance on contracts is desirable, we encourage recipients to monitor contracts as closely as they can. However, we do not, for workload reasons, want to mandate more pervasive monitoring at this time. We agree with commenters that it would be difficult to do on-site monitoring of contracts performed outside the state (e.g., an out-of-state consulting contract), and we have added language specifying that the requirement to monitor work sites pertains to work sites in the recipient's state. In reference to what constitutes adequate staffing of

a DBE program, we believe that it is best to look at this question in terms of a performance standard. The Department's rule requires certain tasks (e.g., responding to applications for DBE eligibility, certification and monitoring of DBE performance on contracts) to be performed within certain time frames. If a recipient has sufficient staff to meet these requirements, then its staffing levels are adequate. If not (e.g., applications for DBE certification are backlogged for several months), then staffing is inadequate.

Small Business Provisions

The NPRM proposed that recipients would add an element to their DBE programs to foster small business participation in contracts. The purpose of this proposal was to encourage programs that, by facilitating small business participation, augmented race-neutral efforts to meet DBE goals. The program element could include items such as race-neutral small business set-asides and unbundling provisions. The NPRM did not propose to mandate any specific elements, however.

The majority of commenters addressing this part of the NPRM—38 of 55—favored the NPRM's approach. Commenters approving the proposal were drawn from DBEs, associations, and recipients. Generally, they agreed that steps to create improved opportunities for small business would help achieve the objectives of the DBE program. Specific elements that various commenters supported included unbundling (which some commenters suggested should be made mandatory), prohibiting double-bonding, small business set-asides, expansions of existing small business development programs and mentor-protégé programs.

Commenters who did not support the NPRM proposal, most of whom were recipients, were concerned that having small business programs would draw focus from programs targeted more directly at DBEs. They were also concerned about having sufficient resources to carry out the programs they might include in a small business program element. One commenter thought that a small business program element would duplicate existing supportive services programs. Another thought unbundling would not work. A number of recipients thought it would be better for DOT to issue guidance on this subject rather than to create regulatory language. A recipient association characterized the proposal as burdensome and not productive.

Eight commenters addressed the issue of bonding and insurance requirements. A bonding company association

explained that both performance and payment bonds had an appropriate place in contracting and believed that subcontractor bonds were not duplicative of prime contractor bonds. A DBE wanted to prohibit prime contractors from setting bonding requirements for subcontractors. A recipient said the Department should treat prime contractors and subcontractors the same for bonding purposes. One DBE association said the combination of payment bonds, performance bonds, and retention was burdensome for subcontractors and Another DBE association said that it was inappropriate to require bonding of the subcontractor when the prime contractor was already bonded for the overall work of the contract. This association suggested that a prime contractor could not demonstrate good faith efforts to meet a goal if it insisted on such a double bond.

DOT Response

DBEs are small businesses. Program provisions that help small businesses can help DBEs. By facilitating participation for small businesses, recipients can make possible more DBE participation, and participation by additional DBE firms. Consequently, we believe that a program element that pulls together the various ways that a recipient reaches out to small businesses and makes it easier for them to compete for DOT-assisted contracts will foster the objectives of the DBE program. Because small business programs of the kind suggested in the NPRM are race-neutral, use of these programs can assist recipients in meeting the race-neutral portions of their overall goals. This is consistent with the language that under Part 26, recipients are directed to meet as much as possible of their overall goals through race-neutral means.

It is important to keep in mind that race-neutral programs should not be passive. Simply waiting and hoping that occasional DBEs will participate without the use of contract goals does not an effective race-neutral program make. Rather, recipients are responsible for taking active, effective steps to increase race-neutral DBE participation, by implementing programs of the kind mentioned in this section of the NPRM and final rule. The Department will be monitoring recipients' race-neutral programs to make sure that they meet this standard.

In adopting the NPRM proposal requiring a small business program element, the Department believes that this element—which is properly viewed as an integral part of a recipient's DBE

program—need not distract recipients from other key parts of recipients' DBE programs, such as certification and the use of race-conscious measures. There are different ways of encouraging DBE participation and meeting DBE overall goals, and recipients' programs need to address a variety of these means. Many of the provisions that recipients can use to implement the requirements of the new section (e.g., unbundling, race-neutral small business set-asides) are already part of the regulation or DOT guidance, and carrying out these elements should not involve extensive additional burdens.

With respect to bonding, the Department believes that commenters made a good point with respect to the burden of duplicative bonding. By duplicative bonding, we mean insistence by a prime contractor that a DBE provide bonding for work that is already covered by bonding or insurance provided by the prime contractor or the recipient. Like duplicative bonding, excessive bonding—a requirement, which according to participants in the Department's stakeholder meetings, is sometimes imposed to provide a bond in excess of the value of the subcontractor's work—can act as an unnecessary barrier to DBE participation. While we believe that additional action to address these problems may have merit, there was not a great deal of comment on the implications of potential regulatory requirements in these areas. Consequently, we will defer action on these issues at this time and seek additional comment and information in the follow-on NPRM the Department is planning to issue.

Miscellaneous Comments

Several commenters expressed general support for the DBE program and/or the NPRM, while two commenters opposed the DBE program in general. A large number of comments from an advocacy organization's members supported additional bonding assistance and more frequent data reporting. A commenter wanted to add DBE coverage for Federal Railroad Administration (FRA) grants. Commenters also suggested such steps as increasing technical assistance, using project labor agreements to increase DBE participation, an SBA 8(a) program-like term limit on participation in the DBE program, a better uniform reporting form, greater ease in complaining to DOT and recipients about noncompliance issues, and putting current joint check guidance into the rule's text.

DOT Response

The Department already has programs in place concerning bonding and data reporting. There is not currently a direct, specific statutory mandate for a DBE program in FRA financial assistance programs, though the Department is considering ways of ensuring nondiscrimination in contracting in these programs. For example, like all recipients of Federal financial assistance, FRA recipients are subject to requirements under Title VI of the Civil Rights Act of 1964. Existing programs, such as the FHWA supportive services program and various initiatives by the Department's Office of Small and Disadvantaged Business Utilization, are in place to assist DBEs in being competitive. Given the language of the statutes authorizing the DOT DBE program, we do not believe that a term limit on the participation of DBE companies would be permissible. The Department is working on improvements on all its DBE forms, and we expect to seek comment on revised forms in the follow-on NPRM we anticipate publishing. At this point, we think that the joint check guidance is sufficient without codification, but we can look at this issue, among other certification issues, in the next round of rulemaking.

The Continuing Compelling Need for the DBE Program

As numerous court decisions have noted,¹ the Department's DBE regulations, and the statutes authorizing them, are supported by a compelling need to address discrimination and its effects. This basis for the program has been established by Congress and applies on a nationwide basis. Both the House and Senate FAA reauthorization bills contained findings reaffirming the compelling need for the program. We would also call to readers' attention the additional information presented to the House of Representatives in a March 26, 2009, hearing before the Transportation and Infrastructure Committee and made a part of the record of that hearing and a Department of Justice document entitled "The Compelling Interest for Race- and Gender-Conscious Federal Contracting Programs: A Decade Later An Update to the May 23, 1996 Review of Barriers for Minority- and Women-

Owned Businesses" and the information and documents cited therein. This information confirms the continuing compelling need for race- and gender-conscious programs such as the DOT DBE program.

Regulatory Analyses and Notices

Executive Order 12866 and DOT Regulatory Policies and Procedures

This is a nonsignificant regulation for purposes of Executive Order 12866 and the Department of Transportation's Regulatory Policies and Procedures. Its provisions involve administrative modifications to several provisions of a long-existing and well-established program, designed to improve the program's implementation. The rule does not alter the direction of the program, make major policy changes, or impose significant new costs or burdens.

Regulatory Flexibility Act

A number of provisions of the rule reduce small business burdens or increase opportunities for small business, notably the interstate certification process and the small business DBE program element provisions. Small recipients would not be required to file reports concerning the reasons for overall goal shortfalls and corrective action steps to be taken. Only State DOTs, the 50 largest transit authorities, and the 30–50 airports receiving the greatest amount of FAA financial assistance would have to file these reports. The task of sending copies of on-site review reports to other certification entities fall on UCPs, which are not small entities, and in any case can be handled electronically (e.g., by emailing PDF copies of the documents). While all recipients would have to input information about decertifications and denials into a DOT database, this would be a quick electronic process that would not be costly or burdensome. In any case, this requirement will be phased in as the Department prepares to put the database online. The rule does not make major policy changes that would cause recipients to expend significant resources on program modifications. For these reasons, the Department certifies that the rule does not have a significant economic effect on a substantial number of small entities.

Federalism

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on State or local governments and would either preempt State law or impose a substantial direct cost of

compliance on them. We have analyzed this rule under the Order and have determined that it does not have implications for federalism, since it merely makes administrative modifications to an existing program. It does not change the relationship between the Department and State or local governments, pre-empt State law, or impose substantial direct compliance costs on those governments.

Paperwork Reduction Act

As required by the Paperwork Reduction Act of 1995, DOT has submitted the Information Collection Requests (ICRs) below to the Office of Management and Budget (OMB). Before OMB decides whether to approve these proposed collections of information and issue a control number, the public must be provided 30 days to comment. Organizations and individuals desiring to submit comments on the collections of information in this rule should direct them to the Office of Management and Budget, *Attention: Desk Officer for the Office of the Secretary of Transportation, Office of Information and Regulatory Affairs*, Washington, DC 20503. OMB is required to make a decision concerning the collection of information requirements contained in this rule between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment is best assured of having its full effect if OMB receives it within 30 days of publication.

We will respond to any OMB or public comments on the information collection requirements contained in this rule. The Department will not impose a penalty on persons for violating information collection requirements which do not display a current OMB control number, if required. The Department intends to obtain current OMB control numbers for the new information collection requirements resulting from this rulemaking action. The OMB control number, when assigned, will be announced by separate notice in the **Federal Register**.

It is estimated that the total incremental annual burden hours for the information collection requirements in this rule are 47,450 hours in the first year, 83,370 in the second year, and 51,875 thereafter. The following are the information collection requirements in this rule:

Certification of Monitoring (49 CFR 26.37(b))

Each recipient would certify that it had conducted post-award monitoring of contracts which would be counted for

¹ See for instance *Adarand Constructors, Inc. v. Slater*, 228 F.3d 1147 (10th Cir. 2000), *Northern Contracting Inc. v. Illinois Department of Transportation*, 473 F.3d 715 (7th Cir. 2007), *Sherbrooke Turf, Inc. v. Minnesota Department of Transportation*, 345 F.3d 964 (8th Cir. 2003), *Western States Paving Co., Inc. v. Washington Department of Transportation*, 407 F.3d 983 (9th Cir. 2005).

DBE credit to ensure that DBEs had done the work for which credit was claimed. The certification is for the purpose of ensuring accountability for monitoring which the regulation already requires.

Respondents: 1,050.

Frequency: 13,400 (i.e., there are about 13,400 contracts per year that have DBE participation, based on 2009 data).

Estimated Burden per Response: ½ hour.

Estimated Total Annual Burden: 6,700 hours.

Small Business Program Element (49 CFR 26.39)

Each recipient would add a new DBE program element, consisting of strategies to encourage small business participation in their contracting activities. No specific element would be required, and many of the potential elements are already part of the existing DBE regulation or implementing guidance (e.g., unbundling; race-neutral small business set-asides). The small business program element is intended to pull a recipient's small business efforts into a single, unified place in this DBE Program. This requirement goes into effect a year from the effective date of the rule.

Respondents: 1,050.

Frequency: Once (for a one-time task).

Estimated Burden per Response: 30 hours.

Estimated Total Annual Burden Hours: 31,500 (one time).

Accountability Mechanism (49 CFR 26.47(c))

If a recipient failed to meet its overall goal in a given year, it would have to determine the reasons for its failure and establish corrective steps.

Approximately 150 large recipients would transmit this analysis to DOT; smaller recipients would perform the analysis but would not be required to submit it to DOT. We estimate that about half of recipients would be subject to this requirement in a given year.

Respondents: 525 (150 of which would have to submit reports to DOT).

Frequency: Once per year.

Estimated Average Burden per Response: 80 hours + 5 for recipients sending report to DOT.

Estimated Total Annual Burden Hours: 42,750.

Affidavit of Completeness (49 CFR 26.45(c)(4))

When a firm certified in its home state seeks certification in another state ("State B"), the firm must provide an affidavit that the information the firm

provides to State B is complete and is identical to that submitted to the home state. The calculation of the burden for this item assumes that there will be an average 2600 interstate applications each year to which this requirement would apply. This requirement takes effect a year from the effective date of this rule.

Respondents: 2,600.

Frequency: Once per year to a given recipient.

Estimated Average Burden per Response: 1 hour.

Estimated Total Annual Burden Hours: 2,600 hours.

Transmittal of On-Site Report (49 CFR 26.85(d)(1))

When a "State B" receives a request for certification from a firm certified in "State A," State A must promptly send a copy of that report to State B. This would involve simply emailing a PDF or other electronic copy of an existing report. This requirement takes effect one year from the effective date of this rule.

Respondents: 52.

Frequency: An average of 50 per year per recipient.

Estimated Average Burden per Response: ½ hour.

Estimated Total Annual Burden Hours: 1,300.

Transmittal of Decertification/Denial Information (49 CFR 26.85(f)(1))

When a unified certification program (UCP) in a state denies a firm's application for certification or decertifies the firm, it must electronically notify a DOT database of the fact. The information in the database is then available to other certification agencies for their reference. The calculation of the burden of this requirement assumes that there would be an average of 100 such actions per year by each UCP.

Respondents: 52.

Frequency: An average of 100 per year per recipient.

Estimated Average Burden per Response: ½ hour.

Estimated Total Annual Burden Hours: 2,600.

Transmittal of Denial/Decertification Documents (49 CFR 26.85(f)(3))

When a UCP notes, from the DOT database, that a firm that has applied or been granted certification was denied or decertified elsewhere, the UCP would request a copy of the decision by the other state, which would then have to send a copy. The Department anticipates that this would be done by an email exchange, the response attaching a PDF or other electronic copy

of an existing document. This requirement goes into effect a year from the effective date of the rule.

Respondents: 52.

Frequency: An average of 75 per year per recipient.

Estimated Average Burden per Response: five minutes for the request; ½ hour for the response.

Estimated Total Annual Burden Hours: 2,625.

List of Subjects in 49 CFR Part 26

Administrative practice and procedure, Airports, Civil rights, Government contracts, Grant-programs—transportation, Mass transportation, Minority businesses, Reporting and record keeping requirements.

Issued this 11th day of January, 2011, at Washington, DC.

Ray LaHood,

Secretary of Transportation.

For the reasons set forth in the preamble, the Department amends 49 CFR Part 26 as follows:

PART 26—PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES IN DEPARTMENT OF TRANSPORTATION FINANCIAL ASSISTANCE PROGRAMS

■ 1. The authority citation for part 26 is amended to read as follows:

Authority: 23 U.S.C. 304 and 324; 42 U.S.C. 2000d, *et seq.*; 49 U.S.C. 47107, 47113, 47123; Sec. 1101(b), Pub. L. 105–178, 112 Stat. 107, 113.

■ 2. In section 26.5, add a definition of "Home state" in alphabetical order to read as follows:

§ 26.5 What do the terms used in this part mean?

* * * * *

"Home state" means the state in which a DBE firm or applicant for DBE certification maintains its principal place of business.

* * * * *

■ 3. In § 26.11, add paragraph (a) to read as follows:

§ 26.11 What records do recipients keep and report?

(a) You must transmit the Uniform Report of DBE Awards or Commitments and Payments, found in Appendix B to this part, at the intervals stated on the form.

* * * * *

■ 4. Revise § 26.31 to read as follows:

§ 26.31 What information must you include in your DBE directory?

(a) In the directory required under § 26.81(g) of this Part, you must list all

firms eligible to participate as DBEs in your program. In the listing for each firm, you must include its address, phone number, and the types of work the firm has been certified to perform as a DBE.

(b) You must list each type of work for which a firm is eligible to be certified by using the most specific NAICS code available to describe each type of work. You must make any changes to your current directory entries necessary to meet the requirement of this paragraph (a) by August 26, 2011.

■ 5. Revise § 26.37 (b) to read as follows:

§ 26.37 What are a recipient's responsibilities for monitoring the performance of other program participants?

* * * * *

(b) Your DBE program must also include a monitoring and enforcement mechanism to ensure that work committed to DBEs at contract award or subsequently (*e.g.*, as the result of modification to the contract) is actually performed by the DBEs to which the work was committed. This mechanism must include a written certification that you have reviewed contracting records and monitored work sites in your state for this purpose. The monitoring to which this paragraph refers may be conducted in conjunction with monitoring of contract performance for other purposes (*e.g.*, close-out reviews for a contract).

* * * * *

■ 6. Add § 26.39 to subpart B to read as follows:

§ 26.39 Fostering small business participation.

(a) Your DBE program must include an element to structure contracting requirements to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors.

(b) This element must be submitted to the appropriate DOT operating administration for approval as a part of your DBE program by February 28, 2012. As part of this program element you may include, but are not limited to, the following strategies:

(1) Establishing a race-neutral small business set-aside for prime contracts under a stated amount (*e.g.*, \$1 million).

(2) In multi-year design-build contracts or other large contracts (*e.g.*, for "megaprojects") requiring bidders on the prime contract to specify elements of the contract or specific subcontracts

that are of a size that small businesses, including DBEs, can reasonably perform.

(3) On prime contracts not having DBE contract goals, requiring the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved.

(4) Identifying alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or joint ventures consisting of small businesses, including DBEs, to compete for and perform prime contracts.

(5) To meet the portion of your overall goal you project to meet through race-neutral measures, ensuring that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.

(c) You must actively implement your program elements to foster small business participation. Doing so is a requirement of good faith implementation of your DBE program.

■ 7. In § 26.45:

■ a. Revise paragraphs (e)(2), (e)(3), (f)(1), and (f)(2);

■ b. Redesignate paragraphs ((f)(3) and (f)(4) as (f)(6) and (f)(7), respectively; and

■ c. Add new paragraphs (f)(3), (4), and (5).

The revisions and addition read as follows:

§ 26.45 How do recipients set overall goals?

* * * * *

(e) * * *

(2) If you are an FTA or FAA recipient, as a percentage of all FT or FAA funds (exclusive of FTA funds to be used for the purchase of transit vehicles) that you will expend in FTA or FAA-assisted contracts in the three forthcoming fiscal years.

(3) In appropriate cases, the FHWA, FTA or FAA Administrator may permit or require you to express your overall goal as a percentage of funds for a particular grant or project or group of grants and/or projects. Like other overall goals, a project goal may be adjusted to reflect changed circumstances, with the concurrence of the appropriate operating administration.

(i) A project goal is an overall goal, and must meet all the substantive and procedural requirements of this section pertaining to overall goals.

(ii) A project goal covers the entire length of the project to which it applies.

(iii) The project goal should include a projection of the DBE participation anticipated to be obtained during each fiscal year covered by the project goal.

(iv) The funds for the project to which the project goal pertains are separated from the base from which your regular overall goal, applicable to contracts not part of the project covered by a project goal, is calculated.

(f)(1)(i) If you set your overall goal on a fiscal year basis, you must submit it to the applicable DOT operating administration by August 1 at three-year intervals, based on a schedule established by the FHWA, FTA, or FAA, as applicable, and posted on that agency's Web site.

(ii) You may adjust your three-year overall goal during the three-year period to which it applies, in order to reflect changed circumstances. You must submit such an adjustment to the concerned operating administration for review and approval.

(iii) The operating administration may direct you to undertake a review of your goal if necessary to ensure that the goal continues to fit your circumstances appropriately.

(iv) While you are required to submit an overall goal to FHWA, FTA, or FAA only every three years, the overall goal and the provisions of Sec. 26.47(c) apply to each year during that three-year period.

(v) You may make, for informational purposes, projections of your expected DBE achievements during each of the three years covered by your overall goal. However, it is the overall goal itself, and not these informational projections, to which the provisions of section 26.47(c) of this part apply.

(2) If you are a recipient and set your overall goal on a project or grant basis as provided in paragraph (e)(3) of this section, you must submit the goal for review at a time determined by the FHWA, FTA or FAA Administrator, as applicable.

(3) You must include with your overall goal submission a description of the methodology you used to establish the goal, including your base figure and the evidence with which it was calculated, and the adjustments you made to the base figure and the evidence you relied on for the adjustments. You should also include a summary listing of the relevant available evidence in your jurisdiction and, where applicable, an explanation of why you did not use that evidence to adjust your base figure. You must also include your projection of the portions of the overall goal you expect to meet through race-neutral and race-conscious measures, respectively (*see* 26.51(c)).

(4) You are not required to obtain prior operating administration concurrence with your overall goal. However, if the operating

administration's review suggests that your overall goal has not been correctly calculated, or that your method for calculating goals is inadequate, the operating administration may, after consulting with you, adjust your overall goal or require that you do so. The adjusted overall goal is binding on you.

(5) If you need additional time to collect data or take other steps to develop an approach to setting overall goals, you may request the approval of the concerned operating administration for an interim goal and/or goal-setting mechanism. Such a mechanism must:

(i) Reflect the relative availability of DBEs in your local market to the maximum extent feasible given the data available to you; and

(ii) Avoid imposing undue burdens on non-DBEs.

* * * * *

■ 8. In § 26.47, add paragraphs (c) and (d) to read as follows:

§ 26.47 Can recipients be penalized for failing to meet overall goals?

* * * * *

(c) If the awards and commitments shown on your Uniform Report of Awards or Commitments and Payments at the end of any fiscal year are less than the overall goal applicable to that fiscal year, you must do the following in order to be regarded by the Department as implementing your DBE program in good faith:

(1) Analyze in detail the reasons for the difference between the overall goal and your awards and commitments in that fiscal year;

(2) Establish specific steps and milestones to correct the problems you have identified in your analysis and to enable you to meet fully your goal for the new fiscal year;

(3)(i) If you are a state highway agency; one of the 50 largest transit authorities as determined by the FTA; or an Operational Evolution Partnership Plan airport or other airport designated by the FAA, you must submit, within 90 days of the end of the fiscal year, the analysis and corrective actions developed under paragraphs (c)(1) and (2) of this section to the appropriate operating administration for approval. If the operating administration approves the report, you will be regarded as complying with the requirements of this section for the remainder of the fiscal year.

(ii) As a transit authority or airport not meeting the criteria of paragraph (c)(3)(i) of this section, you must retain analysis and corrective actions in your records for three years and make it available to FTA or FAA on request for their review.

(4) FHWA, FTA, or FAA may impose conditions on the recipient as part of its approval of the recipient's analysis and corrective actions including, but not limited to, modifications to your overall goal methodology, changes in your race-conscious/race-neutral split, or the introduction of additional race-neutral or race-conscious measures.

(5) You may be regarded as being in noncompliance with this Part, and therefore subject to the remedies in § 26.103 or § 26.105 of this part and other applicable regulations, for failing to implement your DBE program in good faith if any of the following things occur:

(i) You do not submit your analysis and corrective actions to FHWA, FTA, or FAA in a timely manner as required under paragraph (c)(3) of this section;

(ii) FHWA, FTA, or FAA disapproves your analysis or corrective actions; or

(iii) You do not fully implement the corrective actions to which you have committed or conditions that FHWA, FTA, or FAA has imposed following review of your analysis and corrective actions.

(d) If, as recipient, your Uniform Report of DBE Awards or Commitments and Payments or other information coming to the attention of FTA, FHWA, or FAA, demonstrates that current trends make it unlikely that you will achieve DBE awards and commitments that would be necessary to allow you to meet your overall goal at the end of the fiscal year, FHWA, FTA, or FAA, as applicable, may require you to make further good faith efforts, such as by modifying your race-conscious/race-neutral split or introducing additional race-neutral or race-conscious measures for the remainder of the fiscal year.

■ 9. In § 26.51, revise paragraphs (b)(1) and (f)(1) to read as follows:

§ 26.51 What means do recipients use to meet overall goals?

* * * * *

(b)* * *

(1) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under § 26.39 of this part.

* * * * *

(f) * * *

(1) If your approved projection under paragraph (c) of this section estimates that you can meet your entire overall goal for a given year through race-neutral means, you must implement your program without setting contract

goals during that year, unless it becomes necessary in order meet your overall goal.

Example to paragraph (f)(1): Your overall goal for Year 1 is 12 percent. You estimate that you can obtain 12 percent or more DBE participation through the use of race-neutral measures, without any use of contract goals. In this case, you do not set any contract goals for the contracts that will be performed in Year 1. However, if part way through Year 1, your DBE awards or commitments are not at a level that would permit you to achieve your overall goal for Year 1, you could begin setting race-conscious DBE contract goals during the remainder of the year as part of your obligation to implement your program in good faith.

* * * * *

■ 10. In § 26.53:

■ a. Redesignate paragraph (g) as paragraph (i);

■ b. Redesignate paragraphs (f)(2) and (3) as paragraphs (g) and (h), respectively;

■ c. Revise paragraph (f)(1); and

■ d. Add new paragraphs (f)(2) through (6) to read as follows:

§ 26.53 What are the good faith efforts procedures recipients follow in situations where there are contract goals?

* * * * *

(f)(1) You must require that a prime contractor not terminate a DBE subcontractor listed in response to paragraph (b)(2) of this section (or an approved substitute DBE firm) without your prior written consent. This includes, but is not limited to, instances in which a prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

(2) You may provide such written consent only if you agree, for reasons stated in your concurrence document, that the prime contractor has good cause to terminate the DBE firm.

(3) For purposes of this paragraph, good cause includes the following circumstances:

(i) The listed DBE subcontractor fails or refuses to execute a written contract;

(ii) The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided, however, that good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the prime contractor;

(iii) The listed DBE subcontractor fails or refuses to meet the prime contractor's

reasonable, nondiscriminatory bond requirements.

(iv) The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit unworthiness;

(v) The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings pursuant 2 CFR Parts 180, 215 and 1,200 or applicable state law;

(vii) You have determined that the listed DBE subcontractor is not a responsible contractor;

(vi) The listed DBE subcontractor voluntarily withdraws from the project and provides to you written notice of its withdrawal;

(vii) The listed DBE is ineligible to receive DBE credit for the type of work required;

(viii) A DBE owner dies or becomes disabled with the result that the listed DBE contractor is unable to complete its work on the contract;

(ix) Other documented good cause that you determine compels the termination of the DBE subcontractor. Provided, that good cause does not exist if the prime contractor seeks to terminate a DBE it relied upon to obtain the contract so that the prime contractor can self-perform the work for which the DBE contractor was engaged or so that the prime contractor can substitute another DBE or non-DBE contractor after contract award.

(4) Before transmitting to you its request to terminate and/or substitute a DBE subcontractor, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to you, of its intent to request to terminate and/or substitute, and the reason for the request.

(5) The prime contractor must give the DBE five days to respond to the prime contractor's notice and advise you and the contractor of the reasons, if any, why it objects to the proposed termination of its subcontract and why you should not approve the prime contractor's action. If required in a particular case as a matter of public necessity (e.g., safety), you may provide a response period shorter than five days.

(6) In addition to post-award terminations, the provisions of this section apply to preaward deletions of or substitutions for DBE firms put forward by offerors in negotiated procurements.

* * * * *

■ 11. In § 26.67, revise paragraphs (a)(2)(i) and (iv), and in paragraphs (b), (c), and (d), remove "\$750,000" and add in its place "\$1.32 million".

The revisions read as follows:

§ 26.67 What rules determine social and economic disadvantage?

(a) * * *

(2)(i) You must require each individual owner of a firm applying to participate as a DBE, whose ownership and control are relied upon for DBE certification to certify that he or she has a personal net worth that does not exceed \$1.32 million.

* * * * *

(iv) Notwithstanding any provision of Federal or state law, you must not release an individual's personal net worth statement nor any documents pertaining to it to any third party without the written consent of the submitter. Provided, that you must transmit this information to DOT in any certification appeal proceeding under section 26.89 of this part or to any other state to which the individual's firm has applied for certification under § 26.85 of this part.

* * * * *

■ 12. Revise § 26.71(n) to read as follows:

§ 26.71 What rules govern determinations concerning control?

* * * * *

(n) You must grant certification to a firm only for specific types of work in which the socially and economically disadvantaged owners have the ability to control the firm. To become certified in an additional type of work, the firm need demonstrate to you only that its socially and economically disadvantaged owners are able to control the firm with respect to that type of work. You must not require that the firm be recertified or submit a new application for certification, but you must verify the disadvantaged owner's control of the firm in the additional type of work.

(1) The types of work a firm can perform (whether on initial certification or when a new type of work is added) must be described in terms of the most specific available NAICS code for that type of work. If you choose, you may also, in addition to applying the appropriate NAICS code, apply a descriptor from a classification scheme of equivalent detail and specificity. A correct NAICS code is one that describes, as specifically as possible, the principal goods or services which the firm would provide to DOT recipients. Multiple NAICS codes may be assigned where appropriate. Program participants must rely on, and not depart from, the plain meaning of NAICS code descriptions in determining the scope of a firm's certification. If your Directory does not list types of work for any firm

in a manner consistent with this paragraph (a)(1), you must update the Directory entry for that firm to meet the requirements of this paragraph (a)(1) by August 28, 2011.

(2) Firms and recipients must check carefully to make sure that the NAICS codes cited in a certification are kept up-to-date and accurately reflect work which the UCP has determined the firm's owners can control. The firm bears the burden of providing detailed company information the certifying agency needs to make an appropriate NAICS code designation.

(3) If a firm believes that there is not a NAICS code that fully or clearly describes the type(s) of work in which it is seeking to be certified as a DBE, the firm may request that the certifying agency, in its certification documentation, supplement the assigned NAICS code(s) with a clear, specific, and detailed narrative description of the type of work in which the firm is certified. A vague, general, or confusing description is not sufficient for this purpose, and recipients should not rely on such a description in determining whether a firm's participation can be counted toward DBE goals.

(4) A certifier is not precluded from changing a certification classification or description if there is a factual basis in the record. However, certifiers must not make after-the-fact statements about the scope of a certification, not supported by evidence in the record of the certification action.

* * * * *

■ 13. Revise § 26.73(b) to read as follows:

§ 26.73 What are other rules affecting certification?

* * * * *

(b)(1) You must evaluate the eligibility of a firm on the basis of present circumstances. You must not refuse to certify a firm based solely on historical information indicating a lack of ownership or control of the firm by socially and economically disadvantaged individuals at some time in the past, if the firm currently meets the ownership and control standards of this part.

(2) You must not refuse to certify a firm solely on the basis that it is a newly formed firm, has not completed projects or contracts at the time of its application, has not yet realized profits from its activities, or has not demonstrated a potential for success. If the firm meets disadvantaged, size, ownership, and control requirements of

this Part, the firm is eligible for certification.

* * * * *

§ 26.81 [Amended]

■ 14. Amend § 26.81(g) by removing the word “section” and adding in its place the word “part” and by removing the period at the end of the last sentence and adding the words “and shall revise the print version of the Directory at least once a year.”

■ 15. In § 26.83, remove and reserve paragraph (e), revise paragraph (h), and add paragraphs (l) and (m) to read as follows:

§ 26.83 What procedures do recipients follow in making certification decisions?

* * * * *

(h) Once you have certified a DBE, it shall remain certified until and unless you have removed its certification, in whole or in part, through the procedures of section 26.87. You may not require DBEs to reapply for certification or require “recertification” of currently certified firms. However, you may conduct a certification review of a certified DBE firm, including a new on-site review, three years from the date of the firm’s most recent certification, or sooner if appropriate in light of changed circumstances (*e.g.*, of the kind requiring notice under paragraph (i) of this section), a complaint, or other information concerning the firm’s eligibility. If you have grounds to question the firm’s eligibility, you may conduct an on-site review on an unannounced basis, at the firm’s offices and jobsites.

* * * * *

(l) As a recipient or UCP, you must advise each applicant within 30 days from your receipt of the application whether the application is complete and suitable for evaluation and, if not, what additional information or action is required.

(m) Except as otherwise provided in this paragraph, if an applicant for DBE certification withdraws its application before you have issued a decision on the application, the applicant can resubmit the application at any time. As a recipient or UCP, you may not apply the waiting period provided under § 26.86(c) of this part before allowing the applicant to resubmit its application. However, you may place the reapplication at the “end of the line,” behind other applications that have been made since the firm’s previous application was withdrawn. You may also apply the waiting period provided under § 26.86(c) of this part to a firm that has established a pattern of

frequently withdrawing applications before you make a decision.

§ 26.84 [Removed]

■ 16. Remove section 26.84.

■ 17. Revise § 26.85 to read as follows

§ 26.85 Interstate certification.

(a) This section applies with respect to any firm that is currently certified in its home state.

(b) When a firm currently certified in its home state (“State A”) applies to another State (“State B”) for DBE certification, State B may, at its discretion, accept State A’s certification and certify the firm, without further procedures.

(1) To obtain certification in this manner, the firm must provide to State B a copy of its certification notice from State A.

(2) Before certifying the firm, State B must confirm that the firm has a current valid certification from State A. State B can do so by reviewing State A’s electronic directory or obtaining written confirmation from State A.

(c) In any situation in which State B chooses not to accept State A’s certification of a firm as provided in paragraph (b) of this section, as the applicant firm you must provide the information in paragraphs (c)(1) through (4) of this section to State B.

(1) You must provide to State B a complete copy of the application form, all supporting documents, and any other information you have submitted to State A or any other state related to your firm’s certification. This includes affidavits of no change (*see* § 26.83(j)) and any notices of changes (*see* § 26.83(i)) that you have submitted to State A, as well as any correspondence you have had with State A’s UCP or any other recipient concerning your application or status as a DBE firm.

(2) You must also provide to State B any notices or correspondence from states other than State A relating to your status as an applicant or certified DBE in those states. For example, if you have been denied certification or decertified in State C, or subject to a decertification action there, you must inform State B of this fact and provide all documentation concerning this action to State B.

(3) If you have filed a certification appeal with DOT (*see* § 26.89), you must inform State B of the fact and provide your letter of appeal and DOT’s response to State B.

(4) You must submit an affidavit sworn to by the firm’s owners before a person who is authorized by State law to administer oaths or an unsworn declaration executed under penalty of perjury of the laws of the United States.

(i) This affidavit must affirm that you have submitted all the information required by 49 CFR 26.85(c) and the information is complete and, in the case of the information required by § 26.85(c)(1), is an identical copy of the information submitted to State A.

(ii) If the on-site report from State A supporting your certification in State A is more than three years old, as of the date of your application to State B, State B may require that your affidavit also affirm that the facts in the on-site report remain true and correct.

(d) As State B, when you receive from an applicant firm all the information required by paragraph (c) of this section, you must take the following actions:

(1) Within seven days contact State A and request a copy of the site visit review report for the firm (*see* § 26.83(c)(1)), any updates to the site visit review, and any evaluation of the firm based on the site visit. As State A, you must transmit this information to State B within seven days of receiving the request. A pattern by State B of not making such requests in a timely manner or by “State A” or any other State of not complying with such requests in a timely manner is noncompliance with this Part.

(2) Determine whether there is good cause to believe that State A’s certification of the firm is erroneous or should not apply in your State. Reasons for making such a determination may include the following:

(i) Evidence that State A’s certification was obtained by fraud;

(ii) New information, not available to State A at the time of its certification, showing that the firm does not meet all eligibility criteria;

(iii) State A’s certification was factually erroneous or was inconsistent with the requirements of this part;

(iv) The State law of State B requires a result different from that of the State law of State A.

(v) The information provided by the applicant firm did not meet the requirements of paragraph (c) of this section.

(3) If, as State B, unless you have determined that there is good cause to believe that State A’s certification is erroneous or should not apply in your State, you must, no later than 60 days from the date on which you received from the applicant firm all the information required by paragraph (c) of this section, send to the applicant firm a notice that it is certified and place the firm on your directory of certified firms.

(4) If, as State B, you have determined that there is good cause to believe that State A’s certification is erroneous or should not apply in your State, you

must, no later than 60 days from the date on which you received from the applicant firm all the information required by paragraph (c) of this section, send to the applicant firm a notice stating the reasons for your determination.

(i) This notice must state with particularity the specific reasons why State B believes that the firm does not meet the requirements of this Part for DBE eligibility and must offer the firm an opportunity to respond to State B with respect to these reasons.

(ii) The firm may elect to respond in writing, to request an in-person meeting with State B's decision maker to discuss State B's objections to the firm's eligibility, or both. If the firm requests a meeting, as State B you must schedule the meeting to take place within 30 days of receiving the firm's request.

(iii) The firm bears the burden of demonstrating, by a preponderance of evidence, that it meets the requirements of this Part with respect to the particularized issues raised by State B's notice. The firm is not otherwise responsible for further demonstrating its eligibility to State B.

(iv) The decision maker for State B must be an individual who is thoroughly familiar with the provisions of this Part concerning certification.

(v) State B must issue a written decision within 30 days of the receipt of the written response from the firm or the meeting with the decision maker, whichever is later.

(vi) The firm's application for certification is stayed pending the outcome of this process.

(vii) A decision under this paragraph (d)(4) may be appealed to the

Departmental Office of Civil Rights under s§ 26.89 of this part.

(e) As State B, if you have not received from State A a copy of the site visit review report by a date 14 days after you have made a timely request for it, you may hold action required by paragraphs (d)(2) through (4) of this section in abeyance pending receipt of the site visit review report. In this event, you must, no later than 30 days from the date on which you received from an applicant firm all the information required by paragraph (c) of this section, notify the firm in writing of the delay in the process and the reason for it.

(f)(1) As a UCP, when you deny a firm's application, reject the application of a firm certified in State A or any other State in which the firm is certified, through the procedures of paragraph (d)(4) of this section, or decertify a firm, in whole or in part, you must make an entry in the Department of Transportation Office of Civil Rights' (DOCR's) Ineligibility Determination Online Database. You must enter the following information:

- (i) The name of the firm;
- (ii) The name(s) of the firm's owner(s);
- (iii) The type and date of the action;
- (iv) The reason for the action.

(2) As a UCP, you must check the DOCR Web site at least once every month to determine whether any firm that is applying to you for certification or that you have already certified is on the list.

(3) For any such firm that is on the list, you must promptly request a copy of the listed decision from the UCP that made it. As the UCP receiving such a request, you must provide a copy of the decision to the requesting UCP within 7 days of receiving the request. As the

UCP receiving the decision, you must then consider the information in the decision in determining what, if any, action to take with respect to the certified DBE firm or applicant.

(g) You must implement the requirements of this section beginning January 1, 2012.

§ 26.87 [Amended]

■ 18. In § 26.87, remove and reserve paragraph (h).

§ 26.107 [Amended]

■ 19. In § 26.107, in paragraphs (a) and (b), remove "49 CFR part 29" and add in its place, "2 CFR parts 180 and 1200".

■ 20. In § 26.109, revise paragraph (a)(2) to read as follows:

§ 26.109 What are the rules governing information, confidentiality, cooperation, and intimidation or retaliation?

(a) * * *

(2) Notwithstanding any provision of Federal or state law, you must not release any information that may reasonably be construed as confidential business information to any third party without the written consent of the firm that submitted the information. This includes applications for DBE certification and supporting information. However, you must transmit this information to DOT in any certification appeal proceeding under § 26.89 of this part or to any other state to which the individual's firm has applied for certification under § 26.85 of this part.

* * * * *

[FR Doc. 2011-1531 Filed 1-27-11; 8:45 am]

BILLING CODE 4910-9X-P



AGENDA REPORT

MEETING DATE: July 3, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING: (1) AN ADMINISTRATIVE SERVICES AGREEMENT WITH INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION (ICMA); AND (2) AN AMENDMENT TO ITS 457 DEFERRED COMPENSATION PLAN TO PERMIT LOANS AND ICMA GUIDELINES AND AGREEMENTS RELATED THERETO

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

ACTION:

City Council discretion.

EXECUTIVE SUMMARY:

Employer Sponsored Savings Plans

Employer sponsored plans are a means of stashing some serious money away for retirement. Generally, you can save more through an employer-sponsored plan than you may be able to on your own.

- ✓ You decide how much to contribute up to the IRS limit and how the money is invested within the options available on the plan.
- ✓ Your employer automatically takes contributions from your paycheck before tax is figured. As a result, your overall income tax is calculated on a lower amount than it was before you were making contributions, making your total income tax burden a little lighter.
- ✓ Some employers match employee contributions. So for those people not participating in these plans, they are literally walking away from free retirement money.
- ✓ Some plans also include a loan feature letting you borrow your retirement funds and then pay yourself back without incurring tax penalties. (as long as you pay it back within the IRS rules)
- ✓ You pay no income tax on contributions or any earnings on your account until money is withdrawn.

Section 457 Deferred Compensation Plans

Under a Section 457 plan, employees may contribute a portion of their salary on a pre-tax basis into a deferred compensation plan for retirement. However, these plans are restricted to state, county, and municipal government workers or, if the employer is tax-exempt, to select management and highly compensated employees. These plans have some different provisions than 401(k) plans, including special catch-up contributions, earlier qualified withdrawals and limitations on plan loans.

DISCUSSION:

As you may recall, on March 6, the City Council approved the update of the City's then 457(b) Deferred Comp plan as part of ING's Product and Platform upgrade. In order that we keep the integrity of the plan for the organization, staff has been working with ICMA on a parallel track to implement the features afforded under the ING umbrella -- a web based product and platform will allow individuals (users) the ability to make changes on-line and take a loan against the funds they have invested in their 457 plan.

As an FYI, the process was communicated to the City Employees Association Board prior to the Council's approval of the ING Service Agreement back in March. The Board concurred that all of the components presented were of benefit to the employees. It was also communicated that staff would be returning to the City council with a parallel track related to the other provider – ICMA. Again, the Board concurred that all benefits under the deferred umbrella, regardless of the provider, should be afforded to all city employees.

Benefits Under the ICMA Platform (very similar to ING)

- ✓ No Annual Participant Fee
- ✓ No Surrender Charge
- ✓ Best of Blend fund menu - funds including fixed, target date index funds and all asset classes
- ✓ Morningstar Retirement Manager
- ✓ Online Contribution Rate Change service
- ✓ Online Beneficiary Maintenance
- ✓ Participant signature-ready distribution packages including loans (no employer involvement/signature for participant distributions.
- ✓ Choice of Payroll Deduct or ACH/Debit loan repayment
- ✓ ICMA Review and Approval of Unforeseen Emergencies (no employer involvement in process)
- ✓ Optional online enrollment for participants
- ✓ Online payroll submission options
- ✓ Payroll feedback options when participants make changes or enroll online
- ✓ Roth 457
- ✓ Full training and support for staff and participants on new websites and processes.
- ✓ Interactive and transactional Mobile application for participants

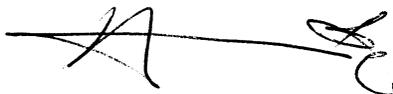
FISCAL IMPACT

The City will not benefit monetarily from the upgrade from the current product. Administratively, we should witness less paper transactions and thus less of a burden on finance staff. In addition, employees will experience a savings in their 457 accounts because they will no longer be paying the fees associated with the current platform.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

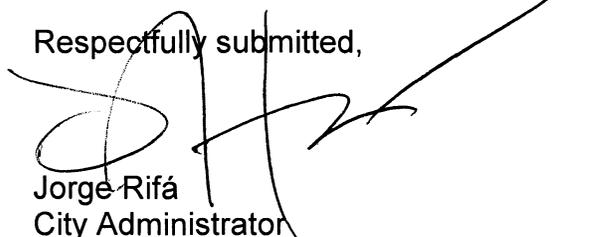
The implementation of this product upgrade is related to the City Council's goal of making financially and economically sound decisions consistent with economic conditions.

Recommended by:



Vilko Domic
Director of Finance

Respectfully submitted,



Jorge Rifá
City Administrator

City Council Agenda Item
ICMA Administrative Services Agmt &
Agreements Related Thereto
July 3, 2012
Page 3

Approved as to Form

A handwritten signature in black ink, appearing to read "Eduardo", followed by a large, stylized circular flourish.

Eduardo Olivo
City Attorney

Attachments: Agreements (3)
Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING: (1) AN ADMINISTRATIVE SERVICES AGREEMENT WITH INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION (ICMA); AND (2) AN AMENDMENT TO ITS 457 DEFERRED COMPENSATION PLAN TO PERMIT LOANS AND ICMA GUIDELINES AND AGREEMENTS RELATED THERETO

WHEREAS, the City of Commerce (the "City") has employees rendering valuable services; and

WHEREAS, the City has established a retirement plan (the "Plan") for such employees which serves the interest of the City by enabling it to provide reasonable security for its employees, by providing increased flexibility in its personnel management system, and by assisting in attraction and retention of competent personnel; and

WHEREAS, the City as the Plan sponsor has the responsibility to obtain administrative services and investment alternatives for the Plan; and

WHEREAS, VantageTrust (the "Trust") is a group trust established and maintained in accordance with New Hampshire Revised Statutes Annotated section 391.1 and International Revenue Service Revenue Ruling 810100, 1981-1 C.B. 326, which provides for the commingled investment of retirement funds held by various state and local governmental units for their employees; and

WHEREAS, International City/County Management Association Retirement Corporation ("ICMA") acts as investment adviser to VantageTrust Company, the Trustee of the Trust; and

WHEREAS, ICMA-RC has designed, and the Trust offers, a series of separate funds (the "Funds") for the investment of plan assets; and

WHEREAS, in addition to serving as investment adviser to the Trust, ICMA provides a range of services to public employers for the operation of employee retirement plans including, but not limited to, communications concerning investment alternatives, account maintenance, account recording keeping, investment and tax reporting, transaction processing, benefit disbursement, and asset management; and

WHEREAS, the City desires to appoint ICMA as administrator of the Plan; and

WHEREAS, the City has also determined that permitting participants in the retirement plan to take loans from the Plan will serve the objectives of the Plan.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The Administrative Services Agreement between the City of Commerce and International City/County Management Association Retirement Corporation is hereby approved. The Mayor is authorized to execute the Agreement for and on behalf of the City of Commerce.

Section 2. The Plan will permit loans.

Section 3. The ICMA Loan Guidelines Agreement for a Retirement Plan is hereby approved. The Mayor is authorized to execute the Agreement for and on behalf of the City of Commerce.

Section 4. The ICMA-RC 457 Loan Administration Agreement is hereby approved. The Mayor is authorized to execute the Agreement for and on behalf of the City of Commerce.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2012.

Lilia R. Leon
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

**LOAN ADMINISTRATION AGREEMENT
FOR SECTION 457 DEFERRED
COMPENSATION PLANS**

ICMA-RC 457 LOAN ADMINISTRATION AGREEMENT

This Agreement is not required if you have 1) only one 457 plan provider or 2) more than one plan provider each with its own plan document and provisions unique to each provider. **The Agreement only applies if you have adopted a single 457 plan document under which ICMA-RC and one or more other provider(s) must operate.** Please refer to pages 5-6 of *A Guide to Implementing a Loan Program* for more details.

This Agreement shall serve as an Addendum to the Loan Guidelines established by the Employer identified below as an Addendum to the Administrative Services Agreement (ASA) made by and between the ICMA Retirement Corporation (ICMA-RC) and the Employer.

The Employer currently sponsors a section 457 deferred compensation plan administered by two or more providers (co-provider plan). In order to ensure the efficient administration of the loan program established by the Employer, the Employer hereby agrees and declares that

- (1) For purposes of issuing loans from the plan, that portion of the plan's assets administered by ICMA-RC will be treated as though it were a separate and distinct plan.
- (2) The Employer shall calculate the amount a participant may borrow from the ICMA-RC administered portion of the plan. No loan amount may exceed the lesser of (a) the maximum loan amount specified in Internal Revenue Code section 72(p)(2)(A) or (b) 50% of the participant's ICMA-RC-administered account balance.
- (3) All loan repayments must be made to the participant's ICMA-RC-administered account for the life of the loan.

AGREED as of the _____ day of _____, 20_____:

Name of Employer: City of Commerce

Lilia R. Leon, Mayor

Authorized Official - Print Name

State: California

Employer Plan Number

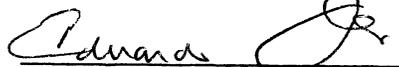
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Signature of Authorized Official

ICMA RETIREMENT CORPORATION

Approved as to Form





Angela Montez

Eduardo Olivo
City Attorney

Assistant Secretary

Mail this Agreement and the completed 457 Plan Loan Guidelines to:

ICMA-RC

Attention: New Business Analyst

777 North Capitol Street, NE

Washington, DC 20002-4240

LOAN GUIDELINES AGREEMENT FOR A RETIREMENT PLAN



INSTRUCTIONS

(Please refer to the previous section, "A Guide to Implementing a Loan Program")

These Loan Guidelines must be completed before loans can be made from your retirement plan. You should consider each option carefully before making your selections because your selections will apply to all loans made while the selection is in effect. If you later change any provision, the changes will apply only to loans made after the change is adopted. Loans in existence at the time of any future changes will continue to operate under the guidelines that were in effect at the time the loan was originally made.

Note: If loans are available to your employees from other plans (e.g. other Section 457 deferred compensation plans or other Section 401 plans), calculation of the maximum loan amount must consider the aggregate of all loans from all 401 and 457 plans in which the employee participates. See the Maximum Loan Amount Worksheet on page 7 of *A Guide to Implementing a Loan Program*, found in this packet.

Name of Plan (please state the Employer's complete name, including state): CITY OF COMMENCE CA

Plan Type: 401(a) Money Purchase Plan 401 Profit-Sharing Plan 457 Deferred Compensation Plan

ICMA-RC Plan Number: 301460

I. Purpose

The purpose of these guidelines is to establish the terms and conditions under which the Employer will grant loans to participants. This is the only official Loan Provision Document of the above named Plan.

II. Eligibility

Loans are available to all active employees. Loans will not be granted to participants who have an existing loan in default. Loans will be pro-rated among all the funds in which the participant is invested at the time the loan is made.

For 401 plans only:

Loans are available from the following sources: [select one or both]

- Employer Contribution Account (vested balances only)
- Participant Contribution Accounts (pre- and post-tax, if applicable, including Employee Mandatory, Employee Voluntary, Employer Rollover, and Portable Benefits Accounts, but excluding the Deductible Employee Contribution/Qualified Voluntary Employee Contribution Account)

For Roth 401(k) plans only:

A participant's Designated Roth Account balance can be used to secure a participant loan.

Designated Roth Account balances [select one]

- will not (default option) be available as a source for loans under the Plan.
- will be available as a source for loans under the Plan. (Note: Using the Roth source for loans may have negative tax consequences for participants.)

For all plan types:

III. Loan Purpose

Loans are available for the following purposes and must be requested in the corresponding method (select one):

- All purposes

Online and Loans by Call Center: All loans must be requested either online by employees through ICMA-RC's Account Access site at www.icmarc.org or directly over the phone with an Investor Services associate (via the Loans by Call Center service), both of which require preauthorization by the Employer as outlined in italics under Section IV. Application Process.

- Hardship Only:

Loans shall only be granted in the event of a participant's hardship or for the purpose of enabling a participant to meet certain specified financial situations. The employer shall approve the participant's loan application after determining, based on all relevant facts and circumstances, that the amount of the loan is not in excess of the amount required to relieve the financial need. For this purpose, financial need shall include, but not be limited to: unreimbursed medical expenses of the par-

participant or members of the participant's immediate family, establishing or substantially rehabilitating the principal residence of the participant, or paying for a college education (including graduate studies) for the participant or his/her dependents. (Note: Online or Loans by Call Center not applicable with this option. Participant must complete the loan application for employer approval.)

IV. Application Process

If an employee is married at the time of the application and your plan has elected the Qualified Joint and Survivor Annuity Option, spousal consent is required for the loan. The employee's spouse must consent, in writing, to the loan and the consent must be witnessed by a plan representative or notary public. Such consent must be received in writing by ICMA-RC no more than ninety (90) days before the loan request is submitted through Account Access. In the case of the Direct Loan Application, spousal consent should be sent along with the application.

The promissory note, truth-in-lending rescission notice, and disclosure statement are mailed to the employee along with the issued loan check. The employee confirms receipt and acceptance of these documents and terms at the time the endorsed check is presented for payment.

The Employer hereby authorizes all future loans requested through the online process via Account Access, as well as any requests that employees submit on paper forms, pending review of the application by ICMA-RC. Notice of loan issuance will be provided to the Employer via reports posted on the EZLink site.

The loan amount will generally be redeemed from the employee's account on the same day as either ICMA-RC receipt of loan application (complete and in good order), the completion of a loan request via telephone with an Investor Services representative, or the employee's successful submission of the loan request through Account Access, if it is submitted prior to 4:00 p.m. ET on a business day. If not, the loan amount will be redeemed on the next business day following submission. The loan check is generally issued on the next business day following redemption, and will be mailed directly to the employee. The employee's presentment of the loan check for payment constitutes an acknowledgment that the employee has received and read the loan disclosure information provided by ICMA-RC and agrees to the terms therein.

Loan repayment will begin as soon as practicable following the employee's presentment of the loan check for payment.

V. Frequency of loans [select one]

- Participants may receive one loan per calendar year. Moreover, participants may have only one (1) outstanding loan at a time.
- Participants may receive one loan per calendar year. Moreover, no participant may have more than five (5) loans outstanding at one time.

VI. Loan amount

The minimum loan amount is \$1,000.

The maximum amount of all loans to the participant from the plan and all other plans sponsored by the Employer that are qualified employer plans under section 72(p)(4) of the Code is the *lesser* of:

- (1) \$50,000, reduced by the highest outstanding balance of all loans from any 401 or 457 plans for that participant during the one-year period ending on the day before the date a loan is to be made, or
- (2) one half of the participant's vested account balance, reduced by the current outstanding balance of all 401 and 457 loans from all plans for that participant.

If a participant has any loans outstanding at the time a new loan is requested, the new loan will be limited to the maximum amount calculated above reduced by the total of the outstanding loans.

A loan cannot be issued for more than the above amount. The participant's requested loan amount is subject to downward adjustment without notice due to market fluctuation between the time of application and the time the loan is made.

VII. Length of loan

A loan must be repaid in substantially equal installments of principal and interest, at least monthly, over a period that does not exceed five (5) years.

Loans for a principal residence must be repaid in substantially equal installments of principal and interest, at least monthly, over a period that does not exceed 30 YEARS [state number of years] years (maximum 30 years).

VIII. Loan repayment process

Loan repayments for active employees must be through:

- Payroll deduction only.
PL642(2) = 2
- ACH debit only.*
PL642(2) = 0
- Employee may choose either payroll deduction or ACH debit.*
PL642(2) = 1

* Please note a \$20 processing fee will be assessed to a participant's ICMA-RC account when a scheduled loan repayment(s) via ACH is rejected due to insufficient funds, invalid bank account information, or account closure in the participant's designated payment account.

If payroll deduction repayment is allowed, and the employee wishes to use this method, the employee must notify the Employer so that the Employer can ensure that repayment will begin as soon as practicable on a date determined by the Employer's payroll cycle. Failure to begin payroll deduction in a timely way could lead to the employee's loan entering delinquency status. Payroll deduction should begin within two payroll cycles following the employee's receipt of the loan.

Repayments through payroll deduction will be sent via check or wire by the Employer to ICMA-RC on the following cycle (choose one):

- Weekly (52 per year)
- Bi-weekly (26 per year)
- Semi-monthly (24 per year)
- Monthly (12 per year)

If ACH debit repayment is allowed, debits from the employee's designated bank account will begin approximately one month following the date the employee's signed ACH authorization form is received and processed by ICMA-RC, or, in the case of online loans, approximately one month following the date the loan check has been cleared for payment. Debits will normally be made on a monthly basis.

Loans outstanding for former employees or employees on a leave of absence must be repaid on the same schedule as if payroll deductions were still being made unless they reamortize their loans and establish a new repayment schedule that provides that substantially equal payments are made at least monthly over the remaining period of the loan.

Loan payments, including loan payments from former employees, are allocated to the participant's current election of investment options on file with ICMA-RC.

The participant may pay off all or a portion of the principal and interest early without penalty or additional fee. Extra payments are applied forward to both principal and interest as specified in the original repayment schedule, unless the additional payment is for the balance due.

IX. Loan interest rate

The rate of interest for loans of five (5) years or less will be based on prime plus 0.5%.

The rate of interest for loans for a principal residence will be based on the FHA/VA rate.

Interest rates are determined on the last business day of the month preceding the month the loan is disbursed. The interest rate is locked in at the time a loan is approved and remains constant throughout the life of the loan.

The prime interest rate is determined on the last business day of each month using www.nfsn.com as the source. The FHA/VA interest rate is also determined on the last business day of each month using www.bankofamerica.com as the source. Loan interest rates for new loans taken in different months may fluctuate upward or downward monthly, depending on the movement of the prime and FHA/VA interest rates.

The employer may modify the manner in which loan interest rates will be determined, but only with respect to future loans.

X. Security/Collateral

That portion of a participant's account balance that is equal to the amount of the loan is used as collateral for the loan. The collateral amount may not exceed 50 percent of the participant's account balance at the time the loan is taken. Only the portion of the account-balance that corresponds to the amount of the outstanding loan balance is used as collateral.

XI. Acceleration [select one]

- All loans are due and payable in full upon separation from service.
- All loans are due and payable when a participant receives a distribution of **all** of his/her account balance after separation from service. The amount of the outstanding loan balance will be reported as a distribution in addition to the amount of cash distributed from the plan.
- All loans are due and payable when a participant receives a distribution of **part** of his/her account balance after separation from service. The amount of the outstanding loan balance will be reported as a distribution in addition to the amount of cash distributed from the plan.

XII. Reamortization

Any outstanding loan may be reamortized. Reamortization means changing the terms of a loan, such as length of repayment period, interest rate, and frequency of repayments. A loan may not be reamortized to extend the length of the loan repayment period to more than five (5) years from the date the loan was originally made, or in the case of a loan to secure a principal residence, beyond the number of years specified by the employer in Section V above.

A participant must request the reamortization of a loan in writing on a reamortization application acceptable to the plan administrator. Upon processing the request, a new disclosure statement will be sent to the employer for endorsement by the participant and approval by the employer. The executed disclosure statement must be returned to the plan administrator within 10 calendar days from the date it is signed. The new disclosure statement is considered an amendment to the original promissory note; therefore a new promissory note will not be required.

A reamortization will not be considered a new loan for purposes of calculating the number of loans outstanding or the one loan per calendar year limit.

XIII. Refinancing existing loans

If a participant has one outstanding loan, that loan may be refinanced. If a participant has more than one outstanding loan, no loans may be refinanced. Refinancing means concurrently repaying an existing loan and borrowing an additional amount through a new loan. Refinancing includes any situation in which one loan replaces another loan and the term of the replacement loan does not exceed the latest permissible term of the replaced loan.

The request must be made at a time when the participant is eligible to obtain a loan as defined by the employer in Section III above. The amount of the additional loan amount requested for the purpose of refinancing is subject to the loan limits specified in Section IV above.

Because a refinancing is considered a new loan, only active employees may refinance an outstanding loan. Residential loans are not eligible for refinance.

XIV. Reduction of Loan

If a participant dies prior to full repayment of the outstanding loan(s), the outstanding loan balance(s) will be deducted from the account prior to distribution to the beneficiary(ies). The unpaid loan amount is a taxable distribution and may be subject to early withdrawal penalties. The participant's estate is responsible for taxes or penalties on the unpaid loan amount, if any. A beneficiary is responsible for taxes due on the amount he or she receives. A Form 1099 will be issued to both the beneficiary and the estate for these purposes.

XV. Deemed Distribution

Loan repayments must be made in accordance with the plan document, plan loan guidelines, and as reflected in the promissory note signed by the participant. If a scheduled payment is not paid within 30, 60, and/or 90 days of the due date, a notice will be sent to both the employee and the employer.

A loan will be deemed distributed when a scheduled payment is still unpaid at the end of the calendar quarter following the calendar quarter in which the payment was due. If the total amount of any delinquent payment is not received by ICMA-RC by the end of the calendar quarter following the calendar quarter in which the payment was due, the loan is considered a taxable distribution, and the principal balance, in addition to any accrued interest, is reported as a distribution to the IRS. However, no money is paid in this distribution, because the participant already has the loan proceeds.

The loan is deemed distributed for tax purposes, but it is not an actual distribution and therefore remains an asset of the participant's account. Interest continues to accrue. The outstanding loan balance and accrued interest are reported on the participant's account statement.

Repayment of a deemed distribution will not change or reverse the taxable event.

The loan continues to be outstanding, and to accrue interest, until it is repaid or offset using the participant's account balance. An offset can occur only if the participant is eligible to receive a distribution from the plan as outlined in the plan document. Participants are required to repay any outstanding loan which has been deemed distributed before they can be eligible for a new loan. The deemed distribution and any interest accrued since the date it became a taxable event is taken into account when determining the maximum amount available for a new loan. New loans must be repaid through payroll deduction.

The employer is obligated by federal regulation to comply with the loan guideline requirements applicable to participant loans, and to ensure against deemed distribution by monitoring loan repayments, regardless of the method of repayment, and by advising employees if loans are in danger of being deemed distributed. The tax-qualified status or eligibility of the entire plan may be revoked in cases of frequent repayment delinquency or deemed distribution.

XVI. Fees

Fees may be charged for various services associated with the application for and issuance of loans. All applicable fees will be debited from the participant's account balance and/or from the participant's loan repayments prior to crediting the repayment of principal and interest to the participant's account. A schedule of fees applicable to this plan is specified in ICMA-RC's current publication of *Making Sound Investment Decisions: A Retirement Investment Guide*.

XVII. Other

The employer has the right to set other terms and conditions as it deems necessary for loans from the plan in order to comply with any legal requirements. All terms and conditions will be administered in a uniform and non-discriminatory manner.

In Witness Whereof, the employer hereby caused these Guidelines to be executed this _____ day
of _____, 20 _____.

EMPLOYER

Accepted: ICMA RETIREMENT CORPORATION

By: _____
Lilia R. Leon

By: _____

Title: Mayor

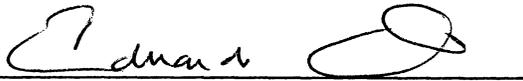
Title: _____

Attest: _____

Attest: _____

Linda Kay Olivieri, MMC
City Clerk

Approved as to Form



Eduardo Olivo
City Attorney

ADMINISTRATIVE SERVICES AGREEMENT

Between

ICMA Retirement Corporation

and

City of Commerce

Type: 457

Account #: 301460

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (“Agreement”), made as of the day of , 2012 (herein referred to as the “Inception Date”), between the International City/County Management Association Retirement Corporation (“ICMA-RC”), a nonprofit corporation organized and existing under the laws of the State of Delaware, and the City of Commerce (“Employer”), a City organized and existing under the laws of the State of California with an office at 2535 Commerce Way, Commerce, California 90040.

RECITALS

Employer acts as public plan sponsor of a retirement plan (“Plan”), and in that capacity, has responsibility to obtain administrative services and investment alternatives for the Plan.

VantageTrust (the “Trust”) is a group trust established and maintained in accordance with New Hampshire Revised Statutes Annotated section 391:1 and Internal Revenue Service Revenue Ruling 81-100, 1981-1 C.B. 326, which provides for the commingled investment of retirement funds held by various state and local governmental units for their employees.

ICMA-RC acts as investment adviser to VantageTrust Company, the Trustee of the Trust.

ICMA-RC has designed, and the Trust offers, a series of separate funds (the “Funds”) for the investment of plan assets as referenced in the Trust’s principal disclosure document, “Making Sound Investment Decisions: A Retirement Investment Guide.” (“Retirement Investment Guide”).

The Funds are available only to public employers and only through the Trust and ICMA-RC.

In addition to serving as investment adviser to the Trust, ICMA-RC provides a range of services to public employers for the operation of employee retirement plans including, but not limited to, communications concerning investment alternatives, account maintenance, account recordkeeping, investment and tax reporting, transaction processing, benefit disbursement, and asset management.

AGREEMENTS

1. Appointment of ICMA-RC

Employer hereby appoints ICMA-RC as Administrator of the Plan to perform all nondiscretionary functions necessary for the administration of the Plan. The functions to be performed by ICMA-RC shall be those set forth in Exhibit A to this Agreement.

2. Adoption of Trust

Employer has adopted the Declaration of Trust of VantageTrust Company and agrees to the commingled investment of assets of the Plan within the Trust. Employer agrees that operation of the Plan and the investment, management, and distribution of amounts deposited in the Trust shall be subject to the Declaration of Trust, as it may be amended from time to time and shall also be subject to terms and conditions set forth in disclosure documents (such as the Retirement Investment Guide or Employer Bulletins) as those terms and conditions may be adjusted from time to time.

3. Employer Duty to Furnish Information

Employer agrees to furnish to ICMA-RC on a timely basis such information as is necessary for ICMA-RC to carry out its responsibilities as Administrator of the Plan, including information needed to allocate individual participant accounts to Funds in the Trust, and information as to the employment status of participants, and participant ages, addresses, and other identifying information (including tax identification numbers). Employer also agrees that it will notify ICMA-RC in a timely basis regarding changes in staff as it relates to various roles. This is to be completed through the online EZLink employer contact options. ICMA-RC shall be entitled to rely upon the accuracy of any information that is furnished to it by a responsible official of the Employer or any information relating to an individual participant or beneficiary that is furnished by such participant or beneficiary, and ICMA-RC shall not be responsible for any error arising from its reliance on such information. ICMA-RC will provide reports, statements and account information to the Employer through EZLink, the online plan administrative tool.

Employer is required to send in contributions through EZLink, the online plan administration tool provided by ICMA-RC. Alternative electronic methods may be allowed, but must be approved by ICMA-RC for use. Contributions may not be sent through paper submittal documents.

4. Certain Representations and Warranties

ICMA-RC represents and warrants to Employer that:

- (a) ICMA-RC is a non-profit corporation with full power and authority to enter into this Agreement and to perform its obligations under this Agreement. The ability of ICMA-RC to serve as investment adviser to the

Trust is dependent upon the continued willingness of the Trust for ICMA-RC to serve in that capacity.

- (b) ICMA-RC is an investment adviser registered as such with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. ICMA-RC Services, LLC (a wholly owned subsidiary of ICMA-RC) is registered as a broker-dealer with the U.S. Securities and Exchange Commission ("SEC") and is a member in good standing with Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").
- (c) ICMA-RC shall maintain and administer the Plan in compliance with the requirements for eligible deferred compensation plans under Section 457 of the Internal Revenue Code and other applicable federal law; provided, however, that ICMA-RC shall not be responsible for the eligible status of the Plan in the event that the Employer directs ICMA-RC to administer the Plan or disburse assets in a manner inconsistent with the requirements of Section 457 or otherwise causes the Plan not to be carried out in accordance with its terms. Further, in the event that the Employer uses its own customized plan document, ICMA-RC shall not be responsible for the eligible status of the Plan to the extent affected by terms in the Employer's plan document that differ from those in ICMA-RC's standard plan document. ICMA-RC shall not be responsible for monitoring state or local law or for administering the Plan in compliance with local or state requirements unless Employer notifies ICMA-RC of any such local or state requirements.

Employer represents and warrants to ICMA-RC that:

- (d) Employer is organized in the form and manner recited in the opening paragraph of this Agreement with full power and authority to enter into and perform its obligations under this Agreement and to act for the Plan and participants in the manner contemplated in this Agreement. Execution, delivery, and performance of this Agreement will not conflict with any law, rule, regulation or contract by which the Employer is bound or to which it is a party.
- (e) Employer understands and agrees that ICMA-RC's sole function under this Agreement is to act as recordkeeper and to provide administrative, investment or other services at the direction of Plan participants, the Employer, its agents or designees in accordance with the terms of this Agreement. Under the terms of this Agreement, ICMA-RC does not render investment advice, is not the Plan Administrator or Plan Sponsor as those terms are defined under applicable federal, state, or local law, and does not provide legal, tax or accounting advice with respect to the creation, adoption or operation of the Plan and the Trust. ICMA-RC does

not perform any service under this Agreement that might cause ICMA-RC to be treated as a “fiduciary” of the Plan under applicable law.

- (f) Employer acknowledges and agrees that ICMA-RC does not assume any responsibility with respect to the selection or retention of the Plan’s investment options. Employer shall have exclusive responsibility for the Plan’s investment options, including the selection of the applicable mutual fund share class. Where applicable, Employer understands that the VantageTrust Retirement Income Advantage Fund is an investment option for the Plan and that the fund invests in a separate account available through a group variable annuity contract. By entering into this Agreement, Employer acknowledges that it has received the Important Considerations document and the Retirement Investment Guide and that it has read the information therein concerning the VantageTrust Retirement Income Advantage Fund.
- (g) Employer acknowledges that certain such services to be performed by ICMA-RC under this Agreement may be performed by an affiliate or agent of ICMA-RC pursuant to one or more other contractual arrangements or relationships, and that ICMA-RC reserves the right to change vendors with which it has contracted to provide services in connection with this Agreement without prior notice to Employer.
- (h) Employer approves the use of its Plan in ICMA-RC external media, publications and materials. Examples include press releases announcements and inclusion of the general plan information in request for proposal responses.

5. Participation in Certain Proceedings

The Employer hereby authorizes ICMA-RC to act as agent, to appear on its behalf, and to join the Employer as a necessary party in all legal proceedings involving the garnishment of benefits or the transfer of benefits pursuant to the divorce or separation of participants in the Plan. Unless Employer notifies ICMA-RC otherwise, Employer consents to the disbursement by ICMA-RC of benefits that have been garnished or transferred to a former spouse, current spouse, or child pursuant to a domestic relations order or child support order.

6. Compensation and Payment

- (a) **Plan Administration Fee.** The amount to be paid for plan administration services under this Agreement shall be 0.55% per annum of the amount of Plan assets invested in the Trust. Such fee shall be computed based on average daily net Plan assets in the Trust.

- (b) **Mutual Fund Services Fee.** There is an annual charge of 0.15% assessed against average daily net Plan assets invested in the Trust's non-proprietary Trust Series funds.
- (c) **Compensation for Management Services to the Trust, Compensation for Advisory and other Services to The Vantagepoint Funds and Payments from Third-Party Mutual Funds.** Employer acknowledges that in addition to amounts payable under this Agreement, ICMA-RC receives fees from the Trust for investment management services furnished to the Trust. Employer further acknowledges that certain wholly owned subsidiaries of ICMA-RC receive compensation for advisory and other services furnished to The Vantagepoint Funds, which serve as the underlying portfolios of a number of Funds offered through the Trust. The fees referred to in this subsection are disclosed in the Retirement Investment Guide. These fees are not assessed against assets invested in the Trust's Mutual Fund Series. In addition, to the extent that third party mutual funds are included in the investment line-up for the Plan, ICMA-RC may receive payments from such third party mutual funds or their service providers, which may be in the form of 12b-1 fees, service fees, or compensation for sub-accounting or other services provided by ICMA-RC on behalf of the funds.
- (d) **Redemption Fees.** Redemption fees imposed by outside mutual funds in which Plan assets are invested are collected and paid to the mutual fund by ICMA-RC. ICMA-RC remits 100% of redemption fees back to the specific mutual fund to which redemption fees apply. These redemption fees and the individual mutual fund's policy with respect to redemption fees are specified in the prospectus for the individual mutual fund and referenced in the Retirement Investment Guide.
- (e) **Payment Procedures.** All payments to ICMA-RC pursuant to this Section 6 shall be paid out of Plan assets held by through the Trust. The amount of Plan assets held through the Trust shall be adjusted by the Trust as required to reflect such payments. In the event that the Employer agrees to pay amounts owed pursuant to this section 6 directly, any amounts unpaid and outstanding after 30 days of invoice to the Employer shall be withdrawn from Plan assets held through the Trust.

The compensation and payment set forth in this section 6 is contingent upon the Employer's use of ICMA-RC's EZLink system for contribution processing and submitting contribution funds by ACH or wire transfer on a consistent basis over the term of this Agreement.

7. Contribution Remittance

Employer understands that amounts invested through the Trust are to be remitted directly to the Trust in accordance with instructions provided to Employer by ICMA-RC and are

not to be remitted to ICMA-RC. In the event that any check or wire transfer is incorrectly labeled or transferred to ICMA-RC, ICMA-RC may return it to Employer with proper instructions.

8. Indemnification

ICMA-RC shall not be responsible for any acts or omissions of any person with respect to the Plan or related Trust, other than ICMA-RC in connection with the administration or operation of the Plan. Employer shall indemnify ICMA-RC against, and hold ICMA-RC harmless from, any and all loss, damage, penalty, liability, cost, and expense, including without limitation, reasonable attorney's fees, that may be incurred by, imposed upon, or asserted against ICMA-RC by reason of any claim, regulatory proceeding, or litigation arising from any act done or omitted to be done by any individual or person with respect to the Plan or related Trust, excepting only any and all loss, damage, penalty, liability, cost or expense resulting from ICMA-RC's negligence, bad faith, or willful misconduct.

9. Term

This Agreement shall be in effect and commence on the date all parties have signed and executed this Agreement ("Inception Date"). The term of this Agreement will commence on the Inception Date and extend three (3) years from that date. This Agreement will be renewed automatically for each succeeding year unless written notice of termination is provided by either party to the other no less than 60 days before the end of such Agreement year. The Employer understands and agrees that, in the event the Employer terminates this Agreement (or replaces the VantageTrust PLUS Fund as an investment option in its investment line-up), ICMA-RC retains full discretion to release Plan assets invested in the VantageTrust PLUS Fund in an orderly manner over a period of up to 12 months from the date ICMA-RC receives written notification from the Employer that it has made a final and binding selection of a replacement for ICMA-RC as administrator of the Plan (or a replacement investment option for the VantageTrust PLUS Fund).

10. Amendments and Adjustments

- (a) This Agreement may be amended by written instrument signed by the parties.
- (b) ICMA-RC may amend this agreement by providing 60 days' advance written notice to the Employer prior to the effective date of such proposed amendment. Such amendment shall become effective unless, within the 60-day notice period, the Employer notifies ICMA-RC in writing that it objects to such amendment.
- (c) The parties agree that enhancements may be made to administrative and operations services under this Agreement. The Employer will be notified of enhancements through the Employer Bulletin, quarterly statements, electronic messages or special mailings. Likewise, if there are any reductions in fees, these will be announced through the Employer Bulletin, quarterly statement, electronic or special mailing.

11. Notices

All notices required to be delivered under this Agreement shall be in writing and shall be delivered, mailed, e-mailed or faxed to the location of the relevant party set forth below or to such other address or to the attention of such other persons as such party may hereafter specify by notice to the other party.

ICMA-RC: Legal Department, ICMA Retirement Corporation, 777 North Capitol Street, N.E., Suite 600, Washington, D.C., 20002-4240
Facsimile; (202) 962-4601

Employer: at the office set forth in the first paragraph hereof, or to any other address, facsimile number or e-mail address designated by the Employer to receive the same by written notice similarly given.

Each such notice, request or other communication shall be effective: (i) if given by facsimile, when transmitted to the applicable facsimile number and there is appropriate confirmation of receipt; (ii) if given by mail or e-mail, upon transmission to the designated address with no indication that such address is invalid or incorrect; or (iii) if given by any other means, when actually delivered at the aforesaid address.

12. Complete Agreement

This Agreement shall constitute the complete and full understanding and sole agreement between ICMA-RC and Employer relating to the object of this Agreement and correctly sets forth the complete rights, duties and obligations of each party to the other as of its date. This Agreement supersedes all written and oral agreements, communications or negotiations among the parties. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

13. Titles

The headings of Sections of this Agreement and the headings for each of the attached schedules are for convenience only and do not define or limit the contents thereof.

14. Incorporation of Schedules

All Schedules (and any subsequent amendments thereto), attached hereto, and referenced herein, are hereby incorporated within this Agreement as if set forth fully herein.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, applicable to contracts made in that jurisdiction without reference to its conflicts of laws provisions.

In Witness Whereof, the parties hereto certify that they have read and understand this Agreement and all Schedules attached hereto and have caused this Agreement to be executed by their duly authorized officers as of the Inception Date first above written.

CITY OF COMMERCE

By _____ Date _____
Signature

Lilia R. Leon, Mayor
Name and Title (Please Print)

INTERNATIONAL CITY/COUNTY MANAGEMENT
ASSOCIATION RETIREMENT CORPORATION

By Angela C. Montez
Angela C. Montez
Assistant Corporate Secretary

Please return fully executed contract to: New Business Unit
ICMA-RC
777 North Capitol Street NE
Suite 600
Washington DC 20002-4240

Approved as to Form

Eduardo Olivo
Eduardo Olivo
City Attorney

Exhibit A

Administrative Services

The administrative services to be performed by ICMA-RC under this Agreement shall be as follows:

- (a) Participant enrollment services, including providing a welcome package and enrollment kit containing instructions and notices necessary to implement the Plan's administration. Employees will enroll online or through form. ICMA-RC will provide an enrollment link through the general ICMA-RC web site. Plan sponsor will also make available the online enrollment link in their Intranet site or via email to new employees. Employer can also enroll employees through EZLink.
- (b) Establishment of participant accounts for each employee participating in the Plan for whom ICMA-RC receives appropriate enrollment instructions. ICMA-RC is not responsible for determining if such Plan participants are eligible under the terms of the Plan.
- (c) Allocation in accordance with participant directions received in good order of individual participant accounts to investment funds offered under the Trust. Participants can complete allocations through Investor Services, Voice Response System or through Account Access, the secure participant online system provided by ICMA-RC.
- (d) Maintenance of individual accounts for participants reflecting amounts deferred, income, gain or loss credited, and amounts distributed as benefits.
- (e) Maintenance of records for all participants for whom participant accounts have been established. These files shall include enrollment instructions (provided to ICMA-RC through Account Access, EZLink or form), beneficiary designation instructions and all other and documents concerning each participant's account, and if applicable, records of any transaction conducted through the Voice Response Unit ("VRU"), Account Access or other electronic means.
- (f) Provision of periodic reports to the Employer through EZLink. Participants will have access to account information through Investor Services, Voice Response System, Account Access and through quarterly statements that can be delivered electronically through Account Access or by postal service.
- (g) Communication to participants of information regarding their rights and elections under the Plan.
- (h) Making available Investor Services Representatives through a toll-free telephone number from 8:30 a.m. to 9:00 p.m. Eastern Time, Monday through Friday (excluding holidays and days on which the securities

markets or ICMA-RC are closed for business (including emergency closings), to assist participants.

- (i) Making available a toll-free number and access to VantageLine, ICMA-RC's interactive VRU, and ICMA-RC's web site, to allow participants to access certain account information and initiate plan transactions at any time. Account access and VantageLine are normally available 24 hours a day, seven days a week except during scheduled maintenance periods designed to ensure high-quality performance. The scheduled maintenance window is outlined at <https://harper1.icmarc.org/login.jsp>
- (j) Distribution of benefits as agent for the Employer in accordance with terms of the Plan. Participants who have separated from service can request distributions through Account Access or via form.
- (k) Upon approval by the Employer that a domestic relations order is an acceptable qualified domestic relations order under the terms of the Plan, ICMA-RC will establish a separate account record for the alternate payee and provide for the investment and distribution of assets held there under.
- (l) Loans may be made available on the terms specified in the Loan Guidelines, if loans are adopted by the Employer. Participants can request loans through Investor Services or Account Access.
- (m) Guided Pathways – Participant Advice and Guidance may be made available through a third party vendor on the terms specified on ICMA-RC's website.
- (n) ICMA-RC will determine appropriate delivery method (electronic and/or print) for plan sponsor/participant communications and education based on a number of factors (audience, effectiveness, etc.)



AGENDA REPORT

DATE: July 3, 2012

TO: Honorable Successor Agency

FROM: Executive Director

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ACTING AS THE GOVERNING BODY OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING THE ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT BETWEEN STRUCTURAL MATERIALS CO. AND BEACON SALES ACQUISITION, INC.

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND/ANALYSIS:

Structural Materials Company ("Structural Materials") has been an established retailer of roofing materials since 1948. On November 21, 1995, the Commerce Community Development Commission (the "Commission") entered into a Ground Lease (the "Lease") with Structural Materials for the property located at 7025 Slauson Avenue, Commerce, California (the "Property"). The Lease was for a 55-year term. Pursuant to Section 4.2 of the Lease, Structural Materials was required to pay \$6,000.00 per month ("Base Monthly Rent") on the first day of the month for the use of the Property.

On June 1, 2012, the City received a letter from Structural Materials advising that they will be going out of business and will be selling their business to Beacon Sales Acquisition, Inc. ("Beacon"). As a result, Structural Materials has proposed an Assignment of the Lease to Beacon. Beacon claims to be one of the largest distributors of residential and non-residential roofing and complementary building products in North America. They currently consist of 13 regional companies in 38 states and 6 Canadian Provinces with 199 locations and more than 2,200 employees. They are publicly traded on the NASDAQ stock market. Structural Materials has advised that the day-to-day operations of the business will not change and that the staffing, as far as they know, with limited exceptions, will not change.

Pursuant to Section 11.1 of the Lease, Structural Materials was not allowed to assign or dispose of the Lease without the Commission's prior written consent.

Furthermore, Section 11.2 of the Lease provides as follows:

- a. Tenant shall give Landlord thirty (30) days prior notice of the proposed disposition with appropriate documentation as to the proposed transferee's financial condition and history, business description and qualifications to operate the improvements, and business reputation.
- b. The proposed transferee shall assume all of the covenants and conditions of the Lease by execution and recordation of an instrument in form and substance reasonably satisfactory to Landlord.
- c. The Promissory note shall have been paid in full and the first Reappraisal Adjustment shall have been made, or Tenant's proposed Assignee and Landlord shall have agreed upon other provision regarding both the Promissory Note and the Rent payments which have substantially the equivalent effect.

Structural Materials has provided the notice required under the Lease. The Promissory Note was paid off several years ago. Pursuant to Section 2 of the proposed Assignment and Assumption of Lease (“Assignment of Lease”), Beacon will assume and be bound to all covenants, conditions, obligations and duties of the Structural Materials under the Lease. Beacon will have the rights under the Lease as if they were Structural Materials and be entitled to the benefits of all covenants on the part of the Commission to be performed under the Lease. Section 3 of the Assignment of Lease provides that the assignment shall only be effective upon obtaining the consent of the Commission.

Pursuant to AB 1X 26, redevelopment has been terminated throughout the state. On January 17, 2012, the City of Commerce became the successor agency to the Commission (“Successor Agency”). The Successor Agency is required to turn over all redevelopment assets, to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State. Pursuant to AB 1 X 26, the Successor Agency is not allowed to further burden redevelopment owned properties without approval by the Oversight Board for the Commission. The proposed Assignment of Lease requires Commission approval and, therefore, requires approval by the Successor Agency and the Oversight Board.

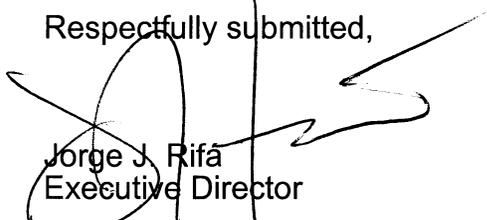
Section 4 of the Assignment of Lease provides that the effective date of the Assignment “shall be the earlier of: (i) July 2, 2012; or (ii) the Closing date of the transaction for the sale of substantially all of Assignor’s assets to Assignee...” The City Attorney has advised Structural Materials that the Assignment of Lease must be approved by the Successor Agency and the Oversight Board for the Commission. Because the Successor Agency and the Commission do not meet until after July 2, 2012, the City Attorney has advised that this section of the Assignment of Lease must be changed so that it does not become effective for at least one more month.

The Property is significantly contaminated and will be difficult to sell. A portion of this property is located on a former landfill site. As such, this property has ongoing methane monitoring and collection activities and is required by the Los Angeles County Department of Health to monitor and abate the methane over an indefinite period of time. The required sale may therefore take a long time. In the meantime, it makes sense to have a tenant continue to pay rent so that the Property generates revenue. The City will not benefit from such additional rent revenues; they must be turned over to the State. Nevertheless, such additional revenues will benefit the State. Staff also believes that the State will benefit from that the existence of a tenant on the Property may help make the Property more marketable. Therefore, staff recommends that the Successor Agency approve the Assignment of Lease and that it recommend approval by the Oversight Board.

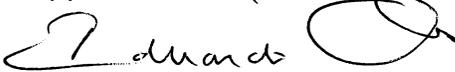
FISCAL IMPACT:

There will be no fiscal impact to the Successor Agency as a result of the approval of the Assignment of Lease. The State will benefit by continuing to generate a monthly rent income of \$6,000 per month while the environmental contamination on the Property is being remediated in order to allow for the sale of the Property.

Respectfully submitted,


Jorge J. Rifa
Executive Director

Approved as to form:



Eduardo Olivo
Agency Counsel

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Attachments: Resolution
Assignment of Lease

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING THE ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT BETWEEN STRUCTURAL MATERIALS CO. AND BEACON SALES ACQUISITION, INC.

WHEREAS, on November 21, 1995, the Commerce Community Development Commission (the "Commission") entered into a Ground Lease (the "Lease") with Structural Materials for the property located at 7025 Slauson Avenue, Commerce California (the "Property"). The Lease was for a 55-year term. Structural Materials was required to pay \$6,000 per month; and

WHEREAS, on June 1, 2012, the City received a letter from Structural Materials advising that they will be going out of business and will be selling their business to Beacon Sales Acquisition, Inc. ("Beacon"); and

WHEREAS, Structural Materials has proposed an Assignment of the Lease to Beacon; and

WHEREAS, pursuant to Section 11.1 of the Lease, Structural Materials cannot assign or dispose of the Lease without the Commission's prior written consent; and

WHEREAS, Structural Materials has provided the notice required under the Lease and has complied with the Lease provisions regarding assignment; and

WHEREAS, on January 17, 2012, pursuant to AB 1X 26, the City of Commerce became the successor agency to the Commission ("Successor Agency"); and

WHEREAS, pursuant to AB 1X 26, the proposed Assignment of Lease requires Commission approval and, therefore, requires approval by the Successor Agency and the Oversight Board; and

WHEREAS, staff recommends that the Successor Agency approve the Assignment of Lease.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

Section 1. The Successor Agency to the Commerce Community Development Commission hereby finds and determines that the recitals set forth above are true and correct.

Section 2. The Assignment and Assumption of Lease Agreement between Structural Materials Company and Beacon Sales Acquisition, Inc. is hereby approved. The Successor Agency Chairperson is authorized to execute the Assignment of Lease for an on behalf of the Successor Agency.

Section 3. The Successor Agency directs staff to advise the Oversight Board for the Commerce Community Development Commission that the Successor Agency has recommended that the Oversight Board approve the Assignment of Lease.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2012.

Lilia R. Leon, Chairperson

ATTEST:

Linda Kay Olivieri, MMC
Secretary

**STRUCTURAL MATERIALS CO.
ASSIGNMENT AND ASSUMPTION OF LEASE**

This Assignment and Assumption of Lease (this "Assignment") is made and entered into as of this ____ day of July 2012, by and between Structural Materials Co ("Assignor") and Beacon Sales Acquisition, Inc., a Delaware corporation ("Assignee"). Assignor and Assignee are hereinafter referred to at times collectively as the "Parties" and individually as the "Party."

RECITALS:

A. Assignor is the current Lessee under that certain lease agreement dated November 25, 1995 that was entered into by and between Commerce Community Development Commission ("Landlord") and Assignor (the "Lease") for that certain real property located at 7025 Slauson Avenue, Commerce, California (the "Premises").

B. Assignor believes it is in its best interest to assign and Assignee believes it is in its best interest to assume all of Assignor's right, title and interest as Lessee under the Lease, on the terms and conditions set forth in this Assignment.

NOW, THEREFORE, in consideration of the foregoing Recitals and the terms and conditions set forth below and for such good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. ASSIGNMENT. As of the Effective Date (Effective Date is defined in Section 4 below), Assignee shall become the Lessee under the Lease. Assignor shall remain liable for any obligations under the Lease arising out of Assignor's occupancy of the Premises prior to the Effective Date, but shall not have any further rights or liability for any obligations under the Lease arising on or after the Effective Date.

2. ASSUMPTION. In consideration of the Assignment as set forth in Section 1 above, Assignee, for itself and its successors and assigns, hereby assumes and agrees to be bound by and perform all covenants, conditions, obligations and duties of Lessee under the Lease arising on or after the Effective Date. Assignee shall have the same rights under the Lease as if it were the original Lessee thereunder and shall be entitled to the benefits of all of the covenants on the part of Landlord to be performed under the Lease.

3. CONSENT OF LANDLORD. This Assignment shall only be effective upon obtaining the consent of the Landlord as provided pursuant to the Lease with said consent to be evidenced by

Landlord's execution of the consent form set forth following the signatures to this Assignment (the "Consent").

~~July 2, 2012,~~ ^{August 4.} EFFECTIVE DATE. The effective date of this Assignment shall be the earlier of; (i) ~~July 2, 2012, or (ii) the Closing Date of the transaction for the sale of substantially all of Assignor's assets to Assignee~~ ("Effective Date"). This Assignment shall be of no force and effect if the Transaction is not completed on or before the Effective Date. E. O

5. LEASE DEPOSIT. There is a Lease deposit in the amount of \$0 designated as a "Security Deposit" (the "Deposit") held by Landlord which the Parties hereby agree will be assigned to Assignee and Assignor shall have no further interest therein and Landlord will be deemed to hold the Deposit for the benefit of Assignee.

6. GENERAL PROVISIONS.

(a) Notices. All notices pertaining to this Agreement shall be in writing and shall be transmitted either by personal hand delivery or through the facilities of the United States Post Office, certified or registered mail, return receipt requested. The last known addresses for the respective Parties shall be the places where notices shall be sent, unless written notice of a change of address is given. Any such notices shall be deemed to be given as of the date so delivered.

(b) Attorneys' Fees. In the event that any legal, declaratory, self help, or equitable action is commenced between the Parties hereto or their personal representatives concerning any provision of this Agreement or the rights and duties of any person in relation thereto, the prevailing Party shall be entitled, in addition to such other relief that may be granted, to a reasonable sum for their attorney's fees and any other costs and expenses relating thereto.

(c) Governing Law. The validity, interpretation, construction and performance of this Agreement shall be controlled by and construed under the laws of the State of California. In the event of any litigation arising out of any dispute in connection with this Agreement, the Parties hereby consent to the jurisdiction of the California courts with venue in Los Angeles County, California which is the agreed upon location where the parties entered into this Agreement.

(d) Parties in Interest. Each and every covenant, term, provision and agreement herein contained shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors, assigns and legal representatives and shall survive the termination of this Agreement where appropriate to carry out the terms thereof.

(e) Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all Parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one Agreement.

(f) Entire Agreement. This Agreement contains the entire Agreement between the Parties hereto, and supersedes any prior written or oral agreement between the Parties concerning the subject matter contained herein. There are no representations, agreements, arrangements or

understandings, oral or written between the Parties hereto, relating to the subject matter contained in this Agreement, which are not fully expressed herein.

This Assignment is adopted and made effective as of the Effective Date as evidenced by the signatures of the Parties set forth below.

**“ASSIGNOR”
STRUCTURAL MATERIALS CO.**

By: _____
Robert Keen, President

**“ASSIGNEE”
ASSIGNOR SALES ACQUISITION, INC.**

By: _____
Ross D. Cooper,
Sr. Vice President and General Counsel

[LANDLORD CONSENT ON FOLLOWING PAGE]

LANDLORD'S CONSENT TO ASSIGNMENT

For value received, and in consideration of the assumption of the Lease by Assignee, Landlord hereby consents to the above Assignment. This Assignment shall discharge Assignor from any and all duties or liabilities under the Lease arising on or after the Effective Date. Landlord hereby acknowledges that as of the date of this consent, Assignor has paid all rents and complied with all other terms and conditions of the Lease and that the Lease is in full force and effect. Landlord further acknowledges that it has received the following documentation for the purpose of evaluating its consent to this Assignment pursuant to Section 11.2(a) of the Lease:

1. Proof of Assignor's financial condition (not less than \$8M net worth)
2. Assignor's history
3. Description of Assignor's business
4. Assignor's qualifications to operate the improvements; and
5. Assignor's business reputation

This consent is granted as of this ____ day of July 2012. Landlord hereby acknowledges and agrees that the Assignment shall take place as of the Effective Date and shall be null and void in the event the Transaction is not consummated on or before the Effective Date.

**LANDLORD
COMMERCE COMMUNITY DEVELOPMENT COMMISSION**

By: _____
Name: _____
Title: _____



AGENDA REPORT

DATE: July 3, 2012

TO: Honorable Successor Agency

FROM: Executive Director

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING A LEASE AGREEMENT WITH AMERICAN INTERNATIONAL INDUSTRIES FOR THE PROPERTY LOCATED AT 5901 E. TELEGRAPH ROAD

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND/ANALYSIS:

On November 29, 2005, the Commerce Community Development Commission (the "Commission") filed a complaint in eminent domain to acquire the property located at 5901 E. Telegraph Rd., Commerce, California (the "Property"), Los Angeles Superior Court case number BC343619. On July 15, 2009, pursuant to the parties' Stipulation for Entry of Judgment ("Stipulation"), Judgment was entered in the eminent domain action. The Stipulation and Judgment contain a number of agreements between the parties, including the Commission and American International Industries ("American International"). On November 12, 2009, a Final Order in Condemnation was recorded vesting title to the Property in the Commission. In or about April 2011 the parties, including the Commission and American International entered into a Memorandum of Agreement modifying certain terms set forth in the Stipulation and Judgment.

Pursuant to AB 1X 26, the Successor Agency is required to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State. The Successor Agency has started the process of obtaining appraisals for the Commission properties that must be sold.

American International is a manufacturer and distributor of beauty and skin care products for men and women and is currently in possession of the Property. American International has approached the Successor Agency and requested the opportunity to continue to lease the Property. The Successor Agency is required to turn over all redevelopment assets, to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State. Pursuant to AB 1 X 26, the Successor Agency is not allowed to further burden redevelopment owned properties without approval by the Oversight Board for the Commission. Because of various delays in connection with the implementation of AB 1X 26, the Successor Agency has been delayed in acting upon the request by American International.

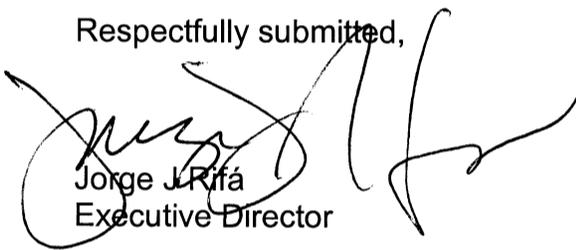
The proposed lease shall be in effect for an initial term of six (6) months, commencing retroactively to January 1, 2012 and terminating on June 30, 2012. American International has paid rent for this period at the rate of \$14,898 per month. The lease shall continue after June 30, 2012, for 60-day terms. American International shall then pay rent in the amount of \$16,425 per month. Upon expiration of the lease, American International will surrender the Property without the requirement of any notice to quit or demand for possession.

The Successor Agency is in the process of preparing the Property for disposition. In the meantime, it makes sense to have a tenant pay rent so that the Property generates revenue. The City will not benefit from such additional rent revenues; they must be turned over to the State. Nevertheless, such additional revenues will benefit the State. Therefore, staff recommends that the Successor Agency approve the Lease and that it recommend approval by the Oversight Board.

FISCAL IMPACT:

There will be no fiscal impact to the Successor Agency as a result of the approval of the Assignment of Lease. The State has benefitted from generating a monthly rent income of \$14,898 per month through June 30, 2012, and will benefit by continuing to generate a monthly rent income of \$14,898 per month thereafter while the Property is being prepared for disposition as required by AB 1X 26.

Respectfully submitted,



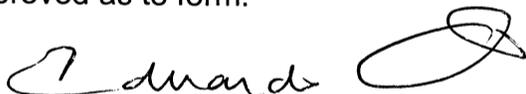
Jorge J. Rifá
Executive Director

Fiscal impact reviewed by,



Vilko Domic
Finance Director

Approved as to form:



Eduardo Olivo
Agency Counsel

Attachments: Resolution
Lease Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING A LEASE AGREEMENT WITH AMERICAN INTERNATIONAL INDUSTRIES FOR THE PROPERTY LOCATED AT 5901 E. TELEGRAPH ROAD

WHEREAS, on November 29, 2005, the Commerce Community Development Commission (the "Commission") filed a complaint in eminent domain to acquire the property located at 5901 E. Telegraph Rd., Commerce, California (the "Property"), Los Angeles Superior Court case number BC343619; and

WHEREAS, pursuant to AB 1X 26, the Successor Agency is required to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State; and

WHEREAS, American International Industries ("American International") is currently in possession of the Property and has approached the Successor Agency and requested the opportunity to continue to lease the Property; and

WHEREAS, the Successor Agency is required to turn over all redevelopment assets, to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State; and

WHEREAS, the Successor Agency is in the process of preparing the Property for disposition and believes that, in the meantime, it makes sense to have a tenant pay rent so that the Property generates revenue.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

Section 1. The Successor Agency to the Commerce Community Development Commission hereby finds and determines that the recitals set forth above are true and correct.

Section 2. The Lease Agreement between the Successor Agency and American International Industries for the Property located at 5901 E. Telegraph Road, Commerce, California is hereby approved. The Successor Agency Chairperson is authorized to execute the Lease for and on behalf of the Successor Agency.

Section 3. The Successor Agency directs staff to advise the Oversight Board for the Commerce Community Development Commission that the Successor Agency has recommended that the Oversight Board approve the Lease.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2012.

Lilia R. Leon, Chairperson

ATTEST:

Linda Kay Olivieri, MMC
Secretary

**LEASE AGREEMENT
5901 TELEGRAPH ROAD
COMMERCE, CALIFORNIA**

This Lease Agreement ("Lease") is entered into between the **CITY OF COMMERCE as successor agency to the COMMERCE COMMUNITY DEVELOPMENT COMMISSION** ("Landlord") and **AMERICAN INTERNATIONAL INDUSTRIES, A California General Partnership** ("Tenant"). Landlord hereby leases to Tenant the real estate commonly known as 5901 E. Telegraph Rd., Commerce, County of Los Angeles in the State of California (the "Subject Property"), based on the following understandings, terms and conditions:

WHEREAS, on November 29, 2005 the Commerce Community Development Commission (the "Commission") filed a complaint in eminent domain to acquire the Subject Property, Los Angeles Superior Court case number BC343619;

WHEREAS, on July 15, 2009 pursuant to the parties Stipulation for Entry of Judgment (the "Stipulation"), Judgment was entered in the eminent domain action. The Stipulation and Judgment contain a number of agreements between the parties, including the Commission and Tenant;

WHEREAS, on November 12, 2009 a Final Order in Condemnation was recorded vesting title to the Subject Property in the Commission;

WHEREAS, in or about April 2011 the parties, including the Commission and Tenant entered into a Memorandum Agreement modifying certain terms set forth in the Stipulation and the Judgment;

WHEREAS, on February 1, 2012, Landlord became the successor to all of the Commission's rights, title and interest in the Subject Property;

WHEREAS, the statutory structure that eliminated the Commission and created the Successor Agency (the Landlord herein), also created a mechanism for review of Successor Agency actions with respect to former Commission owned property, including the Subject Property. The review will be conducted by an Oversight Board. This Lease is entered into by Landlord and Tenant subject to the jurisdiction of the Oversight Board;

WHEREAS, Landlord and Tenant intend that all terms and conditions of the Stipulation, Judgment and Memorandum Agreement that are not inconsistent with this Lease shall remain in full force and effect; and

WHEREAS, Tenant is currently in possession of the Subject Property.

- 1) This Lease shall be in effect for an initial term of six (6) months, commencing on January 1, 2012 and terminating on June 30, 2012. Tenant has paid Landlord for this period at the rate of \$14,898 per month pursuant to an agreement with the Commission.
- 2) This Lease shall continue in full force and effect for its initial term and thereafter for 60-day terms.
- 3) Tenant shall pay Landlord rent in the amount of Sixteen Thousand Four Hundred Twenty-Five Dollars (\$16,425.00) per month, in advance, to be received by Landlord on or before the first day of each month. Payment is to be made to the "City of Commerce, as successor agency to the Commerce Community Development Commission."
- 4) Rent paid is triple net "NNN". Tenant is responsible for all utilities, insurance, taxes and assessments. Tenant further agrees to pay, before the same shall become delinquent, all taxes levied during the life of this Lease.
- 5) Tenant shall comply with all federal, state and local environmental laws and regulations in its use of the Subject Property, including the Resource Conservation and Recovery Act, as amended (RCRA) and the Comprehensive Environmental Response Compensation and Liability Act, as amended (CERCLA).

Tenant shall use its best efforts and safety practices to prevent the release on or in proximity to the Subject Property of any paint, solvent, oil or adhesive, or any other hazardous substance or waste as defined in CERCLA. Tenant assumes all responsibility for the investigation and cleanup of any such release and shall indemnify and defend Landlord, its officers, agents and employees, for all costs, including environmental consultant and attorney fees, and claims resulting from or associated with any such release. This provision shall continue in full force and effect regardless of whether this Lease is terminated or the Subject Property is abandoned and vacated by Tenant.

- 6) Tenant accepts the Subject Property "as is" in its present condition.
 - a) Tenant assumes the risk of any injury to and death of persons and damage to or destruction of property resulting from the condition of or any defects anywhere in or upon the Subject Property, regardless of whether such condition or defects are known or unknown, apparent or latent, and regardless of whether such condition or defects exist at the commencement of this Lease or at some later time.
 - b) Landlord has no obligation to repair or maintain the Subject Property in any particular condition. Tenant shall bear all repair costs.
- 7) Tenant agrees to assume the risk of and shall indemnify and hold Landlord harmless, from and against any and all liability, loss, damage, claims, demands,

costs, fines, penalties, and expenses of whatsoever nature, including court costs and attorney's fees, arising from or growing out of any injury to or death of person whomsoever or destruction of, loss of, or damage to property whatsoever. This indemnification and assumption of risk shall accrue when such injury, death, destruction, loss, or damage occurs from any cause and in whole or in part is associated with, incidental to, or caused by;

- a) The use and occupation of the Subject Property by Tenant, its affiliates, their officers, employees, or agents or by any other person or entity using or occupying the Subject Property by reason of any relation, contractual or otherwise, with Tenant, its affiliates, their employees, officers, or agents; or
 - b) Any activity of Tenant, its affiliates, employees, officers, or agents on or in proximity to the Subject Property or of any other person or entity on or in proximity to the Subject Property by reason of any relation, contractual or otherwise, with Tenant, its employees, officers, or agents; or
 - c) Tenant's breach of this Lease.
- 8) Tenant shall maintain insurance in the amounts and under the terms described in Exhibit "A" to this Lease;
- 9) Tenant acknowledges that Landlord is a public entity and that this Lease does not create any right to compensation for relocation assistance or goodwill upon the termination of the Lease. Tenant acknowledges that Tenant has no right to relocation assistance or goodwill under this Lease or any prior lease agreement for the use of the Subject Property.
- 10) This Lease is binding upon the heirs, assigns and successors of both Landlord and Tenant. However, no assignment, sublease or transfer of the Subject Property by Tenant is permitted.
- 11) Tenant agrees that upon the expiration of this Lease, abandonment of Subject Property by Tenant, or sooner termination of this Lease, Tenant will peaceably and quietly surrender possession of the Subject Property to Landlord, or Landlord's successors and assigns, without Landlord giving any notice to quit or demand for possession.

Failure to timely pay rent is an abandonment of the Subject Property. If Tenant fails to remove its personal property from the Subject Property, Landlord shall be entitled to charge Tenant a reasonable fee for storage and removal of the personal property. Landlord shall be entitled to sell the personal property to satisfy any outstanding amounts owed to Landlord, including for unpaid rent and/or storage and removal costs and costs of the sale. Any proceeds from the sale of Tenant's personal property in excess of the amount owed to Landlord by Tenant shall be sent to Tenant at the Notice Address.

- 12) Any notice to any party under this Lease shall be in writing and shall be effective on the earlier of (a) the date when delivered and received for by a person at the Notice Address specified within this Lease, or (b) the date which is three (3) days after mailing (postage prepaid) to such address; provided that in either case notices shall be delivered to such other Notice Address as shall have been specified in writing by such party to all parties hereto prior to the notice being delivered.
- 13) If suit is brought (or arbitration instituted) or an attorney is retained by any party to this Lease because the other party breached this Lease, the prevailing party shall be entitled to reimbursement for reasonable attorneys' fees and all related costs and expenses.
- 14) All terms and conditions of the Stipulation, Judgment and Memorandum Agreement that are not inconsistent with this Lease shall remain in full force and effect. This Lease represents the entire agreement of Tenant and Landlord with respect to the use of the Subject Property by Tenant and supersedes any inconsistent term(s) in any previous agreement.

TENANT
 AMERICAN INTERNATIONAL INDUSTRIES,
 A CALIFORNIA GENERAL PARTNERSHIP

By: _____

Its: _____

Notice Address:
 All
 2220 Gaspar Ave.
 Commerce, CA 90040
 Tel No. 323-728-2999

LANDLORD
 CITY OF COMMERCE, successor
 agency to the Commerce Community
 Development Commission

By: _____
 Lilia R. Leon, Chairperson

Notice Address:
 City of Commerce, successor agency
 to the Commerce Community
 Development Commission
 2535 Commerce Way
 Commerce, CA 90040
 Tel No. 323-722-4805

Attest:

 Linda Kay Olivieri, MMC
 Secretary

Approved as to form:

 Eduardo Olivo
 Agency Counsel

EXHIBIT A

On or before any occupancy of the Subject Property, Tenant at its own cost and expense shall obtain, carry and maintain for the duration of the Lease and provide proof thereof that is acceptable to Landlord of its procurement of the insurance specified below from insurers and under forms of insurance satisfactory in all aspects to Landlord. Tenant shall not allow any contractor to commence work on the Subject Property until all insurance required of Tenant have also been obtained for or by the contractor. Such insurance shall not be in derogation of Tenants obligation to provide indemnity under Section 14 of this Agreement.

1. COMPENSATION GENERAL LIABILITY INSURANCE COVERAGE.

Tenant shall carry and maintain comprehensive general liability insurance which provides the following:

Minimum Coverage: Bodily injury limits of \$1,000,000 for each person and \$2,000,000 for each occurrence; property damage limits of \$500,000 for each occurrence \$2,000,000 aggregate.

Commercial general liability insurance will meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury and property damage for the policy coverage. Commercial General Liability policy will be endorsed to name Landlord, its officials, and employees as "additional insured's" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by Landlord will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88. Such insurance will be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to Landlord.

2. ADDITIONAL INSURED'S

Landlord and its officers, agents and employees must be named as additional insureds or as additional loss payees in all insurance policies required by the Lease. An endorsement shall be delivered to Landlord prior to the commencement of the tenancy. Satisfaction of any deductible requirement shall be the responsibility of Tenant.

3. CANCELLATION CLAUSE

Each of the policies of insurance shall contain a clause substantially as follows:

The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought except with respect to the limit of the insurer's liability.

4. QUALIFICATIONS OF INSURANCE

All policies of insurance shall be issued by an insurance company acceptable to Landlord and authorized to issue said policy in the State of California.

5. APPROVAL OF INSURER

The insurance carrier providing the insurance shall be chosen by Tenant subject to approval by Landlord provided that such approval shall not be unreasonably withheld.

6. PAYMENT OF PREMIUMS

All premiums of insurance policies shall be paid by Tenant making payment, when due, directly to the insurance carrier, or in a manner agreed to by Landlord.

7. EVIDENCE OF INSURANCE AND CLAIMS

Landlord shall have the right to hold the policies and policy renewals, and Tenant shall promptly furnish to Landlord all renewal notices and all receipts of paid premiums. In the event of loss, Tenant shall give prompt notice to the insurance carrier and Landlord. Landlord may make proof of loss if not made promptly by Tenant.



AGENDA REPORT

DATE: July 3, 2012

TO: Honorable Successor Agency

FROM: Executive Director

SUBJECT: A RESOLUTION OF THE CITY COUNCIL THE CITY OF COMMERCE, CALIFORNIA, ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING A LEASE AGREEMENT WITH AMERICAN INTERNATIONAL INDUSTRIES FOR THE PROPERTY LOCATED AT 2366 TRAVERS AVENUE

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND/ANALYSIS:

The Commerce Community Development Commission (the "Commission") was the owner of real property located at 2366 Travers Avenue, Commerce, California (the "Property"). The Property is improved with approximately 17,000 square feet of interior space. Pursuant to AB 1X 26, the Successor Agency is required to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State. The Successor Agency has started the process of obtaining appraisals for the Commission properties that must be disposed of pursuant to AB 1X 26.

American International Industries ("American International") is a manufacturer and distributor of beauty and skin care products for men and women and operates a facility within the City. American International has approached the Successor Agency and requested the opportunity to temporarily lease the Property. On January 17, 2012, the City of Commerce became the successor agency to the Commission ("Successor Agency"). The Successor Agency is required to turn over all redevelopment assets, to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State. Pursuant to AB 1 X 26, the Successor Agency is not allowed to further burden redevelopment owned properties without approval by the Oversight Board for the Commission.

The proposed lease shall be in effect for an initial term of six (6) months, commencing retroactively to July 1, 2012 and terminating on December 30, 2012. American International will pay rent in the amount of \$4,275 per month. The lease shall continue for its initial term and thereafter for 60-day terms. The lease provides that, upon expiration of the lease, American International will surrender the Property without the requirement of any notice to quit or demand for possession.

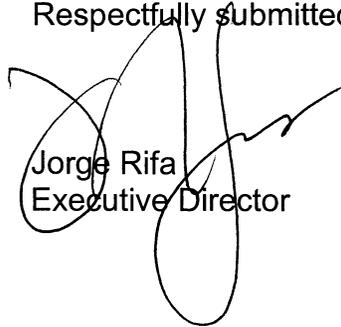
The Successor Agency is in the process of preparing the Property for disposition. In the meantime, it makes sense to have a tenant pay rent so that the Property generates revenue. The City will not benefit from such additional rent revenues; they must be turned over to the State. Nevertheless, such additional revenues will benefit the State.

Therefore, staff recommends that the Successor Agency approve the Lease and that it recommend approval by the Oversight Board.

FISCAL IMPACT:

There will be no fiscal impact to the Successor Agency as a result of the approval of the Assignment of Lease. The State will benefit by continuing to generate a monthly rent income of \$4,275 per month while the Property is being prepared for disposition as required by AB 1X 26.

Respectfully submitted,



Jorge Rifa
Executive Director

Fiscal impact reviewed by,



Vilko Domic
Finance Director

Approved as to form:



Eduardo Olivo
Agency Counsel

Attachments: Resolution
Lease Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING A LEASE AGREEMENT WITH AMERICAN INTERNATIONAL INDUSTRIES FOR THE PROPERTY LOCATED AT 2366 TRAVERS AVENUE

WHEREAS, the Commerce Community Development Commission (the "Commission") was the owner of real property located at located at 2366 Travers Avenue, Commerce, California (the "Property"); and

WHEREAS, pursuant to AB 1X 26, the Successor Agency is required to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State; and

WHEREAS, American International Industries ("American International") operates a facility within the City and has approached the Successor Agency and requested the opportunity to temporarily lease the Property; and

WHEREAS, the Successor Agency is required to turn over all redevelopment assets, to dispose of all redevelopment owned properties as expeditiously as possible and turn the proceeds over to the State; and

WHEREAS, the Successor Agency is in the process of preparing the Property for disposition and believes that, in the meantime, it makes sense to have a tenant pay rent so that the Property generates revenue.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

Section 1. The Successor Agency to the Commerce Community Development Commission hereby finds and determines that the recitals set forth above are true and correct.

Section 2. The Lease Agreement between the Successor Agency and American International Industries for the Property located at 2366 Travers Avenue is hereby approved. The Successor Agency Chairperson is authorized to execute the Lease for and on behalf of the Successor Agency.

Section 3. The Successor Agency directs staff to advise the Oversight Board for the Commerce Community Development Commission that the Successor Agency has recommended that the Oversight Board approve the Lease.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2012.

Lilia R. Leon, Chairperson

ATTEST:

Linda Kay Olivieri, MMC
Secretary

**LEASE AGREEMENT
2366 TRAVERS AVENUE
COMMERCE, CALIFORNIA**

This Lease Agreement ("Lease") is entered into between the **CITY OF COMMERCE as successor agency to the COMMERCE COMMUNITY DEVELOPMENT COMMISSION** ("Landlord") and **AMERICAN INTERNATIONAL INDUSTRIES, A California General Partnership** ("Tenant"). Landlord hereby leases to Tenant the real estate commonly known as 2366 Travers Ave., Commerce, County of Los Angeles in the State of California (the "Subject Property"), based on the following understandings, terms and conditions:

WHEREAS, the Commerce Community Development Commission (the "Commission") is the record owner of the Subject Property;

WHEREAS, on February 1, 2012, landlord became the successor to all of the Commission's rights, title and interest in the Subject Property;

WHEREAS, the statutory structure that eliminated the Commission and created the Successor Agency (the Landlord herein), also created a mechanism for review of Successor Agency actions with respect to former Commission owned property, including the Subject Property. The review will be conducted by an Oversight Board. This Lease is entered into by Landlord and Tenant subject to the jurisdiction of the Oversight Board; and

WHEREAS, the Subject Property is improved with approximately 17,100 square feet of interior space, with no other usable tenant improvements.

- 1) This Lease shall be in effect for an initial term of six (6) months, commencing on July 1, 2012 and terminating on January 31, 2013.
- 2) Tenant shall pay Landlord rent in the amount of Four Thousand Two Hundred Seventy-Five Dollars (\$4,275.00) per month, in advance, to be received by Landlord on or before the first day of each month. Payment is to be made to the "City of Commerce as successor agency to the Commerce Community Development Commission."
- 3) This Lease shall continue in full force and effect for its initial term and thereafter for 60-day terms.
- 4) Rent paid is triple net "NNN". Tenant is responsible for all utilities, insurance, taxes and assessments. Tenant further agrees to pay, before the same shall become delinquent, all taxes levied during the life of this Lease.

- 5) Tenant shall comply with all federal, state and local environmental laws and regulations in its use of the Subject Property, including the Resource Conservation and Recovery Act, as amended (RCRA) and the Comprehensive Environmental Response Compensation and Liability Act, as amended (CERCLA).

Tenant shall use its best efforts and safety practices to prevent the release on or in proximity to the Subject Property of any paint, solvent, oil or adhesive, or any other hazardous substance or waste as defined in CERCLA. Tenant assumes all responsibility for the investigation and cleanup of any such release and shall indemnify and defend Landlord, its officers, agents and employees, for all costs, including environmental consultant and attorney fees, and claims resulting from or associated with any such release. This provision shall continue in full force and effect regardless of whether this Lease is terminated or the Subject Property is abandoned and vacated by Tenant.

- 6) Tenant accepts the Subject Property "as is" in its present condition.
 - a) Tenant assumes the risk of any injury to and death of persons and damage to or destruction of property resulting from the condition of or any defects anywhere in or upon the Subject Property, regardless of whether such condition or defects are known or unknown, apparent or latent, and regardless of whether such condition or defects exist at the commencement of this Lease or at some later time.
 - b) Landlord has no obligation to repair or maintain the Subject Property in any particular condition. Tenant shall bear all repair costs.
- 7) Tenant agrees to assume the risk of and shall indemnify and hold Landlord harmless, from and against any and all liability, loss, damage, claims, demands, costs, fines, penalties, and expenses of whatsoever nature, including court costs and attorney's fees, arising from or growing out of any injury to or death of person whomsoever or destruction of, loss of, or damage to property whatsoever. This indemnification and assumption of risk shall accrue when such injury, death, destruction, loss, or damage occurs from any cause and in whole or in part is associated with, incidental to, or caused by;
 - a) The use and occupation of the Subject Property by Tenant, its affiliates, their officers, employees, or agents or by any other person or entity using or occupying the Subject Property by reason of any relation, contractual or otherwise, with Tenant, its affiliates, their employees, officers, or agents; or
 - b) Any activity of Tenant, its affiliates, employees, officers, or agents on or in proximity to the Subject Property or of any other person or entity on or in proximity to the Subject Property by reason of any relation, contractual or otherwise, with Tenant, its employees, officers, or agents; or
 - c) Tenant's breach of this Lease.

- 8) Tenant shall maintain insurance in the amounts and under the terms described in Exhibit "A" to this Lease;
- 9) Tenant acknowledges that Landlord is a public entity and that this Lease does not create any right to compensation for relocation assistance or goodwill upon the termination of the Lease. Tenant acknowledges that Tenant has no right to relocation assistance or goodwill under this Lease or any prior lease agreement for the use of the Subject Property.
- 10) This Lease is binding upon the heirs, assigns and successors of both Landlord and Tenant. However, no assignment, sublease or transfer of the Subject Property by Tenant is permitted.
- 11) Tenant agrees that upon the expiration of this Lease, abandonment of Subject Property by Tenant, or sooner termination of this Lease, Tenant will peaceably and quietly surrender possession of the Subject Property to Landlord, or Landlord's successors and assigns, without Landlord giving any notice to quit or demand for possession.

Failure to timely pay rent is an abandonment of the Subject Property. If Tenant fails to remove its personal property from the Subject Property, Landlord shall be entitled to charge Tenant a reasonable fee for storage and removal of the personal property. Landlord shall be entitled to sell the personal property to satisfy any outstanding amounts owed to Landlord, including for unpaid rent and/or storage and removal costs and costs of the sale. Any proceeds from the sale of Tenant's personal property in excess of the amount owed to Landlord by Tenant shall be sent to Tenant at the Notice Address.

- 12) Any notice to any party under this Lease shall be in writing and shall be effective on the earlier of (a) the date when delivered and receipted for by a person at the Notice Address specified within this Lease, or (b) the date which is three (3) days after mailing (postage prepaid) to such address; provided that in either case notices shall be delivered to such other Notice Address as shall have been specified in writing by such party to all parties hereto prior to the notice being delivered.
- 13) If suit is brought (or arbitration instituted) or an attorney is retained by any party to this Lease because the other party breached this Lease, the prevailing party shall be entitled to reimbursement for reasonable attorneys' fees and all related costs and expenses.

TENANT
 AMERICAN INTERNATIONAL INDUSTRIES,
 A CALIFORNIA GENERAL PARTNERSHIP

By: _____



LANDLORD
 CITY OF COMMERCE, successor
 agency to the Commerce Community
 Development Commission

Its: _____

Notice Address:

All
2220 Gaspar Ave.
Commerce, CA 90040
Tel No. 323-728-2999

By: _____
Lilia R. Leon, Chairperson

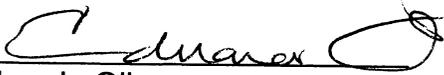
Notice Address:

City of Commerce, successor agency
to the Commerce Community
Development Commission
2535 Commerce Way
Commerce, CA 90040
Tel No. 323-722-4805

Attest:

Linda Kay Olivieri, MMC
Secretary

Approved as to form:



Eduardo Olivo
Agency Counsel

EXHIBIT A

On or before any occupancy of the Subject Property, Tenant at its own cost and expense shall obtain, carry and maintain for the duration of the Lease and provide proof thereof that is acceptable to Landlord of its procurement of the insurance specified below from insurers and under forms of insurance satisfactory in all aspects to Landlord. Tenant shall not allow any contractor to commence work on the Subject Property until all insurance required of Tenant have also been obtained for or by the contractor. Such insurance shall not be in derogation of Tenants obligation to provide indemnity under Section 14 of this Agreement.

1. COMPENSATION GENERAL LIABILITY INSURANCE COVERAGE.

Tenant shall carry and maintain comprehensive general liability insurance which provides the following:

Minimum Coverage: Bodily injury limits of \$1,000,000 for each person and \$2,000,000 for each occurrence; property damage limits of \$500,000 for each occurrence \$2,000,000 aggregate.

Commercial general liability insurance will meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury and property damage for the policy coverage. Commercial General Liability policy will be endorsed to name Landlord, its officials, and employees as "additional insured's" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by Landlord will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88. Such insurance will be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to Landlord.

2. ADDITIONAL INSURED'S

Landlord and its officers, agents and employees must be named as additional insureds or as additional loss payees in all insurance policies required by the Lease. An endorsement shall be delivered to Landlord prior to the commencement of the tenancy. Satisfaction of any deductible requirement shall be the responsibility of Tenant.

3. CANCELLATION CLAUSE

Each of the policies of insurance shall contain a clause substantially as follows:

The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought except with respect to the limit of the insurer's liability.

4. QUALIFICATIONS OF INSURANCE

All policies of insurance shall be issued by an insurance company acceptable to Landlord and authorized to issue said policy in the State of California.

5. APPROVAL OF INSURER

The insurance carrier providing the insurance shall be chosen by Tenant subject to approval by Landlord provided that such approval shall not be unreasonably withheld.

6. PAYMENT OF PREMIUMS

All premiums of insurance policies shall be paid by Tenant making payment, when due, directly to the insurance carrier, or in a manner agreed to by Landlord.

7. EVIDENCE OF INSURANCE AND CLAIMS

Landlord shall have the right to hold the policies and policy renewals, and Tenant shall promptly furnish to Landlord all renewal notices and all receipts of paid premiums. In the event of loss, Tenant shall give prompt notice to the insurance carrier and Landlord. Landlord may make proof of loss if not made promptly by Tenant.



AGENDA REPORT

DATE: July 3, 2012

TO: Honorable Successor Agency

FROM: Executive Director

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING THE SUPPLEMENT TO ASSIGNMENT OF LEASE BY THE UNION PACIFIC RAILROAD

RECOMMENDATION:

Approve and adopt the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND/ANALYSIS:

The Commerce Community Development Commission (the "Commission") was previously engaged in assembling various sites for the Urban Entertainment Center Project. As part of that process, on November 1, 2002, the Commission purchased real property known as Lot 1, Tract 7777, in the City of Commerce, County of Los Angeles, State of California (the "Property") from Union Pacific Railroad Company ("Union Pacific").

On November 5, 2002, Union Pacific assigned to the Commission all of Union Pacific's rights, title and interest in the Property pursuant to an Assignment of Lease, License, Franchise or Other Interest in Real Property Agreement (the "Assignment"). The Commission later discovered the existence of an unrecorded license agreement between Union Pacific and Vintage Production California, LLC ("Vintage Production") dated September 30, 1997 (the "License Agreement"). The License Agreement provided Vintage Production the right to have part of an oil line underneath the Property. Pursuant to the License Agreement, Vintage Production has paid the Union Pacific an estimated amount of \$22,384.00 since the Commission purchased the Property.

The Commission had been in the process of addressing the issue before the passage of AB 1X 26. The Commission had requested that Union Pacific assign the License Agreement to the Commission and turn over all back rents paid by Vintage Production under the License Agreement after the sale of the Property to the Commission. Because of the passage of AB 1X 26, the Commission was not able to complete negotiations. The Successor Agency has now completed negotiations related to the assignment of the License Agreement and the reimbursement of the past due rents.

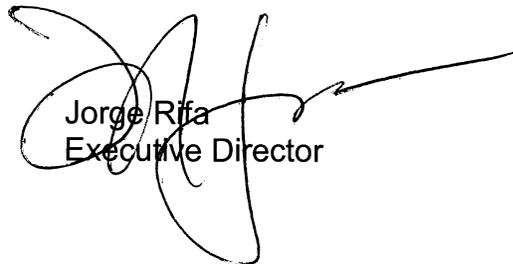
The proposed Supplement to Assignment of Lease, License, Franchise or Other Interests in Real Property ("Supplement to Assignment") provides that, effective November 1, 2002, Union Pacific assigns to the Successor Agency the additional License Agreement, described as "Audit 219145, Vintage Production California, LLC, a pipeline encroachment for conveying petroleum products on the Property." Once the

Successor Agency approves the Supplement to Assignment, Union Pacific will provide the City with the funds that should have been paid to the Commission under the License Agreement as of the effective Assignment of Lease; the amount is slightly in excess of \$22,384.00. The Successor Agency is required to maintain such revenues and dispose of them pursuant to the requirements of AB 1X 26. Staff recommends that the Supplement to Assignment be approved by the Successor Agency.

FISCAL IMPACT:

There will be no fiscal impact to the Successor Agency as a result of the approval of the Supplement to Assignment. The State will benefit from the payment of the back-due rent, in the amount of \$22,384.00 and the rent due under the License Agreement until the Property is sold as required by AB 1X 26.

Respectfully submitted,



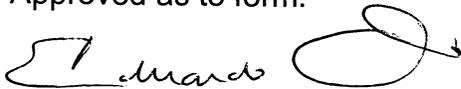
Jorge Rifa
Executive Director

Fiscal impact reviewed by,



Vilko Domic
Finance Director

Approved as to form:



Eduardo Olivo
Agency Counsel

Attachments: Resolution
Supplement to Assignment of Lease, License,
Franchise or Other Interests in Real Property

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ACTING AS THE GOVERNING BODY FOR THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION PURSUANT TO PART 1.85 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE, APPROVING THE SUPPLEMENT TO ASSIGNMENT OF LEASE BY THE UNION PACIFIC RAILROAD

WHEREAS, the Commerce Community Development Commission (the "Commission") was previously engaged in assembling various sites for the Urban Entertainment Center Project; and

WHEREAS, as part of that process, on November 1, 2002, the Commission purchased real property known as Lot 1, Tract 7777, in the City of Commerce, County of Los Angeles, State of California (the "Property") from Union Pacific Railroad Company ("Union Pacific"); and

WHEREAS, on November 5, 2002, Union Pacific assigned to the Commission all of Union Pacific's rights, title and interest in the Property pursuant to an Assignment of Lease, License, Franchise or Other Interest in Real Property Agreement (the "Assignment"); and

WHEREAS, the Commission later discovered the existence of an unrecorded license agreement between Union Pacific and Vintage Production California, LLC ("Vintage Production") dated September 30, 1997 (the "License Agreement"); and

WHEREAS, the License Agreement provided Vintage Production the right to have part of an oil line underneath the Property; and

WHEREAS, the Commission had requested that Union Pacific assign the License Agreement to the Commission and turn over all back rents paid by Vintage Production under the License Agreement after the sale of the Property to the Commission; and

WHEREAS, because of the passage of AB 1X 26, the Commission was not able to complete negotiations; and

WHEREAS, the Successor Agency has now completed negotiations related to the assignment of the License Agreement and the reimbursement of the past due rents; and

WHEREAS, the proposed Supplement to Assignment of Lease, License, Franchise or Other Interests in Real Property ("Supplement to Assignment") provides that, effective November 1, 2002, Union Pacific assigns to the Successor Agency the additional License Agreement, described as "Audit 219145, Vintage Production California, LLC, a pipeline encroachment for conveying petroleum products on the Property"; and

WHEREAS, once the Successor Agency approves the Supplement to Assignment, Union Pacific will provide the City with the funds that should have been paid to the Commission under the License Agreement as of the effective Assignment of Lease.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

Section 1. The Successor Agency to the Commerce Community Development Commission hereby finds and determines that the recitals set forth above are true and correct.

Section 2. The Supplement to Assignment of Lease, License, Franchise or Other Interests in Real Property Agreement, between Union Pacific Railroad Company and the Successor Agency to the Commerce Community Development Commission is hereby approved. The Successor Agency Chairperson is authorized and directed to execute the Agreement and all documents necessary to implement the terms of the Agreement for and on behalf of the Successor Agency.

RESOLUTION _____

Section 3. The Successor Agency directs staff to advise the Oversight Board for the Commerce Community Development Commission that the Successor Agency has recommended that the Oversight Board approve the Supplemental Assignment.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2012.

Lilia R. Leon, Chairperson

ATTEST:

Linda Kay Olivieri, MMC
Secretary

SA RESO (SUPPL TO ASSIGNMENT OF LEASE – UPRR) – 07-03-2012.DOC

**SUPPLEMENT
TO ASSIGNMENT OF LEASE, LICENSE, FRANCHISE
OR OTHER INTERESTS IN REAL PROPERTY**

This Supplement is made and entered into this _____ day of _____, 2012, by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Union Pacific") and CITY OF COMMERCE, successor agency to the COMMERCE COMMUNITY DEVELOPMENT COMMISSION, a public body, corporate and politic, of the State of California (Commerce).

RECITALS:

By an Assignment of Lease, License, Franchise or Other Interests in Real Property with an effective date of November 5, 2002, (the "Assignment"), Union Pacific assigned to Commerce all of Union Pacific's right, title and interest in and to the agreements described in the Assignment (the "Assigned Interests") pertaining to Union Pacific's sale to Commerce of certain real property situated in City of Commerce, County of Los Angeles, California.

It has now come to Union Pacific's attention that an additional license agreement, described as Audit 219145, Vintage Production California, LLC, a pipeline encroachment for conveying petroleum products only, a copy of which is attached hereto and hereby made a part hereof as Exhibit B, should have also been partially assigned to Commerce under the Assignment.

AGREEMENT;

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Section 1. PARTIAL ASSIGNMENT OF ADDITIONAL AGREEMENT TO COMMERCE CDC

Effective as of November 1, 2002, Union Pacific partially assigns to Commerce, as part of the Assignment, to the extent said Agreement Audit 219145 affects the real property ("Property") described in Exhibit A, that portion of said Agreement Audit 219145 attached hereto and hereby made a part hereof as Exhibit B that encumbers the property described on said Exhibit A.

Section 2. SUPPLEMENT IS SUPPLEMENTAL TO ASSIGNMENT

This Supplement is supplemental to the Assignment and nothing herein contained shall be construed as amending or modifying the same except as herein specifically provided.

IN WITNESS WHEREOF, this Supplement has been executed by Union Pacific and City of Commerce on the date first herein written, with an effective date of assignment being November 1, 2002.

UNION PACIFIC RAILROAD COMPANY

By: _____
Title: _____

Approved as to form:



Eduardo Olivo
Legal Counsel to the City of Commerce as Successor
Agency to the Commerce Community Development
Commission

CITY OF COMMERCE, SUCCESSOR
AGENCY TO COMMERCE COMMUNITY
DEVELOPMENT COMMISSION

By: _____
Title: _____

EXHIBIT A

[see document, attached]

- -

UNION PACIFIC RAILROAD COMPANY
City of Commerce, Los Angeles County, California

EXHIBIT "A"

BEING THAT PORTION OF LOT 1, TRACT NO. 7777, IN THE CITY OF COMMERCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 115, PAGES 13 AND 14 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF PARCEL 2 OF VESTING PARCEL MAP NO. 21208, AS SHOWN ON THE MAP RECORDED IN BOOK 242, PAGES 19 THROUGH 21 OF PARCEL MAPS, IN SAID OFFICE OF THE COUNTY RECORDER; THENCE, ALONG THE SOUTHEASTERLY LINE OF HOEFNER AVENUE, SIXTY (60) FOOT WIDE AS DESCRIBED IN THE DEED RECORDED ON MAY 24, 1937, AS PARCEL 5, IN BOOK 14982, PAGE 191 OF THE OFFICIAL RECORDS OF SAID COUNTY, NORTH 46°37'12" EAST, 17.01 FEET; THENCE, SOUTH 43°22'48" EAST, 143.20 FEET TO THE MOST WESTERLY CORNER OF LOT 1 OF THE CERTIFICATE OF COMPLIANCE RECORDED SEPTEMBER 10, 2002 AS INSTRUMENT NO. 02-2122800 OF SAID OFFICIAL RECORDS; THENCE, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 1 AND LOT 2 OF SAID CERTIFICATE OF COMPLIANCE, THE FOLLOWING FIVE (5) COURSES: (1) SOUTH 43°23'01" EAST, 1232.29 FEET; (2) SOUTH 43°37'02" WEST, 17.00 FEET; (3) SOUTH 43°23'01" EAST, 63.20 FEET; (4) SOUTH 46°37'02" WEST, 3.00 FEET AND (5) SOUTH 43°23'01" EAST, 421.12 FEET TO THE SOUTHEASTERLY LINE OF VACATED GASPER AVENUE AS DESCRIBED IN THE DEED RECORDED APRIL 9, 1958 IN BOOK D-67, PAGE 634 OF SAID OFFICIAL RECORDS; THENCE, ALONG SAID SOUTHEASTERLY LINE, NORTH 46°36'48" EAST, 1.50 FEET TO THE MOST WESTERLY CORNER OF THAT CERTAIN TRACT DESCRIBED IN THE DEED RECORDED SEPTEMBER 14, 1959 AS INSTRUMENT NO. 492 OF SAID OFFICIAL RECORDS; THENCE, ALONG THE SOUTHWESTERLY LINE OF LAST SAID TRACT THE FOLLOWING FOUR (4) COURSES: (1) SOUTH 43°22'58" EAST, 251.11 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 328.60 FEET; (2) ALONG SAID CURVE, SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 09°32'00", AN ARC LENGTH OF 54.68 FEET; (3) SOUTH 52°54'58" EAST, 35.03 FEET AND (4) NORTH 46°37'02" EAST, 2.16 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 2; THENCE ALONG THE SOUTHEASTERLY LINE OF LOTS 1 AND 2 OF CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 2002 AS INSTRUMENT NO. 02-2331444 OF SAID OFFICIAL RECORDS, THE FOLLOWING TWO (2) COURSES: (1) SOUTH 43°22'58" EAST, 1455.84 FEET AND (2) SOUTH 62°02'23" EAST, 38.39 FEET TO THE NORTHWESTERLY LINE OF TUBEWAY AVENUE, SEVENTY (70) FOOT WIDE

AS DESCRIBED IN THE DEED RECORDED OCTOBER 18, 1963 IN BOOK D-2225, PAGE 404 OF SAID OFFICIAL RECORDS; THENCE, ALONG SAID NORTHWESTERLY LINE, SOUTH 24°54'01" WEST, 48.32 FEET TO THE MOST EASTERLY CORNER OF THAT CERTAIN TRACT DESCRIBED IN THE DEED RECORDED DECEMBER 9, 1968, AS INSTRUMENT NO. 112 IN SAID OFFICIAL RECORDS; THENCE, ALONG THE NORTHEASTERLY AND NORTHWESTERLY LINES OF SAID INSTRUMENT NO. 112 AND THAT CERTAIN TRACT DESCRIBED IN INSTRUMENT NO. 96-1834959, RECORDED ON NOVEMBER 13, 1996 AND IN THE DEED RECORDED JANUARY 25, 1956 IN BOOK 50139, PAGE 58 OF SAID OFFICIAL RECORDS, THE FOLLOWING SEVEN (7) COURSES: (1) NORTH 43°22'58" WEST, 84.66 FEET; (2) NORTH 46°37'02" WEST, 1.50 FEET; (3) NORTH 43°22'58" WEST, 527.62 FEET; (4) NORTH 49°32'12" WEST, 64.55 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 221.51 FEET AND TO WHICH A RADIAL LINE BEARS NORTH 37°05'02" EAST; (5) ALONG SAID CURVE, NORTHWESTERLY, WESTERLY AND SOUTHWESTERLY, THROUGH A CENTRAL ANGLE OF 80°28'00" AN ARC LENGTH OF 311.09 FEET TO A NON-TANGENT LINE AND TO WHICH A RADIAL LINE BEARS NORTH 43°22'58" WEST; (6) ALONG THE NORTHWESTERLY PROLONGATION OF SAID RADIAL LINE, NORTH 43°22'58" WEST, 1.00 FEET AND (7) SOUTH 46°37'02" WEST, 724.04 FEET TO THE NORTHEASTERLY LINE OF ANAHEIM TELEGRAPH ROAD, ONE HUNDRED (100) FOOT WIDE; THENCE, ALONG SAID NORTHEASTERLY LINE, NORTH 38°22'58" WEST, 25.36 FEET TO THE MOST SOUTHERLY CORNER OF PARCEL MAP NO. 13483, AS SHOWN ON THE MAP FILED IN BOOK 132, PAGES 16 THROUGH 18 OF PARCEL MAPS, IN SAID OFFICE OF THE COUNTY RECORDER; THENCE, ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL MAP 13483; SAID LINE ALSO BEING THE SOUTHEASTERLY LINE OF PARCEL 9 OF SAID PARCEL MAP 13483, NORTH 46°37'02" EAST 947.25 FEET TO THE MOST EASTERLY CORNER OF SAID PARCEL 9 AND SAID PARCEL MAP 13483; THENCE ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 9 AND SAID PARCEL MAP 13483 AND PARCEL 3 OF SAID PARCEL MAP 13483, THE FOLLOWING TWO (2) COURSES: (1) NORTH 43°22'58" WEST, 962.62 FEET AND (2) NORTH 43°23'01" WEST 82.50 FEET TO THE MOST NORTHERLY CORNER OF SAID PARCEL 3, SAID CORNER ALSO BEING THE MOST EASTERLY CORNER OF SAID PARCEL 2, VESTING PARCEL MAP NO. 21208; THENCE, ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 2, THE FOLLOWING THREE (3) COURSES: (1) NORTH 43°23'01" WEST, 379.16 FEET; (2) NORTH 33°51'21" WEST, 121.15 FEET AND (3) NORTH 43°23'01" WEST, 1278.68 FEET TO THE POINT OF BEGINNING.

Containing 2.80 Acres more or less.

OFFICE OF REAL ESTATE
OMAHA, NEBRASKA
WRITTEN BY: JCO
October 31, 2002
204227.leg

EXHIBIT B

[see document, attached]

PL E 880202
Form Approved, AVP-Law

DUPLICATE ORIGINAL - RAILROAD COPY

Folder No. 582-78

PIPELINE AGREEMENT
LONGITUDINAL ENCROACHMENT

U. P. R. R. Co.
Agreement

Mile Post 7.14, Los Angeles Subdivision
City of Commerce, Los Angeles County, CA

Audit No. 145215

THIS AGREEMENT is made and entered into as of the 1st day of April, 1988, by and between UNION PACIFIC RAILROAD COMPANY, a Utah corporation, (hereinafter the Licensor) and FOUR CORNERS PIPE LINE COMPANY, a corporation of the State of Delaware, to be addressed at 5900 Cherry Avenue, P.O. Box 787, Long Beach, CA. 90801 (hereinafter the Licensee).

IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Article 1. LICENSE FEE; REEVALUATION.

A. For the term hereinafter stated, the Licensee shall pay a license fee of Two Thousand Eight Hundred Ninety-One Dollars (\$2,891.00) annually in advance to the Licensor, unless a change in such fee is made as hereinafter provided.

B. Effective on or after the fifth anniversary of this Agreement and on or after the anniversary date of each subsequent five-year period, the Licensor may reevaluate the base upon which the above license fee is computed. Such changes in the license fee may be made by means of automatic adjustment in billing. Such adjustments may be made only once during each such five-year period and shall not be applied retroactively.

Article 2. LICENSOR GRANTS RIGHT.

In consideration of the license fee to be paid by the Licensee and in further consideration of the covenants and agreements herein contained to be by the Licensee kept, observed and performed, the Licensor hereby grants to the Licensee the right to construct and thereafter, during the term hereof, to maintain and operate an underground hydrocarbon pipe line encroachment at City of Commerce, Los Angeles County, CA. (hereinafter the Pipeline) in the location shown and in conformity with the dimensions and specifications indicated on the attached prints marked Exhibit A and Exhibit A-1.

Article 3. CONSTRUCTION, MAINTENANCE AND OPERATION.

The grant of right herein made to the Licensee is subject to each and all of the terms, provisions, conditions, limitations and covenants set forth herein and in Exhibit B, hereto attached.

~~FOR OFFICIAL USE ONLY~~

UNCLASSIFIED

Article 4. TERM.

This Agreement shall take effect as of the date first herein written and shall continue in full force and effect until terminated as herein provided.

Article 5. SPECIAL PROVISIONS.

Special Provision entitled "Insurance" is attached and hereby made a part hereof.

Exhibit B is modified as follows:

Section 1, paragraph (a). Add "except as otherwise provided in Section 10."

Section 6. Delete "and outside of" in the first sentence.

Section 7 (b). Delete subparagraph (b)(3).

Section 10, paragraph 1. Reference to "other railroad companies" is hereby deleted.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY

By *[Signature]*
Director Contracts & Real Estate

Witness:

[Signature]

FOUR CORNERS PIPE LINE COMPANY

By *[Signature]*
~~President~~ Attorney in fact

145215

INSURANCE

The Licensee, at the Licensee's own sole cost and expense, shall provide to the Licensor a Certificate of Insurance certifying to the effectiyeness of insurance as follows:

General Public Liability providing bodily injury and property damage coverage with combined single limit of at least \$1,000,000 each occurrence, a portion of which may be self-insured with the consent and approval of the Licensor.

Such insurance shall be endorsed to provide contractual liability assumed by the Licensee under this Agreement, and that coverage shall not be cancelled or changed without giving thirty (30) days' prior written notice to Licensor, c/o Manager-Insurance, 1416 Dodge Street, Omaha, Nebraska 68179.



SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT is made as of the 20th day of July, 1995, by and between **UNION PACIFIC RAILROAD COMPANY**, a Utah corporation, (hereinafter the Licensor) and **ARCO PIPE LINE COMPANY**, a Delaware corporation, formerly known as Four Corners Pipe Line Company, with a mailing address at 5900 Cherry Avenue, Long Beach, California 90805 (hereinafter the Licensee).

RECITALS:

By instrument dated April 1, 1988, the parties hereto or their predecessors in interest (if any), entered into an agreement (herein the "Basic Agreement") identified as Folder No. 582-78, Audit No. 145215, covering an underground 4-inch hydrocarbon pipeline encroachment located at or near City of Commerce, California.

The parties now desire to modify the Basic Agreement by changing the annual rental to a semi-annual rental.

AGREEMENT:

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

SECTION 1 - CHANGE IN ANNUAL RENTAL

Effective as of April 1, 1994, the Licensee agrees to pay to the Licensor the sum of **THIRTEEN THOUSAND FOUR HUNDRED TWENTY-SEVEN DOLLARS AND FIFTY-CENTS (\$13,427.50)** every six-months, payable in advance, in lieu of the annual rental heretofore stipulated.

SECTION 2 - EFFECTIVE DATE

This Supplemental Agreement shall be effective as of April 1, 1994.

SECTION 3 - AGREEMENT SUPPLEMENTAL

This agreement is supplemental to the Basic Agreement, as herein amended, and nothing herein contained shall be construed as amending or modifying the same except as herein specifically provided.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be executed as of the day and year first hereinabove written.

UNION PACIFIC RAILROAD COMPANY

By: *[Signature]*
DIRECTOR - CONTRACTS

WITNESS:

ARCO PIPE LINE COMPANY
formerly known as Four Corners Pipe Line Company

X *Jean M Snapper*

By: *Claudette E. Saunders*
Title: Attorney-in-Fact



AGENDA REPORT

Meeting Date: 07/3/2012

TO: Honorable City Council

FROM: City Administrator

SUBJECT: Blue Ribbon Advisory Panel Status Report

RECOMMENDATION:

Receive and file the report. Provide direction as deemed appropriate to authorize the release of a public opinion community survey.

MOTION:

Council discretion.

BACKGROUND:

At its March 6, 2012, meeting, the Council directed the formation of a Blue Ribbon Advisory Panel to be tasked with examining and recommending new revenue sources.

ANALYSIS:

The Blue Ribbon Advisory Panel met with the City Council on June 26, 2012, and discussed the merits of a public opinion survey of the Commerce community.

The City Council will provide direction to the City Administrator as it deems appropriate.

FISCAL IMPACT:

This matter can be carried out without further impact on the current operating budget.

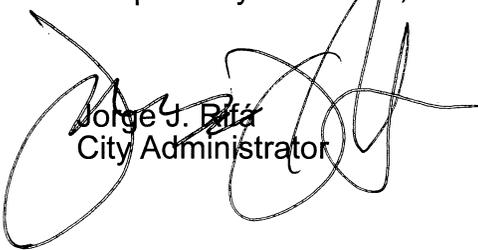
RELATIONSHIP TO 2012 STRATEGIC GOALS:

This item is associated with the Council's goal of growing revenues to ensure all expenses are being met so the City can remain fiscally responsible and continue to provide services to the residents.

Fiscal impact reviewed by:


Vilko Domic
Director of Finance

Respectfully submitted,


Jorge J. Pifa
City Administrator

Reviewed as to form:


Eduardo Olivo
City Attorney

SUM (BLUE RIBBON ADVISORY PANEL STATUS REPORT) – 07-3-2012.DOC



AGENDA REPORT

Meeting Date: 07/03/2012

TO: Honorable City Council

FROM: City Administrator

SUBJECT: Use of City's Physical Fitness Facilities by Spouses or Significant Others of City Retirees

RECOMMENDATION:

At the request of Mayor Pro Tempore Baca del Rio, consider, and provide direction as deemed appropriate with respect to, the use of the City's physical fitness facilities by the spouses or significant others of City retirees.

MOTION:

Council discretion.

BACKGROUND:

On August 6, 1996, the Council denied providing activity cards to retired City employees and their spouses.

On September 5, 2006, the Council approved authorizing the Parks & Recreation Department to include City retirees as authorized individuals for access to the City's physical fitness facilities. No action was taken with respect to retirees' spouses or significant others.

ANALYSIS:

A City retiree has requested that the retirees' spouses be permitted to utilize the City's physical fitness facilities.

Mayor Pro Tempore Baca Del Rio is requesting that the Council consider, and provide direction as deemed with respect to, whether or not the spouses or significant others of the City's retirees should be permitted to utilize the physical fitness facilities.

FISCAL IMPACT:

Employee family activity cards are given to City retirees free of charge upon retirement. If the Council desires to extend this benefit to the retirees' spouses or significant others to enable them to utilize the physical fitness facilities, it is the Council's discretion to either charge them the Basic Fee of \$10.00 or allow their participation free of charge.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

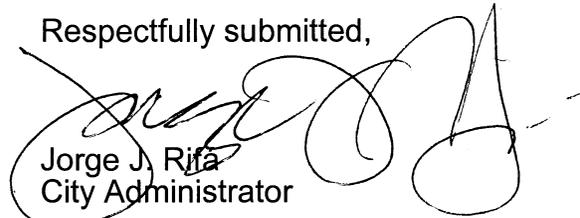
This item is not directly related to any of the 2009 Strategic Goals.

Prepared by:



Linda Kay Olivieri
City Clerk

Respectfully submitted,



Jorge J. Rifa
City Administrator

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Reviewed as to form:



Eduardo Olivo
City Attorney

SUM (RETIRES - USE OF CITY FITNESS CENTER) - 07-03-2012.DOC



AGENDA REPORT

DATE: July 3, 2012

TO: Honorable City Council
FROM: City Administrator
SUBJECT: Commission Appointment

RECOMMENDATION:

Make the appropriate appointments.

MOTION:

Council discretion.

BACKGROUND:

Pursuant to Resolution No. 97-15, as amended, each Councilmember makes one appointment to the various Commissions and Committees of the City, with the terms of office of each appointee being for a period not to exceed two years, expiring at the next General Municipal Election. The term of office shall continue until the appointment and qualification of successor appointees. The Council makes the appointments of any sixth or more members, industrial member and Council member of the applicable Commission and Committees.

ANALYSIS:

It is recommended that appointments be made to the following Commissions and Committees at this time, with all terms to expire March 19, 2013, unless otherwise indicated:

Senior Citizens Commission

Mayor Leon

FISCAL IMPACT:

This activity can be carried out without additional impact on the current operating budget.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

This item is not specifically related to the 2009 Strategic Goals.

Recommended by:

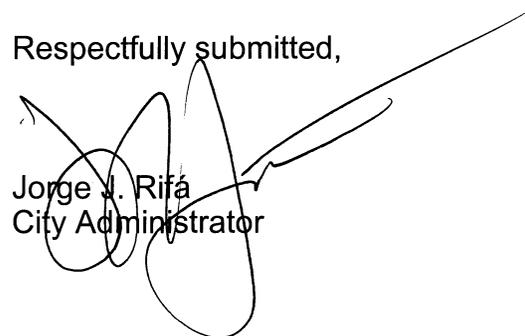


Linda Kay Olivieri
City Clerk

Prepared by:


Victoria M. Alexander
Deputy City Clerk

Respectfully submitted,


Jorge A. Rifa
City Administrator



AGENDA REPORT

MEETING DATE: July 3, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, TO AMEND THE CITY OF COMMERCE CALPERS CONTRACT TO PROVIDE SECTION 21548 - PRE-RETIREMENT OPTION 2W DEATH BENEFIT OPTION FOR LOCAL MISCELLANEOUS MEMBERS
-SECOND READING

RECOMMENDATION:

Approve and adopt the Ordinance and assign the number next in order.

MOTION:

Move to read the Ordinance by title only.

Move to approve and adopt the Ordinance and assign the number next in order.

BACKGROUND:

On November 1, 2011 the City Council approved changes to benefits and contract language incorporated in a tentative agreement with CCEA. One of these changes was that the City shall implement a Pre-Retirement Optional Settlement 2W Death benefit.

In accordance with Government Code Section 7507, the future annual costs as determined by the CalPERS Actuary Valuation for the increase/change in the retirement benefits was made public and disclosed on June 5, 2012. The City Council adopted Resolution of Intention No12-50 to provide Section 21548 (Pre-Retirement Option 2W Death benefit) for local miscellaneous members.

Government Code Section 20471 requires a 20 day period between the adoption of the Resolution of Intention and the adoption of the final Ordinance. There are no exceptions to this law.

On June 19, 2012, the City Council approved for first reading the proposed Ordinance of amending the contract between the Board of Administration of the California Public Employees' retirement System and the City Council of the City of Commerce.

ANALYSIS:

Pre-Retirement Optional Settlement 2W Death Benefit is for full-time vested employees age 50 and above. The benefit allows the spouse or domestic partner of a deceased member who was eligible for service at the time of death to receive the Pre-Retirement Option 2W Death Benefit in lieu of the lump sum Basic Death Benefit. The benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner.

Ordinance Approving Amendment to CalPERS Contract to Include Pre-Retirement Option
2W Death Benefit Option – Final Adoption

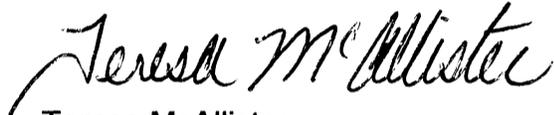
July 3, 2012

Page 2

BUDGET IMPACT:

The anticipated cost related to the implementation of a CalPERS Pre-Retirement Optional Settlement Death Benefit is estimated to be \$30,000 per year and has been included in the 2012-13 base line budget.

Recommended by,



Teresa McAllister
Director of Human Resources

Respectfully submitted,



Jorge Rifa
City Administrator

Budget Impact Reviewed by:



Vilko Domic
Director of Finance

Approved as to Form:



Eduardo Olivo
City Attorney

Attachments:

Ordinance

Amendment to CalPERS Contract

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
AMENDING THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL
CITY OF COMMERCE

WHEREAS, the City of Commerce and the full-time employees including, management, City Council members, City Administrator and City Clerk (local miscellaneous members) have completed dialogue regarding revisions to the benefits for fiscal year 2011-2012; and

WHEREAS, the City Council approved the request to implement a CalPERS Pre-Retirement Optional Death Benefit; and

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law: and

WHEREAS, the City Council held a public meeting on June 5, 2012, in accordance with Section 7507 of the Government Code for the purpose of disclosing the future annual costs as determined by the System Actuary for the increase/change in retirement benefits; and

WHEREAS, the City Council adopted Resolution of Intention No. 12-50 on June 5, 2012, to amend the contract being attached as Exhibit hereto; and

WHEREAS, one of the steps in the procedures to amend the contract is the adoption by the governing body of the public agency of an ordinance to approve an amendment to said contract, which shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the change:

To provide Section 21548 (Pre-Retirement Option 2W Death benefit) for local miscellaneous members.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. That an amendment to the contract between the City of Commerce City Council and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made apart hereof as though herein set out in full.

Section 2. The Mayor of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of the City Council of the City of Commerce.

Section 3. This Ordinance shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2012, at Commerce, California.

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

Lilia R. Leon,
Mayor

EXHIBIT

CONTRACT
BETWEEN THE
STATE EMPLOYEES' RETIREMENT SYSTEM
AND THE

CITY COUNCIL

OF THE

CITY OF COMMERCE

In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, Public Agency and Board hereby agree as follows:

1. All words and terms used herein which are defined in the State Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for miscellaneous members.
2. Public Agency shall participate in the State Employees' Retirement System from and after January 1, 1962 making its employees as hereinafter provided, members of said System subject to all provisions of the State Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except such as by express provision thereof apply only on the election of contracting agencies.
3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local firemen and local policeman (herein referred to as miscellaneous members).

The following employees shall be excluded from membership in said Retirement System:

EXCLUDE LOCAL FIREMEN AND LOCAL POLICEMEN

4. 1/60 shall be the fraction of final compensation to be provided for each year of credited current service as a miscellaneous member upon retirement at normal retirement age.
5. Benefits on account of prior service shall be 100 percent of the fraction of final compensation as provided in Section 21253 of the State Employees' Retirement Law.

6. The following provisions of the State Employees' Retirement Law which apply only upon election of a contracting agency shall apply to the Public Agency and its employees:
 - a. Section 21251.1 (providing for a guaranteed percentage of final compensation for each year of current service).
 - b. Section 20024.01 (defining "final compensation" on the basis of a period of three consecutive years).
 - c. Section 21258(b) (providing a minimum retirement allowance of \$720.00 per year).
 - d. Section 21367.51 (providing a \$400.00 death benefit upon death after retirement).
 - e. Section 20025 (providing for inclusion of compensation without limit in computations where compensation is a factor).
 - f. Section 21365.5 (providing a monthly allowance in lieu of the basic death benefit for certain survivors of a member who dies in employment after qualifying for voluntary service retirement).
7. Public Agency shall contribute to said Retirement System as follows:
 - a. 0.565 percent of total salaries each month for 20 years on account of the liability for prior service.
 - b. 5.632 percent of total salaries paid by Public Agency each month to its employees who are and hereafter become members of said Retirement System, provided that only salary earned as members of said System shall be included in said total salaries.
 - c. A reasonable amount per annum, as fixed by Board to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodical investigation and valuation required by law, provided that said amount shall be determined on the basis of the number of employees of Public Agency who are members on July 1st of the respective fiscal years, or with respect to the first year of participation, on the effective date of said participation.
 - d. A reasonable amount as fixed by the Board, payable in one installment as the occasions arise, to cover costs of special valuations on account of employees of Public Agency, and costs of the periodical investigation and valuation required by law.

8. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the State Employees' Retirement Law, and on account of experience under the Retirement System, as determined by the periodical investigation and valuation required by said Retirement Law.
9. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within thirty days after the end of the period to which said contributions refer. If more or less than the correct amount of contribution is paid for any period, proper adjustment shall be made in connection with subsequent remittances, or adjustments on account of errors in contributions required of any employee may be made by direct cash payments between the employee and Board. Payments by Public Agency to Board may be made in the form of warrants, bank checks, bank drafts, certified checks, money orders, or cash.

Witness our hands this 13th day of December 1961.

BOARD OF ADMINISTRATION
STATE EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF COMMERCE

BY Maurice A. Linnig
Presiding Officer

Attest:

BY William E. Payne
William E. Payne, Executive Officer

Lawrence W. O'Rourke
Clerk

AMENDMENT TO CONTRACT BETWEEN THE
BOARD OF ADMINISTRATION
STATE EMPLOYEES' RETIREMENT SYSTEM
AND THE

CITY COUNCIL

OF THE

CITY OF COMMERCE

The Board of Administration, State Employees' Retirement System, hereinafter referred to as Board, and the City Council of the City of Commerce, hereinafter referred to as Public Agency, having entered into a contract under date of December 13, 1961, effective February 1, 1962, which provides for the participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

1. The following employees shall be added to the exclusion in Paragraph 3 of the Contract between the City of Commerce and the State Employees' Retirement System:

"EXCLUDE PERSONS EMPLOYED ON AN HOURLY BASIS"

2. This amendment shall be attached to said Contract and shall be effective February 1, 1962.

Witness our hands this 26th day of March 1962.

BOARD OF ADMINISTRATION
STATE EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL

OF THE
CITY OF COMMERCE

BY Maurice A. Young
Presiding Officer

Attest:

BY William E. Payne
William E. Payne, Executive Officer

Thomas W. C. R. Clark
Clerk

AMENDMENT TO CONTRACT BETWEEN THE
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE

CITY COUNCIL
OF THE
CITY OF COMMERCE

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the CITY COUNCIL of the CITY OF COMMERCE, hereinafter referred to as Public Agency, having entered into a contract under date of September 13, 1961, effective February 1, 1962, and as amended effective February 1, 1962, and as provided in Chapter 170, Statutes of 1971, which provides for the participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

A. Paragraphs 1 through 9 are hereby stricken from said contract as executed effective February 1, 1962 and are hereby replaced by the following paragraphs numbered 1 through 9 inclusive:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for miscellaneous members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after February 1, 1962, making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except such as by express provision thereof apply only on the election of contracting agencies.
3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local firemen and local policemen (herein referred to as Miscellaneous Members).

The following employees shall be excluded from membership in said Retirement System:

EXCLUDE LOCAL FIREMEN AND POLICEMEN.
EXCLUDE PERSONS COMPENSATED ON AN HOURLY BASIS.

4. The fraction of final compensation to be provided for each year of credited prior and current service as a miscellaneous member upon retirement at normal retirement age shall be applied as provided in Section 21251.13 of said Retirement Law.

5. Contributions for miscellaneous members shall be subject to Section 20603 of said Retirement Law.
6. The following additional provisions of the Public Employees' Retirement Law which apply only upon election of a contracting agency shall apply to the Public Agency and its employees:
 - a. Section 21264.1 (providing upon death of a miscellaneous member who retired for service or disability, for the continuation of one-half the retirement allowance to certain survivors).
7. Public Agency shall contribute to said Retirement System as follows:
 - a. With respect to miscellaneous members, the public agency shall contribute the following:
 - (1) 0.02 percent until June 30, 1990 on account of the liability for prior service benefits.
 - (2) 8.47 percent on monthly salaries earned as miscellaneous members of said System on account of the liability for current service benefits.
 - b. A reasonable amount per annum, as fixed by Board to cover the cost of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodical investigation and valuation required by law.
 - c. A reasonable amount as fixed by the Board, payable in one installment as the occasions arise, to cover costs of special valuations on account of employees of Public Agency, and costs of the periodical investigation and valuation required by law.
8. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of experience under the Retirement System, as determined by the periodical investigation and valuation required by said Retirement Law.
9. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within thirty days after the end of the period to which said contributions refer. If more or less than the correct amount of contribution is paid for any

period, proper adjustment shall be made in connection with subsequent remittances, or adjustment on account of errors in contributions required of any employee may be made by direct cash payments between the employee and Board. Payments by Public Agency to Board may be made in the form of warrants, bank checks, bank drafts, certified checks, money orders, or cash.

B. This amendment shall be attached to said contract and shall be effective on the 16th day of February, 1973.

Witness our hands this 11th day of January, 1973.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY William E. Payne
William E. Payne, Executive Officer

CITY COUNCIL
OF THE
CITY OF COMMERCE

BY Dr. Michael V. Guerra
Dr. Michael V. Guerra, Mayor

Attest:

Lawrence W. O'Rourke
Lawrence W. O'Rourke, City Clerk

AMENDMENT TO CONTRACT BETWEEN THE
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE

CITY COUNCIL
OF THE
CITY OF COMMERCE

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the CITY COUNCIL of the CITY OF COMMERCE, hereinafter referred to as Public Agency, having entered into a contract under date of December 13, 1961, effective February 1, 1962, and as amended effective February 16, 1973, and as provided in Chapter 170, Statutes of 1971, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 9 are hereby stricken from said contract as executed effective February 1, 1962, and are hereby replaced by the following paragraphs numbered 1 through 9 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for miscellaneous members.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after February 1, 1962, making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except such as by express provision thereof apply only on the election of contracting agencies.
 3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local firemen and local policemen (herein referred to as Miscellaneous Members).

The following employees shall be excluded from membership in said Retirement System:

LOCAL FIREMEN AND POLICEMEN.

PERSONS COMPENSATED ON AN HOURLY BASIS.

4. The fraction of final compensation to be provided for each year of credited prior and current service as a miscellaneous member upon retirement at normal retirement age shall be applied as provided in Section 21251.13 of said Retirement Law.

5. Contributions for miscellaneous members shall be subject to Section 20603 of said Retirement Law.
6. The following additional provisions of the Public Employees' Retirement Law which apply only upon election of a contracting agency shall apply to the Public Agency and its employees:
 - a. Section 21222.1 (providing for increases in allowances to which the annual cost-of-living provisions apply, payable for time commencing on the first day of the calendar month coinciding with or next following the effective date of this amendment to or on account of persons retired or members deceased on or prior to December 31, 1970).
 - b. Section 21263 (providing upon death of a miscellaneous member who retired for service or disability for the continuation of a post-retirement survivor allowance to certain survivors).
7. Public Agency shall contribute to said Retirement System as follows:
 - a. With respect to miscellaneous members, the public agency shall contribute the following percentages of monthly salaries earned as miscellaneous members of said System:
 - (1) 0.03 percent until June 30, 1990 on account of the liability for prior service benefits.
 - (2) 9.29 percent on account of the liability for current service benefits.
 - (3) A lump sum of \$1,702 payable within 30 days of the effective date of this amendment on account of the benefits provided by Section 21222.1 of the Government Code.
 - b. A reasonable amount per annum, as fixed by Board to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or the periodical investigation and valuation required by law.
 - c. A reasonable amount as fixed by the Board, payable in one installment as the occasions arise, to cover costs of special valuations on account of employees of Public Agency, and costs of the periodical investigation and valuation required by law.
8. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of experience under the Retirement System, as determined by the periodical investigation and valuation required by said Retirement Law.

9. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within thirty days after the end of the period to which said contributions refer. If more or less than the correct amount of contribution is paid for any period, proper adjustment shall be made in connection with subsequent remittances, or adjustment on account of errors in contributions required of any employee may be made by direct cash payments between the employee and Board. Payments by Public Agency to Board may be made in the form of warrants, bank checks, bank drafts, certified checks, money orders, or cash.

B. This amendment shall be attached to said contract and shall be effective on the 16th day of June, 1973.

Witness our hands this 5th day of June, 1973.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF COMMERCE

BY William E. Payne
William E. Payne, Executive Officer

BY Michael V. Guerra
Presiding Officer

Attest:

James W. O'Rourke
Clerk

AMENDMENT TO CONTRACT BETWEEN THE
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
OF THE
CITY OF COMMERCE

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of above public agency, hereinafter referred to as Public Agency, having entered into a contract under date of December 13, 1961, effective February 1, 1962, and as amended effective February 16, 1973, and June 16, 1973, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 9 are hereby stricken from said contract as executed effective June 16, 1973, and hereby replaced by the following paragraphs numbered 1 through 9 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for local miscellaneous members.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after February 1, 1962 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except such as by express provisions thereof apply only on the election of contracting agencies.
 3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local safety members (herein referred to as local miscellaneous members).

In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

LOCAL FIREMEN AND POLICEMEN.

PERSONS COMPENSATED ON AN HOURLY BASIS.

4. The fraction of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member shall be determined in accordance with Section 21251.13 of said Retirement Law (2% at age 60).

5. The following additional provisions of the Public Employees' Retirement Law which apply only upon election of a contracting agency shall apply to the Public Agency and its employees:
 - a. Section 21222.1 (Special 5% increase - 1970).
 - b. Sections 21263/21263.1 (Post-retirement survivor allowance).
 - c. Section 20024.2 (One-year final compensation).
 - d. Section 20862.8 (Unused sick leave credit).
6. Public Agency, in accordance with Section 20740, Government Code, shall cease to be an "employer" for purposes of Chapter 6 of the Public Employees' Retirement Law effective as of the effective date of this amendment to contract. Accumulated contributions of Public Agency as of the date of such amendment shall be fixed and determined as provided in Section 20759, Government Code, and such accumulated contributions and contributions hereafter made shall be held by the Board as provided in Section 20759, Government Code.
7. Public Agency shall contribute to said Retirement System as follows:
 - a. With respect to miscellaneous members, the agency shall contribute the following percentages of monthly salaries earned as miscellaneous members of said Retirement System:
 - (1) 0.076 percent until June 30, 1990 on account of the liability for prior service benefits.
 - (2) 14.685 percent on account of the liability for current service benefits.
 - b. A reasonable amount per annum, as fixed by the Board to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
8. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

9. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within thirty days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances, or adjustments on account of errors in contributions required of any employee may be made by direct cash payments between the employee and the Board. Payments by Public Agency to Board may be made in the form of warrants, bank checks, bank drafts, certified checks, money orders or cash.

B. This amendment shall be attached to said contract and shall be effective on the 21st. day of July, 1980.

Witness our hands the 26th day of June, 1980.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF COMMERCE

BY Carl J. Blechinger
Carl J. Blechinger, Executive Officer

BY Arthur L. Poy
Presiding Officer - Mayor

Approved as to form:

Attest:

Cynthia G. Besemer 5/14/80
Cynthia G. Besemer, Legal Office, Date

Shirley Brawley
Clerk

PERS CON-702

AMENDMENT TO CONTRACT BETWEEN THE
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
OF THE
CITY OF COMMERCE

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of above public agency, hereinafter referred to as Public Agency, having entered into a contract under date of December 13, 1961, effective February 1, 1962, and as amended effective February 16, 1973, June 16, 1973 and July 21, 1980, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

A. Paragraphs 1 through 9 are hereby stricken from said contract as executed effective July 21, 1980, and hereby replaced by the following paragraphs numbered 1 through 9 inclusive:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for local miscellaneous members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after February 1, 1962 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except such as by express provisions thereof apply only on the election of contracting agencies.
3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local safety members (herein referred to as local miscellaneous members).

In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

LOCAL FIREMEN AND POLICEMEN
PERSONS COMPENSATED ON AN HOURLY BASIS

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4. The fraction of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member shall be determined in accordance with Section 21251.13 of said Retirement Law (2% at age 60), supplemental to Social Security coverage.
5. The following additional provisions of the Public Employees' Retirement Law which apply only upon election of a contracting agency shall apply to the Public Agency and its employees:
 - a. Section 21222.1 (Special 5% increase - 1970).
 - b. Sections 21263/21263.1 (Post-retirement survivor allowance).
 - c. Section 20024.2 (One-year final compensation).
 - d. Section 20862.8 (Unused sick leave credit).
 - e. Section 20983.6 (Waiver of age 70 retirement) for local miscellaneous members only.
6. Public Agency, in accordance with Section 20740, Government Code, ceased to be an "employer" for purposes of Chapter 6 of the Public Employees' Retirement Law effective on July 21, 1980. Accumulated contributions of Public Agency as of the aforementioned date shall be fixed and determined as provided in Section 20759, Government Code, and accumulated contributions as of the aforementioned date and contributions thereafter made shall be held by the Board as provided in Section 20759, Government Code.
7. Public Agency shall contribute to said Retirement System as follows:
 - a. With respect to miscellaneous members, the agency shall contribute the following percentages of monthly salaries earned as miscellaneous members of said Retirement System:
 - (1) 0.073 percent until June 30, 1990 on account of the liability for prior service benefits.
 - (2) 15.225 percent on account of the liability for current service benefits.
 - b. A reasonable amount per annum, as fixed by the Board to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

8. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
9. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within thirty days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances, or adjustments on account of errors in contributions required of any employee may be made by direct cash payments between the employee and the Board. Payments by Public Agency to Board may be made in the form of warrants, bank checks, bank drafts, certified checks, money orders or cash.

B. This amendment shall be attached to said contract and shall be effective on the 3rd day of January, 1983.

Witness our hands the 11th day of October, 1982.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF COMMERCE

BY Carl J. Blechinger
Carl J. Blechinger, Executive Officer

BY Ricardo Vasquez
Presiding Officer
Ricardo Vasquez, Mayor

Approved as to form:

Cynthia G. Besemer 6/2/82
Cynthia G. Besemer, Legal Office, Date

Attest:

Ruth Aldaco
Clerk
Ruth Aldaco, City Clerk
PERS CON-702

001 18 4 11 6N.05

RECEIVED
OCT 18 1982

**AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
OF THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
OF THE
CITY OF COMMERCE**

RECEIVED

91 OCT 22 10:40

**CITY OF COMMERCE
CITY CLERK**

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of above public agency, hereinafter referred to as Public Agency, having entered into a contract effective February 1, 1962, and witnessed December 13, 1961, and as amended effective February 16, 1973, June 16, 1973, July 21, 1980 and January 3, 1983, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 9 are hereby stricken from said contract as executed effective January 3, 1983, and hereby replaced by the following paragraphs numbered 1 through 11 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after February 1, 1962 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
 3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local safety members (herein referred to as local miscellaneous members).
 4. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. SAFETY EMPLOYEES; AND
 - b. PERSONS COMPENSATED ON AN HOURLY BASIS.

5. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member shall be determined in accordance with Section 21251.132 of said Retirement Law (2% at age 55), supplemental to Federal Social Security.
6. Public Agency elected to be subject to the following optional provisions:
 - a. Section 21222.1 (Special 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - b. Sections 21263/21263.1 (Post-Retirement Survivor Allowance).
 - c. Section 20024.2 (One-Year Final Compensation).
 - d. Section 20862.8 (Credit for Unused Sick Leave).
7. Public Agency, in accordance with Government Code Section 20740, ceased to be an "employer" for purposes of Section 20759 effective on July 21, 1980. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20759, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20759.
8. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
9. Public Agency shall also contribute to said Retirement System as follows:
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
10. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

11. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the 8th day of August, 1991.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF COMMERCE

BY David L. Christiano
CHIEF, CONTRACT SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY Artemio E. Navarro
Presiding Officer

8/14/91
Witness Date

Attest:

Roberta Escarcign
Acting Clerk

PERS-CON-702 (AMENDMENT)
(Rev. 3/91)



EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Commerce

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective February 1, 1962, and witnessed December 13, 1961, and as amended effective February 16, 1973, June 16, 1973, July 21, 1980, January 3, 1983 and August 8, 1991 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 11 are hereby stricken from said contract as executed effective August 8, 1991, and hereby replaced by the following paragraphs numbered 1 through 12 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after February 1, 1962 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
 - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
 - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.
 - (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.
 - (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local safety members (herein referred to as local miscellaneous members).

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **SAFETY EMPLOYEES; AND**
 - b. **PERSONS COMPENSATED ON AN HOURLY BASIS.**
6. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 supplemental to Federal Social Security).
7. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21222.1 (Special 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - b. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
 - c. Section 20042 (One-Year Final Compensation).
 - d. Section 20965 (Credit for Unused Sick Leave).
 - e. Section 21548 (Pre-Retirement Option 2W Death Benefit).
8. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on July 21, 1980. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
9. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
10. Public Agency shall also contribute to said Retirement System as follows:
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

11. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
12. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF COMMERCE

BY _____
KAREN DE FRANK, CHIEF
CUSTOMER ACCOUNT SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk



AGENDA REPORT

Meeting Date: 07/03/2012

TO: Honorable City Council

FROM: City Administrator

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AMENDING SECTIONS 2.10.040 AND 2.10.045 OF CHAPTER 2.10 ["LIMITATIONS ON CAMPAIGN CONTRIBUTIONS IN CITY ELECTIONS"] OF THE COMMERCE MUNICIPAL CODE – First Reading

RECOMMENDATION:

Approve the Ordinance for first reading.

MOTION:

Move to read the Ordinance by title only.

Move to approve the Ordinance for first reading.

BACKGROUND:

At its meeting of June 19, 2012, members of the Council considered whether or not the City's campaign contribution limitation is too limited for today's economic times and if it actually hinders candidates and prevents them from raising adequate campaign funds by prohibiting them from accepting amounts in excess of \$500.00 from contributors who desire to contribute greater amounts, especially family members and close friends. Further, the Council discussed whether or not candidates have the ability to raise larger amounts of campaign funds because they do not have the same broad spectrum of contacts as other candidates, or they do not feel comfortable in soliciting funds from unknown sources, particularly within the business community.

ANALYSIS:

Following its discussion, as noted above, the Council voted to direct staff to prepare the appropriate Ordinance to increase the City's campaign contribution limitation to \$1,000.00 for the Council's later consideration. It was noted by the City Attorney and City Clerk that the proposed Ordinance will also contain amendments to Sections 2.10.040 ("Campaign contribution limitations") and 2.10.045 ("Campaign contribution limitations—Nonelection years") to clean-up certain obsolete and/or confusing language. These amendments relate to contributions by husband and wife and/or minor children in the home, as well as loans made by the candidate to his or her campaign or controlled committee.

FISCAL IMPACT:

This activity can be carried out without impact on the current operating budget.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

This item is not specifically related to the 2009 Strategic Goals.

Respectfully submitted,



Jorge J. Rifa
City Administrator

Recommended by:



Linda Kay Olivieri
City Clerk

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Reviewed as to form:



Eduardo Olivo
City Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, AMENDING SECTIONS 2.10.040 AND 2.10.045 OF CHAPTER 2.10
[“LIMITATIONS ON CAMPAIGN CONTRIBUTIONS IN CITY ELECTIONS”] OF
THE COMMERCE MUNICIPAL CODE

WHEREAS, Chapter 2.10 of the Commerce Municipal Code places limitations on campaign contributions in City elections; and

WHEREAS, Government Code Section 36937 provides that ordinances “relating to elections” shall take effect immediately; and

WHEREAS, this Ordinance, which will have the effect of amending Sections 2.10.040 and 2.10.045 of Chapter 2.10 [“Limitations on Campaign Contributions in City Elections”] of the Commerce Municipal Code and is intended to be effective in connection with the March 2013 City of Commerce General Municipal Election, “relates to an election”; and

WHEREAS, at its meeting of June 19, 2012, the City Council took action to direct staff to prepare an amendment to Sections 2.10.040 and 2.10.045 of Chapter 2.10 [“Limitations on Campaign Contributions in City Elections”] of the Commerce Municipal Code, raising the campaign contribution limitation to one thousand dollars [\$1,000.00]; and

WHEREAS, additional language in Sections 2.10.040 and 2.10.045 of Chapter 2.10 is obsolete and/or confusing and requires amendment.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Section 2.10.040 of the Commerce Municipal Code is hereby amended in its entirety to read as follows:

“2.10.040 Campaign contribution limitations.

(a) No person other than a candidate shall make, and no person or candidate shall solicit or accept, any contribution which will cause the total amount contributed by such person with respect to a single election in support of or opposition to a single candidate or measure, including contributions to all committees supporting or opposing such candidate or measure, to exceed one thousand dollars. For purposes of this chapter, contributions from husband and wife are considered separate and distinct contributions and may not exceed one thousand dollars each. However, contributions purported to be from minor children in a household shall be considered one in the same as those made by their respective parent(s) and/or guardian(s).

(b) Loans for use in connection with an election for a period of more than thirty days are prohibited. Loans of more than five hundred dollars for use in connection with an election are prohibited. Loans to a candidate or his or her controlled committees shall be counted against the contribution limitations applicable to that candidate. Provided, however, a candidate is not prohibited from obtaining a personal loan of any amount from a duly licensed financial lending institution in the regular course of business or loaning his or her personal funds in any amount to his or her own campaign or controlled committee.

(c) Any contributions solicited or accepted pursuant to this section shall be expended only in connection with the candidacy for the office specified in the candidate's declaration of intent to solicit and receive contributions, or the measure for which it is solicited, unless otherwise permitted by applicable State laws or regulations.”

Section 2. Section 2.10.045 of the Commerce Municipal Code is hereby amended in its entirety to read as follows:

“2.10.045 Campaign contribution limitations – Nonelection years.

Notwithstanding the provisions set forth in Section 2.10.040, no person other than a councilmember shall make, and no person or councilmember shall solicit or accept, any contribution which will cause the total amount contributed by such person with respect to any calendar year at which said councilmember has not declared his or her candidacy, including contributions to all committees associated with said councilmember in any way, to exceed one thousand dollars. For purposes of this chapter, contributions from husband and wife are considered separate and distinct contributions and may not exceed one thousand dollars each. However, contributions purported to be from minor children in a household shall be considered one in the same as those made by their respective parent(s) and/or guardian(s).”

Section 3. Pursuant to the provisions of Section 36937 of the Government Code, this Ordinance shall take effect immediately upon adoption.

Section 4. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this chapter or any part thereof is for any reason, held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this chapter or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one (1) or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, or invalid, or ineffective.

PASSED, APPROVED AND ADOPTED this _____ day of _____,
2012.

Lilia R. Leon
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



AGENDA REPORT

MEETING DATE: July 3, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, APPROVING THE FIRST AMENDMENT TO THE REIMBURSEMENT AGREEMENT ("AGREEMENT") BETWEEN THE CITY OF COMMERCE AND CRAIG REALTY GROUP CITADEL, LLC ("CRG CITADEL") FOR PAVING AND RESTRIPING OF TELEGRAPH ROAD SOUTH OF THE NORTH-BOUND ATLANTIC BOULEVARD OFF RAMP AND CONTINUING SOUTH ALONG TELEGRAPH ROAD TO GASPAR AVENUE

RECOMMENDATION:

Approve the Resolution and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

On November 15, 2011, the City and Craig Realty Group Citadel, LLC, (CRG Citadel) entered into a Reimbursement Agreement for paving and restriping of Telegraph Road south of north-bound Atlantic Boulevard off ramp and continuing south along Telegraph Road to Gaspar Avenue (the "Reimbursement Agreement"). The projected cost for all repairs was estimated at \$150,000.00 and was to be reimbursed from the sales tax generation for the 4th Quarter of 3 new stores: Michael Kors, Fossil, and Coach.

CRG Citadel completed all required repairs on Telegraph Road between November 15, 2011 and November 21, 2011. Due to the advanced deterioration of the pavement on Telegraph Road, especially at the intersection of Telegraph Road and Camfield Avenue and at the intersection of Telegraph Road and Gaspar Avenue, the City Engineer determined that additional work was necessary to ensure properly and satisfactorily repairs. Additional expenditures were also necessary to ensure that all work was performed in accordance with Public Works Standards and with the approval of a registered traffic engineer to reduce liability exposure.

ANALYSIS:

On June 27, 2012, the CRG Citadel and its contractors presented the City with full accounting of all repairs performed and their respective costs. The work required under the Reimbursement Agreement was estimated at \$150,000.00. The 4th Quarter sales tax revenues from the three Citadel stores identified in the agreement generated \$137,227.53. Therefore, this amount was properly paid to CRG Citadel.

Due to the advanced deterioration of Telegraph Road and to ensure that all repairs in the immediate vicinity were properly addressed per Public Works Standards and provided a safe transition to motorists, additional work was required. At approximately 2:00 a.m. on November 16, 2011, the City Engineer contacted City staff and recommended the additional repairs, which were approved based on the description of the work and existing field conditions. As a result, the contractor and public works inspector were directed to carry out the additional work, which primarily consisted of the removal and replacement of additional asphalt pavement located on Telegraph Road between Camfield Avenue and Hoefner

Avenue and the restriping of all additional pavement surfaces removed/replaced. The additional work cost \$26,025.00. Attached is a letter from Transtech Engineers, the City Engineer.

In conclusion, to ensure the safety of motorists traveling on Telegraph Road, in the City of Commerce, street improvements were necessary on Telegraph Road between Camfield Avenue and Gaspar Avenue. The heavy daily truck and vehicle traffic experience in the area combined with the advanced deteriorated stage of the asphalt pavement posed a hazard that required immediate attention. Fortunately, the City of Commerce and CRG Citadel were able to partner and successfully performed the repairs. The repairs ensure a profitable and successful 4th Quarter for the Citadel and a successful and well-attended After-Thanksgiving Sale Event at the Citadel and in Commerce.

FISCAL IMPACT

The work required under the Reimbursement Agreement was estimated at \$150,000.00. The total actual pavement repairs expenditures were \$191,399.00. The City agreed to pay the sale tax generation of the 3 stores for the 4th Quarter, which was \$137,227.53. The balance of the total cost incurred is \$54,171.47. CRG Citadel is only seeking reimbursement of \$26,025.00 which was the cost incurred as a result of the additional pavement work performed on Telegraph Road between Camfield Avenue and Hoefner Avenue at the request of the City.

Staff is recommending that the additional work requested by the City be funded from General Fund Reserves and the funds transfer to Account No. 10-5170-56060 (Major Street Repairs – Street & Alley Maintenance and Repair) for disbursement to CRG Citadel.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

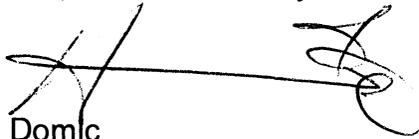
The agenda report is in furtherance of Council's strategic goal to "*Protect and Enhance Quality of Life in the City of Commerce.*" The City's ability to maintain its infrastructure in an effective and efficient manner directly/indirectly impact quality of life issues of our community.

Recommended and prepared by:



Danilo Batson
Assistant Director of Public Services

Fiscal Impact Reviewed by:



Vilko Domic
Director of Finance

Respectfully submitted:



Jorge Rifa
City Administrator

Approve as to form:



Eduardo Olivo
City Attorney

Attachments:

- Letter from Transtech Engineers, dated June 28, 2012
- Resolution
- First Amendment
- Exhibit A-1
- Field Notes on Signing and Striping Plan

File: 2012 City Council Agenda Reports
Resolution First Amendment to Reimbursement Agreement with CRG Citadel for Telegraph Road Repairs – Agenda Reports File



June 28, 2012

City of Commerce
2535 Commerce Way
Commerce, CA 90040
Attention: Mr. Jorge Rifa

Re: Construction of additional Left Turn Lane at Citadel

Dear Mr. Rifa:

Our commitment to provide the best professional service to the City, Transtech staff member Victor San Lucas was commissioned to provide construction supervision for the installation of a second left turn at the Citadel.

On November 21, 2011 Victor met Mr. Steve Craig on Telegraph Road to examine the very poor condition of the existing travel lane adjacent to the freeway. The extent of the deterioration was so large that was difficult to establish a construction project limit.

During the construction of the improvements, Victor and the contractor noticed that the adjacent area from the freeway ramps to Hoefner Avenue was extremely deteriorated and required remediation in order to maintain the proper cross slope of the street. The traffic volume was very low and therefore was feasible and safe to perform the repairs. The improvements needed to be made, and based on Victor's opinion, could be done at that time at a very reasonable cost to the City.

Victor was aware about extending the construction limit, this is the only area where he actively participated and communicated to the City during the night when construction took place.

Respectfully yours,

Transtech Engineers, Inc.

A handwritten signature in black ink, appearing to read "Ali Cayir". The signature is written in a cursive style with some loops and flourishes.

Ali Cayir, PE (CA Licensed Civil Engineer # C-47128, and General Engineering and Building, Contractor A and B # 646413)
President

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE FIRST AMENDMENT TO THE REIMBURSEMENT AGREEMENT ("AGREEMENT") BETWEEN THE CITY OF COMMERCE AND CRAIG REALTY GROUP, LLC ("CRG CITADEL") FOR PAVING AND RESTRIPIING OF TELEGRAPH ROAD SOUTH OF THE NORTH-BOUND ATLANTIC BOULEVARD OFF RAMP AND CONTINUING SOUTH ALONG TELEGRAPH ROAD TO GASPAR AVENUE

WHEREAS, on November 15, 2011, the City of Commerce and Craig Realty Group Citadel, LLC (CRG CITADEL) entered into a Reimbursement Agreement for paving and restriping of Telegraph Road south of the north-bound Atlantic Boulevard off ramp and continuing south along Telegraph Road to Gaspar Avenue (Project Area); and

WHEREAS, CRG Citadel completed all required repairs on Telegraph Road between the dates of November 15, 2011 to November 21, 2011, and

WHEREAS, due unforeseen circumstances additional repairs were necessary to properly and satisfactorily complete the repairs on Telegraph Road and were approved by the City Engineer; and

WHEREAS, on June 27, 2012, CRG CITADEL and its Contractors presented the City with the final accounting of all repairs performed and their respective costs, which exceeded the 4th Quarter sales tax revenues from the stores identified in the agreement.

WHEREAS, the City and CRG CITADEL need to modify the Scope of Services and Schedule of Performance, and City Reimbursement set forth in the Agreement in order to address the changed conditions and actual repair cost. Staff recommends that the City Council approve an amendment to the Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The City Council hereby approves the First Amendment to the Agreement between the City of Commerce and CRG CITADEL. The Mayor is hereby authorized and directed to execute the First Amendment for and on behalf of the City of Commerce.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2012.

Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

FIRST AMENDMENT TO THE REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF COMMERCE AND CRAIG REALTY GROUP CITADEL, LLC FOR PAVING AND RESTRIPIING OF TELEGRAPH ROAD SOUTH OF NORTH-BOUND ATLANTIC BOULEVARD BOULEVARD OFF RAMP AND CONTINUING SOUTH ALONG TELEGRAPH ROAD TO GASPAR AVENUE

This First Amendment is made and entered into as of the 3rd day of July 2012, ("Effective Date") by and between the CITY OF COMMERCE, a Municipal Corporation (the "CITY") and CRAIG REALTY GROUP CITADEL, LLC (CRG CITADEL").

WITNESSETH

This First Amendment is made with reference to the following facts:

- A. On November 15, 2012, the CITY and CRG CITADEL entered into a Reimbursement Agreement for various street improvements on Telegraph Road (the "Agreement").
- B. CRG CITADEL completed all required repairs on Telegraph Road between the dates of November 15, 2011 to November 21, 2011.
- C. Due to unforeseen circumstances additional repairs were necessary to properly and satisfactorily complete the repairs on Telegraph Road and were approved by the City Engineer.
- D. On June 27, CRG CITADEL and its Contractors presented the CITY with the final accounting of all repairs performed and their respective costs, which exceeded the 4th Quarter sales tax revenues from the stores identified in the agreement.
- E. CITY and CRG CITADEL need to modify the Scope of Services and Schedule of Performance, and City Reimbursement set forth in the Agreement in order to address the changed conditions and actual repair cost.

NOW, THEREFORE, in consideration of mutual promises, conditions and covenants herein contained, the parties hereto agree that the Agreement will be amended as follows:

- 1. Section 1: Scope of Services and Schedule of Performance

The Scope of Services that was set forth in Section 1 of the Agreement is hereby expanded to include the Scope of Services set forth in the attached Exhibit "A-1" which is incorporated herein by reference.

- 2. Section 2: City Reimbursement

The fees to be paid by the City for the additional services to be provided by CRG CITADEL are also set forth in the attached Exhibit "A-1."

- 3. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have each executed or caused to be executed, this First Amendment on the dates set forth below.

CITY OF COMMERCE

Dated: _____

By: _____
Lilia R. Leon, Mayor

ATTEST:

APPROVED AS TO FORM:

Linda Kay Olivieri, MMC
City Clerk


Eduardo Olivo
City Attorney

CRAIG REALTY GROUP CITADEL, LLC.

Dated: _____

By: _____
Steve L. Craig
President

EXHIBIT A-1

SCOPE OF SERVICES

Scope of Services and Schedule of Performance

The original scope of services called for the CRG Citadel to perform the following work on Telegraph Road on the existing south-bound No. 2 lane (lane closest to the I-5 Freeway):

1. Remove existing asphalt to a depth of 6-inch and pave new asphalt in 2 lifts;
2. Cold Mill 23,829 square feet of existing asphalt to a depth of 3-inch;
3. Pave approximately 23,829 square feet of new hot asphalt, roll and compact;
4. Re-stencil/paint pavement surface to new striping plan;
5. Install new traffic loops in area of work (at Citadel Drive and Gaspar Avenue);
6. Provide a traffic control plan prepared by a registered Traffic Engineering; and
7. Conduct all work to the satisfaction of the City.

Due to unforeseen conditions, the City Engineer requested that the following additional work be performed on Telegraph Road:

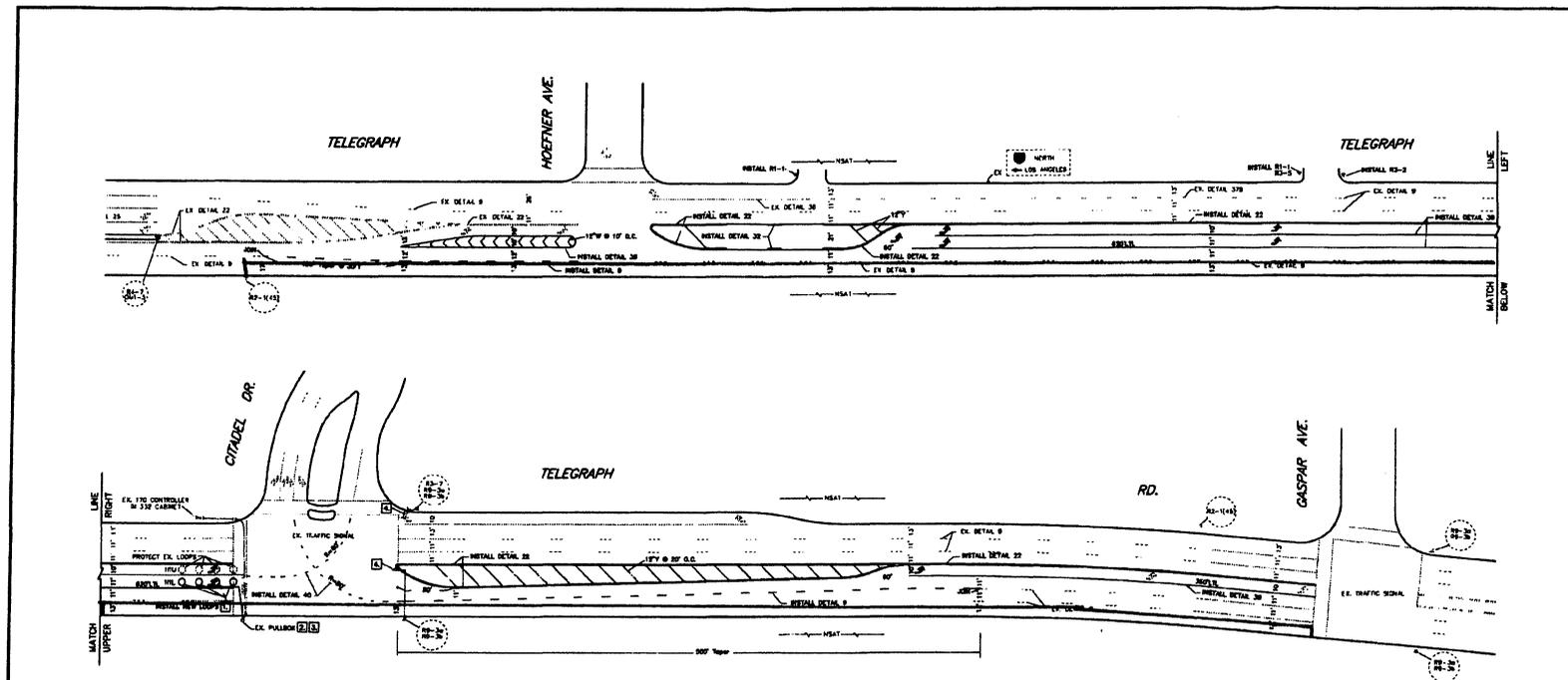
1. Remove existing asphalt to a depth of 6-inch and pave new asphalt in 2 lifts;
2. Cold Mill 12,600 square feet of existing asphalt to varying depths (3-inch to 6-inch);
3. Pave approximately 12,600 square feet of new hot asphalt, roll and compact;
4. Sandblast existing striping;
5. Re-stencil/paint pavement surface (including all northbound lanes);
6. Coordinate all work with on-site Public Works Inspector, including traffic control; and
7. Conduct all work as directed by the City Engineer and to the satisfaction of the City.

All work to be performed per attached field notes on attached Signing and Striping Plan.

City Reimbursement

The City agrees to pay \$137,227.53 for the work requested by the original scope of services. This amount is equal to the 4th Quarter sales tax revenues from 3 new stores: Michael Kors, Fossil and Coach. For the additional work requested, the City shall pay CRG Citadel the amount of \$26,025.00.

ORIGINAL SCOPE
(WORK AREA)



GENERAL NOTES

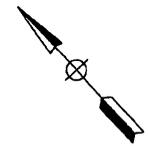
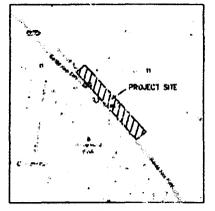
1. ALL TRAFFIC LANE LINES AND PAVEMENT MARKINGS TO BE PAINTED (2 COATS) PER STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION STANDARD PLANS AND SPECIFICATIONS, CURRENT EDITION.
2. ALL STRIPING AND MARKINGS SHALL BE INSTALLED AND REMOVED BY CONTRACTOR.
3. REMOVAL OF ALL CONFLICTING LINES AND MARKINGS SHALL BE BY WET SANDBLASTING AND INCLUDES REMOVAL OF PAVED PAVEMENT MARKINGS.
4. ALL ARROW MARKINGS SHALL BE TYPE N (L OR R) UNLESS OTHERWISE NOTED.
5. ALL LANE STRIPING AT INTERSECTION APPROACHES/DEPARTURES WITHOUT CROSSWALKS OR LIMIT LINES SHALL BEGIN/END 10 FEET FROM THE EXTENSION OF THE INTERSECTION CURB LINES.
6. ALL LANE LINES AT INTERSECTION APPROACHES AND DEPARTURES SHALL BEGIN AND END WITH 50 FEET OF 4-INCH SOLID WHITE LINE.
7. ALL SIGNING SHOWN HEREON SHALL BE INSTALLED, RELOCATED, OR REMOVED BY THE LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS AT THE DEVELOPER'S EXPENSE. CALL (818)458-1708 5 DAYS PRIOR FOR COORDINATION.
8. LANE WIDTHS SHALL BE MEASURED BETWEEN THE CENTER LINES OF EACH ADJACENT SINGLE OR DOUBLE STRIPE OR TOP OF CURB AS APPROPRIATE.
9. PROPOSED LIMIT LINES SHALL BE PLACED A MINIMUM OF FOUR FEET BEHIND THE CURB EXTENSION OR EDGE OF TRAVELLED HWY. AT THE CORNERS OF INTERSECTIONS WITH INCHLOWING MARKS, THE LIMIT LINE SHALL BE PLACED BEHIND THE LANDING AREA, BUT IN NO CASE GREATER THAN 30 FEET BACK.
10. ALL EXISTING STRIPING OR PAVEMENT MARKINGS CONFLICTING WITH PROPOSED STRIPING OR MARKINGS SHALL BE REMOVED.
11. FOR QUESTIONS RELATING TO THE PLAN, CONSTRUCTION INSPECTORS SHOULD CONTACT MR. MATTHEW DUBIEL AT (323) 300-4862 OR GREGORY SHELLER AT (323) 300-4861.

CONSTRUCTION NOTES

1. INSTALL DETECTOR LOOPS (10L) PER CALTRANS STANDARD PLAN ES-5A, B, C, AND D. INSTALL NEW OLD CABLE AND SENSOR UNIT FOR 11L LOOPS.
2. CONTRACTOR MAY RE-USE THE EXISTING OLD FOR THE 10L LOOPS IN THE PULL BOX AS DETERMINED BY THE CITY ENGINEER. SHOULD THE CONTRACTOR DAMAGE THE EXISTING CABLE, NEW OLD CABLE SHALL BE INSTALLED FROM THE PULL BOX TO THE CONTROLLER AT THE CONTRACTOR'S EXPENSE.
3. CONTRACTOR SHALL RE-USE EXISTING STUB-OUT, IF STUB-OUT IS NOT IN PLACE, CONTRACTOR SHALL INSTALL NEW STUB-OUT PER CALTRANS STANDARD PLAN ES-5A, B, C, AND D.
4. RECURRENT LEFT-TURN SIGNAL HEAD TO FACE DUAL LEFT-TURN LANES.

APPROVED: _____ DATE: _____
 COUNTY DEVELOPMENT DEPARTMENT

DESIGNED BY: _____ DATE: _____
 PUBLIC WORKS DIVISION



CRAIN ASSOCIATES
 Incorporated
 1400 S. GARDEN ST. SUITE 200
 LOS ANGELES, CA 90007
 TEL: (213) 621-1111
 FAX: (213) 621-1112

Underground Service Alert
 Call: TOLL FREE
 1-800-327-2600

ATTENTION
 All utilities shown on this plan are based on available records. It shall be the user's responsibility to verify the location and depth of all utilities by contacting utility agencies and to avoid damaging existing utilities during construction.
 FOR UNDERGROUND SERVICE ALERT CALL:
 1-800-327-2600

NO.	REVISIONS	REVISED BY	APPROVED BY	DATE
1	ISSUED FOR CONSTRUCTION			
2	ISSUED FOR CITY COMMENTS			

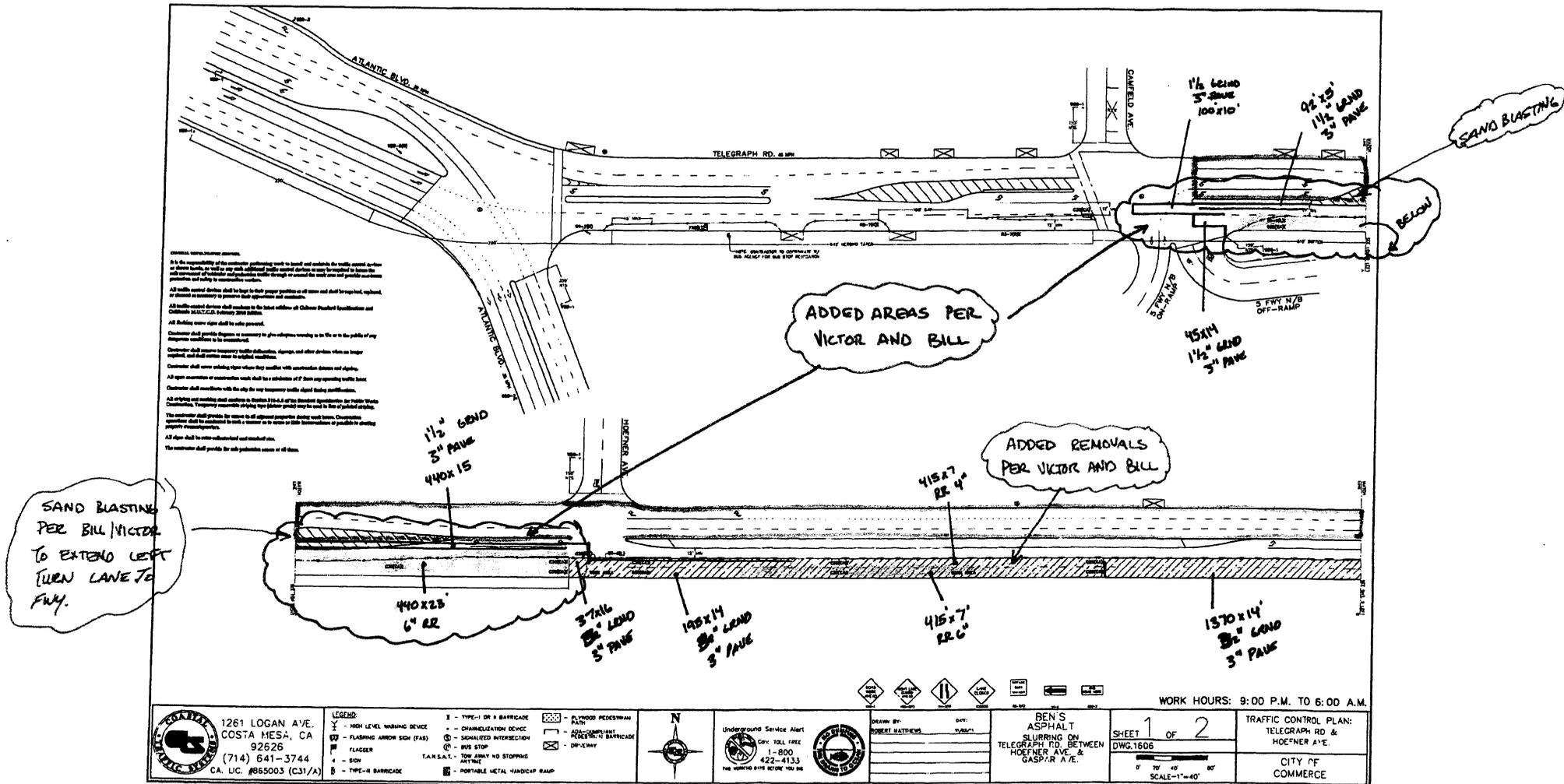
CITY OF COMMERCE
 COMMUNITY DEVELOPMENT DEPARTMENT

TELEGRAPH RD.
 IMPROVEMENTS
 FROM 400' N/O HOEFNER AVE
 TO GASPAR AVE.

SIGNING AND STRIPING PLAN

SCALE: 1" = 40'

DRWG NO. _____



1 1/2" GRIND & 3" PAVE = 6600 SF	119 T	= 1063 TONS	JOB CALLED FOR 1027 TONS
3" GRIND & 3" PAVE = 22502 SF	405 T		
6" REMOVE & REPLACE = 13,025 SF	469 T		
(5" AVG) → 4" REMOVE & REPLACE = 2905 SF	70 T		



1261 LOGAN AVE.
COSTA MESA, CA
92626
(714) 641-3744
CA. LIC. #865003 (C31/A)

LEGEND	
[Symbol]	TYPE-I OR II BARRICADE
[Symbol]	HIGH LEVEL WARNING DEVICE
[Symbol]	FLASHING ARROW SIGN (FAS)
[Symbol]	FLAGGER
[Symbol]	SIGN
[Symbol]	TYPE-II BARRICADE
[Symbol]	WOOD PEDESTAL
[Symbol]	CHARACTERIZATION DEVICE
[Symbol]	SIGNALIZED INTERSECTION
[Symbol]	BUS STOP
[Symbol]	T.A.N.S.A.T. - 100 AMP NO STOPPING
[Symbol]	PORTABLE METAL HANDICAP RAMP



Underground Service Alert
Call 811
1-800-422-4133
FOR MORE INFO VISIT US AT



DRAWN BY: ROBERT MATTHEWS
DATE: 05/20/11

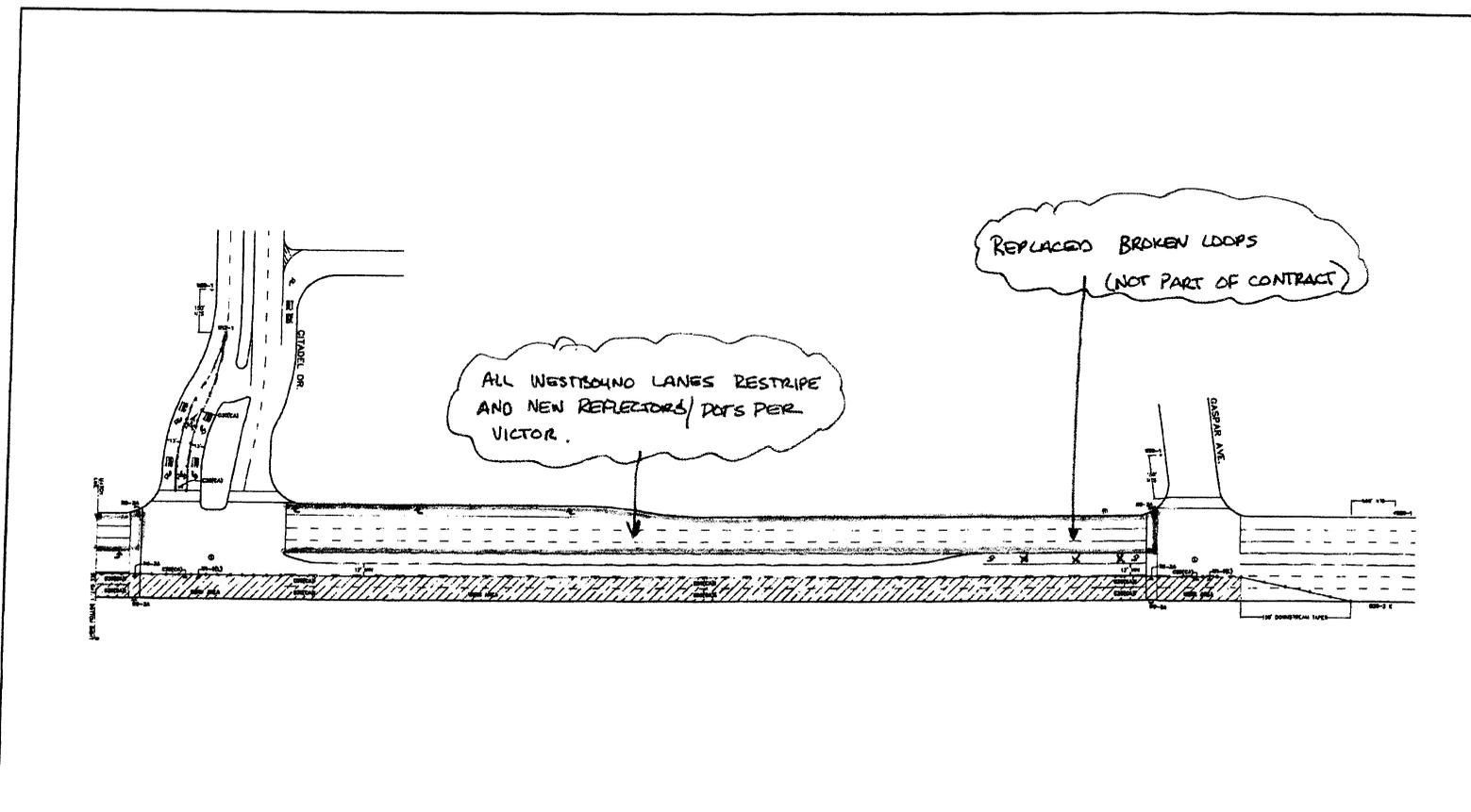
BEN'S ASPHALT
SLURRING ON
TELEGRAPH RD BETWEEN
HOERNER AVE. &
GASPAR AVE.

SHEET 1 OF 2
DWG:1606

TRAFFIC CONTROL PLAN:
TELEGRAPH RD &
HOERNER AVE.
CITY OF
COMMERCE

WORK HOURS: 9:00 P.M. TO 6:00 A.M.

SCALE=1"=40'




 1261 LOGAN AVE.
 COSTA MESA, CA
 92626
 (714) 641-3744
 CA. LIC. #865003 (C31/A)

LEGEND:	
	3 - TYPE-I OR B BARRICADE
	1, 4 & 5 A.T. - TOP ONLY NO STOPPING ANYTIME

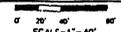


Underground Service Alert

 CMC TOLL FREE
 1-800-422-4133
 TWO WEEKS P478 BEFORE 'NO DIG'

DRAWN BY:
 ROBERT MATTHEWS
 DATE:
 11/25/11

BEN'S ASPHALT
 SLURRING ON
 TELEGRAPH RD. BETWEEN
 HOEFNER AVE. &
 G SPAR AVE.

SHEET 2 OF 2
 DWG. 1606

 SCALE=1"=40'

WORK HOURS: 9:00 P.M. TO 6:00 A.M.

TRAFFIC CONTROL PLAN:
 TELEGRAPH RD &
 HOEFNER AVE.
 CITY OF
 COMMERCE