

ALL ITEMS FOR CONSIDERATION BY THE CITY COUNCIL AND GOVERNING BODY OF THE SUCCESSOR AGENCY TO THE COMMERCE COMMUNITY DEVELOPMENT COMMISSION ARE AVAILABLE FOR PUBLIC VIEWING IN THE OFFICE OF THE CITY CLERK/SECRETARY AND THE CENTRAL LIBRARY

Agendas and other writings that will be distributed to the Councilmembers/ Board Members in connection with a matter subject to discussion or consideration at this meeting and that are not exempt from disclosure under the Public Records Act, Government Code Sections 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22, are available for inspection following the posting of this agenda in the City Clerk/Secretary's Office, at Commerce City Hall, 2535 Commerce Way, Commerce, California, and the Central Library, 5655 Jillson Street, Commerce, California, or at the time of the meeting at the location indicated below.

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, NOVEMBER 20, 2012 – 6:30 P.M.

CALL TO ORDER

Mayor/Chairperson Leon

PLEDGE OF ALLEGIANCE

Vilko Domic
Director of Finance

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 Special Meetings of Tuesday, November 5, 2012, held at 5:00 p.m.; Concurrent Special Meetings of Tuesday, November 5, 2012, held at 6:30 p.m.; Concurrent Regular Meetings of Tuesday, November 6, 2012, held at 6:30 p.m.; Special Meeting of Tuesday, November 13, 2012, held at 3:30 p.m. [Successor Agency only] and Concurrent Adjourned Special Meetings of Tuesday, November 13, 2012, held at 4:00 p.m.

2. Approval of Warrant Register No. 9

The **City Council and Successor Agency** will consider for approval, respectively, the bills and claims set forth in Warrant Registers No. 9A, dated November 20, 2012, and No. 9B, for the period November 7, 2012, to November 14, 2012.

3. A Resolution of the City Council of the City of Commerce, California, to Approve an Amendment to the City of Commerce Flexible Benefit Plan Incorporating Federal Law Changes Enacted by the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) and Authorizing the City Administrator to Sign the Document Executing These Amendments

The **City Council** will consider for approval and adoption a proposed Resolution approving an Amendment to the City of Commerce Flexible Benefit Plan incorporating federal law changes enacted by the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) and authorizing the City Administrator to sign the document executing these amendments.

Congress made a public policy determination that the amount of income deferred using employer flexible benefit plans should be reduced in order to increase federal income tax revenue. The recommended amended City of Commerce Flexible Benefit Plan complies fully with all recent changes in federal law.

4. A Resolution of the City Council of the City of Commerce, California, Authorizing City Staff to Execute Documents for the Purpose of Obtaining State Financial Assistance Provided by the California Emergency Management Agency

The City of Commerce receives \$21,343 annually from the California Transit Security Grant Program. This program, created as part of the voter approved Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Proposition 1B), provides funding for transit safety and security capital improvements.

The City is required to pass a Governing Body Resolution appointing agents authorized to execute any actions necessary for each application.

The **City Council** will consider for approval and adoption a proposed Resolution, authorizing City staff to execute documents for the purpose of obtaining State financial assistance provided by the California Emergency Management Agency.

5. A Resolution of the City Council of the City of Commerce, California, Approving an Agreement with Converse Consultants for Division of State Architect (DSA) Approved Inspector of Record for the new Emergency Operations Center Project

The **City Council** will consider for approval and adoption a proposed Resolution approving an Agreement with Converse Consultants for Division of State Architect (DSA) approved Inspector of Record for the new Emergency Operations Center project.

6. A Resolution of the City Council of the City of Commerce, California, Amending Resolution No. 10-49, Adopting a City of Commerce Fee Schedule, as Amended, to Include the Third-Year Fee Increases Identified in the Implementation Plan Approved Thereunder; Eliminate the Aquatic Center Admission Fee for Residents and Increase the Fee for Resident Activity Cards

The **City Council** will consider for approval and adoption a proposed Resolution amending Resolution No. 10-49, adopting a City of Commerce Fee Schedule, as amended, to include the third-year fee increases identified in the Implementation Plan approved thereunder and eliminate the Aquatic Center admission fee for residents and increase the fee for Resident Activity Cards, as recommended by the Parks and Recreation Commission.

PUBLIC HEARINGS – None

SCHEDULED MATTERS

7. Report From Greater L.A. County Vector Control District on History, Prevention, Control and Reporting of West Nile Virus

At the request of Mayor Pro Tempore Baca Del Rio, the **City Council** will receive a report on the history, prevention, control and reporting of West Nile Virus from the Los Angeles County Vector Control District and thereafter consider said report for receipt and filing and provide appropriated direction as may be deemed necessary.

8. Report – Emergency Preparedness Efforts Related to Major Earthquakes

At the request of Mayor Leon, the **City Council** will receive information pertaining to, and provide appropriate direction as may be deemed necessary with respect to, emergency preparedness efforts currently in place as they relate to major earthquakes that may affect the City.

9. Approval of Scope of Work Proposal Submitted by Clifton Anderson to Complete Organizational Development Initiative for City of Commerce

At the request of Councilmember Altamirano, the **City Council** will consider and provide appropriate direction as may be deemed necessary with respect to, a Scope of Work Proposal submitted by Clifton Anderson to complete an organizational development initiative for the City of Commerce.

10. Maintenance of Street Median Near Mixmaster Intersection

The **City Council** will consider, and provide appropriate direction as deemed necessary with respect to, the continued maintenance of a street median on Atlantic Boulevard just beyond the City of Commerce boarder, in East Los Angeles, near the Mixmaster intersection. The City has been maintaining this median since the late 1990's.

11. Review of City's Financial Status as of June 30, 2012, and Approval of Mid-year Adjustments to Fiscal Year 2012-13 Budget

The **City Council** and **Successor Agency** will review, and provide appropriate direction as deemed necessary with respect to, the City's financial status as of June 30, 2012, and consider for approval mid-year adjustments thereto.

12. Commission Appointment

The City Council will make the appropriate appointment to the following Commission: Planning Commission

13. City Employees' Christmas Holiday Dinner

At the request of Councilmember Altamirano, the **City Council** will consider and provide appropriate direction as deemed necessary with respect to, approving a City employees' Christmas Holiday dinner event at Steven's Steak House, to be held on Thursday, December 20, 2012, and authorizing an appropriation of funds for said event, as may be deemed appropriate.

ORDINANCES AND RESOLUTIONS

14. An Ordinance of the City Council of the City of Commerce, California, Amending Chapter 5.09 ("Massage Establishments and Massage Technicians") of the Commerce Municipal Code – Second Reading

The **City Council** will consider for approval and adoption a proposed Ordinance amending various sections of Chapter 5.09 of the Commerce Municipal Code in order to update and clarify regulations relating to massage establishments and massage technicians.

The proposed Ordinance was approved for first reading on November 5, 2012.

15. Resolutions of the City Council of the City of Commerce, California,

- (1) Approving an Associate Membership Agreement for the City of Commerce in the California Enterprise Development Authority **and**
- (2) Authorizing the City of Commerce to Join the Figtree Pace Program, Consistent with AB 811 Pace; Authorizing the California Enterprise Development Authority to Conduct Contractual Assessment Proceedings and Levy Contractual Assessments within the Territory of the City of Commerce; and Authorizing Related Actions

On July 21, 2008, the Governor signed into law AB 811, which became effective immediately as an emergency measure. The bill authorizes counties to establish a program to enter into contractual assessment agreements with property owners to finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to real property.

California Enterprise Development Authority (“CEDA”), a joint powers authority formed by the California Association for Local Economic Development (“CALED”), is offering the Figtree Property Assessed Clean Energy (“PACE”) and Job Creation Program (“Figtree PACE Program”). CALED was formed in 1980 and has grown to over 700 members, representing cities, counties, state and federal agencies, economic development corporations, and the private sector.

The Figtree PACE Program provides property owners in the City financing for the purchase and installation of energy efficient, distributed renewable energy and water conservation improvements on their properties with no up-front cost. Under the Figtree PACE Program, a property owner may voluntarily commit to the recording of an assessment lien on his/her property which shall be repaid over time on the annual County property tax bill as an assessment lien item.

The **City Council** will consider for approval and adoption proposed Resolutions approving an Associate Membership agreement for the City of Commerce in the California Enterprise Development Authority and authorizing the City of Commerce to join the Figtree Pace Program, consistent with AB 811 Pace; authorizing the California Enterprise Development Authority to conduct contractual assessment proceedings and levy contractual assessments within the territory of the City of Commerce; and authorizing related actions.

CIP PROGRESS REPORT

16. Fiscal Year 2012/2013 Capital Improvement Program Update

The City Council will receive an update on the fiscal year 2012/2013 Capital Improvement Program and thereafter consider said report for receipt and filing and provide appropriate direction as may be deemed necessary.

I-710 LOCAL ADVISORY COMMITTEE UPDATE - None

RECESS TO CLOSED SESSION – No Items

ADJOURNMENT

Adjourn to Tuesday, November 27, 2012, at 6:30 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

MEETING DATE: NOVEMBER 20, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING AMENDMENTS TO THE CITY OF COMMERCE FLEXIBLE BENEFIT PLAN INCORPORATING FEDERAL LAW CHANGES ENACTED BY THE PATIENT PROTECTION AND AFFORDABLE CARE ACT (PPACA) AND THE HEALTH CARE AND EDUCATION RECONCILIATION ACT (HCERA) AND AUTHORIZING THE CITY ADMINISTRATOR TO SIGN THE DOCUMENT EXECUTING THESE AMENDMENTS

RECOMMENDATION:

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

MOTION:

Move to approve the recommendation.

BACKGROUND:

Recent substantive changes in federal laws governing flexible benefit plans include a reduction in the maximum amount deferred from \$5000 in 2012 to \$2500 in 2013, indexing the maximum deferral by inflation in 2014 and thereafter, and eliminating reimbursements for most over the counter medications. There are also some minor technical changes that incorporate language governing pre-tax premiums and health care reimbursements for eligible dependents and children.

This report recommends Council approval of changes mandated by federal law.

ANALYSIS:

Congress made a public policy determination that the amount of income deferred using employer flexible benefit plans should be reduced in order to increase federal income tax revenue. The recommended amended City of Commerce Flexible Benefit Plan complies fully with all recent changes in federal law.

FISCAL IMPACT

This activity can be carried out without additional impact on the current operating budget. The costs of administering the City of Commerce Flexible Benefit Plan have already been included in the 2012-13 base line budget.

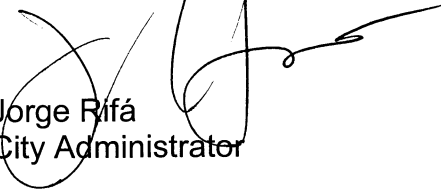
RELATIONSHIP TO 2012 STRATEGIC GOALS:

This recommended change in the City of Commerce Flexible Spending Account is related to the City Council's goal to grow revenue and make financially and economically sound decisions consistent with economic conditions.

Prepared by:


David Hill
Interim Director of Human Resources


Respectfully submitted,


Jorge Rifa
City Administrator

Fiscal Impact Reviewed by:


Vilko Domic
Director of Finance/City Treasurer

Approved as to Form:


Eduardo Olivo
City Attorney

Attachments:

City of Commerce Flexible Benefit Plan Amendments for the Patient Protection and Affordable Care Act (PPACA)
Resolution: Amending the City of Commerce Flexible Benefit Plan

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, TO APPROVE AN AMENDMENT TO THE CITY OF COMMERCE FLEXIBLE BENEFIT PLAN INCORPORATING FEDERAL LAW CHANGES ENACTED BY THE PATIENT PROTECTION AND AFFORDABLE CARE ACT (PPACA) AND THE HEALTH CARE AND EDUCATION RECONCILIATION ACT (HCERA) AND AUTHORIZING THE CITY ADMINISTRATOR TO SIGN THE DOCUMENT EXECUTING THESE AMENDMENTS

WHEREAS, the City of Commerce finds that amending its Flexible Benefit Plan incorporating federal law changes enacted by the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) is in the City's interest; and

WHEREAS, the Federal Law changes requires the reduction in the maximum amount deferred from \$5000 in 2012 to \$2500 in 2013: and

WHEREAS, the Federal Law changes also require indexing the maximum deferral by inflation in 2014 and thereafter, and eliminating reimbursements for most over the counter medications, and

WHEREAS, the following is a statement of the proposed change:

To amend the City of Commerce Flexible Benefit Plan to comply with recent changes mandated by federal law.

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

Section 1. The City of Commerce City Council does hereby approve amendments to its Flexible Benefit Plan incorporating recent federal law changes, a copy of said amendments is being attached hereto, as attached and by this reference made a part hereof.

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

**CITY OF COMMERCE FLEXIBLE BENEFIT PLAN
AMENDMENTS FOR PPACA**

**Section 1.
Preamble**

- 1.1 Effective Date of Agreement. The Employer adopts this Amendment to the Plan to reflect recent law changes enacted by the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA). The Amendment is generally effective November 20, 2012 or as otherwise indicated below for the respective provisions.
- 1.2 This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to Sections within this Amendment, and is not a reference to the Plan.

**Section 2.
Qualified Benefits**

- 2.1 Health plans offered through an Exchange established under PPACA § 1311 shall not be considered a Qualified Benefit for purposes of this Plan. However, if the Employer is considered a "qualified employer" under PPACA § 1312(f)(2) offering an opportunity to enroll through such an Exchange, then the first sentence of Section 2.1 does not apply.

**Section 3.
Over-the-Counter Medications**

- 3.1 Effective for expenses incurred after December 31, 2012, over-the-counter medications shall not be eligible for reimbursement under any health care reimbursement/medical flexible spending account or Employer-funded health reimbursement arrangement (HRA) unless the product is insulin or has been prescribed by a physician. This change has been made in order to conform the ability to be reimbursed by a flexible spending account or HRA for medical expenses to Code Sections 220(d) and 223(d)(2).
- 3.2 Prescription for these purposes shall have the definition given in the state in which the medical expense is incurred.

Section 4.

Limitation on Health Care Reimbursement Accounts

- 4.1 Effective as of the first day of the Plan Year beginning on, or including, January 1, 2013, a Participant in the Plan may not elect to defer an amount of compensation in excess of \$2,500.00 to his or her health care reimbursement/medical flexible spending account (if any) under this Plan.
- 4.2 For Tax years beginning on or after January 1, 2014, the amount described in Section 4.1 shall be indexed for inflation in accordance with Code Section 125(i)(2) as amended by PPACA § 10902 and HCERA § 1403.

**Section 5.
Pre-tax Premiums for Dependents and Children**

- 5.1 An Employee shall be eligible to pay for group health plan premiums on a pre-tax basis through the Plan for his or her dependent or child who is eligible for and covered under the Employer's group health plan, and whose coverage is excludible from the Employee's income under Code Section 105(b) (as amended by PPACA).

**Section 6.
Health Care Reimbursements for Children**

- 6.1 A Participant may treat medical expenses incurred by the Participant on behalf of his or her child as qualifying medical expenses eligible for reimbursement from his or her health care reimbursement/medical flexible spending account under the Plan (if any), incurred during the time such child is eligible for coverage under the Employer's group health plan (regardless of whether the child is in fact covered under the Employer's group health plan), and provided such reimbursements would be excludible from the Participant's income under Code Section 105(b) (as amended by PPACA). Such claims shall be subject to all of the limitations applicable to other claims for benefits under the health care reimbursement/medical flexible spending account under the Plan (if any).

These Amendments have been executed this _____ day of _____, 2012.

Name of Plan: City of Commerce Flexible Benefits Plan

Name of Employer: City of Commerce

By: _____
Authorized Officer's Signature



AGENDA REPORT

Meeting Date: November 20, 2012

TO: Honorable City Council

FROM: City Administrator

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AUTHORIZING CITY STAFF TO EXECUTE DOCUMENTS FOR THE PURPOSE OF OBTAINING STATE FINANCIAL ASSISTANCE PROVIDED BY THE CALIFORNIA EMERGENCY MANAGEMENT AGENCY

RECOMMENDATION:

At the discretion of Council, move to approve the Resolution authorizing staff to execute documents for the purpose of obtaining assistance from the California Emergency Management Agency, and assign the number next in order.

MOTION:

Approve the recommendation.

BACKGROUND:

The City of Commerce receives \$21,343 annually from the California Transit Security Grant Program. This program, created as part of the voter approved Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Proposition 1B), provides funding for transit safety and security capital improvements.

The City is required to pass Governing Body Resolution appointing agents authorized to execute any actions necessary for each application.

ANALYSIS:

California Transit Security Grant Program funds are used to upgrade security systems for the Commerce Transit System. Funds were previously used to upgrade the video surveillance system and access control system in the Transportation Center.

FISCAL IMPACT:

The proposed activity can be paid out of state transportation funds budgeted for transit security and local transit funds. Combined with all other reasonably known, planned and approved expenditures for this line item and cost center, the proposed activity can be absorbed within current budget limitations for the remainder of the fiscal year.

RELATIONSHIP TO 2012 STRATEGIC GOALS:

This agenda item relates to the 2012 strategic planning goal: "Review and update services and activities to increase efficiency," as these subsidies will assist in mitigating Transportation's operating and capital costs for the City.

Recommended by:


Claude McFerguson
Director of Transportation

Respectfully submitted,


Jorge Rifa
City Administrator

Budget Impact Review by:



Vilko Domic
Director of Finance

Approved as to Form:



Eduardo Olivo
Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, AUTHORIZING CITY STAFF TO EXECUTE DOCUMENTS FOR THE
PURPOSE OF OBTAINING STATE FINANCIAL ASSISTANCE PROVIDED BY THE
CALIFORNIA EMERGENCY MANAGEMENT AGENCY

WHEREAS, California Government Code §8879.57 establishes the eligible applicants and application of the Proposition 1B Transit Security Program; and

WHEREAS, The City is required to pass Governing Body Resolution appointing agents authorized to execute any actions necessary for each application.

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

City staff is hereby authorized to execute for and on behalf of the named applicant, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining financial assistance provided by the California Emergency Management Agency.

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

Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



AGENDA REPORT

MEETING DATE: November 20, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING AN AGREEMENT WITH CONVERSE CONSULTANTS FOR DIVISION OF STATE ARCHITECT (DSA) APPROVED INSPECTOR OF RECORD FOR THE NEW EMERGENCY OPERATIONS CENTER PROJECT

RECOMMENDATION:

Adopt a resolution approving an agreement with Converse Consultants for Division of State Architect (DSA) Approved Inspector of Record for the new Emergency Operations Center Project and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

On March 6, 2012, the City Council awarded a Professional Services Agreement to WLC Architects, Inc., for architectural and engineering services for the new Commerce Emergency Operations Center.

On May 8, 2012, the City Council approved the First Amendment to the Professional Services Agreement with Adrian-Gaus Architects, Inc., for the Central Library Renovation Project.

On June, 19, 2012, as part of the Fiscal Year 2012/13 Capital Improvement Program (CIP) Budget, the City Council appropriated funds for the Emergency Operations Center (\$1,333,333) and the Central Library Renovation (\$4,837,794) projects.

ANALYSIS:

On August 6, 2012, the City Council approved the Request for Proposal (RFP) for Division of State Architect (DSA) Approved Inspector of Record for Central Library Renovation and Emergency Operations Center Projects and authorized staff to issue a Notice Inviting Bids/Proposals.

On September 13, 2012, the City received 18 proposals from the following companies:

Contractor Name
1. AESCO, Huntington Beach, CA
2. BPI Inspection Service, Los Angeles, CA
3. Consulting Inspection Services, Inc., San Marcos, CA
4. Converse Consultants, Monrovia, CA
5. Gateway Science & Engineering, Pasadena, CA
6. James W. Cook Inspection, Apple Valley, CA
7. Knowland Construction Services, Pasadena, CA
8. Ninyo & Moore, Los Angeles, CA
9. RMA Group Inc., Fullerton, CA
10. RS Construction Services, Inc., Cerritos, CA
11. Sandy Pringle Associates, Torrance, CA
12. State Consulting & Inspection Services, San Diego, CA
13. Structure Consultants, Inc., Rancho Cucamonga, CA
14. Swinerton Management & Consulting, Los Angeles, CA
15. Team Inspections, Riverside, CA
16. TYR Inc., Long Beach, CA
17. United Inspection & Testing, Moreno Valley, CA
18. Visual Inspection Services, Inc., Anaheim, CA

The selected firm will be responsible for providing a qualified and experienced inspector of record approved by the California Division of State Architect to oversee construction of the Emergency Operations Center and Central Library Renovation projects. The RFP will enable the City to ensure that all construction is completed in compliance with existing regulations and public works standards.

A panel consisting of Gina Nila (Environmental Services Manager) and Danilo Batson (Assistant Director of Public Services) reviewed all proposals. Proposals were evaluated on completeness of proposal, compliance with the RFP format, project understanding, relevant experience and knowledge in public agency procedures and requirements. Their combined scores are as follows:

Contractor Name	Score
Converse Consultants	78.0
Ninyo & Moore	76.0
RMA Group Inc.	76.0
BPI Inspection Service	72.5
Swinerton Management & Consulting	70.0
AESCO	68.5
RS Construction Services	56.0
TYR Inc.	52.0
Knowland Construction Services	49.5
Gateway Science & Engineering	41.0
United Inspection & Testing	35.5
Consulting Inspection Services, Inc.	35.0
Visual Inspection Services	33.5
Team Inspections	30.0
Sandy Pringle Associates	22.5
State Consulting & Inspection Services	22.5
Structure Consultants, Inc.	21.0
James W. Cook Inspection	15.0

Based on the above scores, staff recommends that the City Council approve an agreement with Converse Consultants for inspection services and materials acceptance and testing for the Emergency Operations Center Project for the proposed amount of \$84,972. When the plans for the library project are approved a detailed and comprehensive cost for these services can be developed.

FISCAL IMPACT

Funds for these services are available in the Fiscal Year 2012/13 Budget. City Council approved a budget of \$1,413,333 for the Emergency Operations Center. The requested services will be funded from the appropriated project budget.

RELATIONSHIP TO 2012 STRATEGIC GOALS:

The issue before the Council is applicable to the following Council’s strategic goal: *“Improve and maintain infrastructure and beautify our community”* as identified in the 2012 Strategic Plan.

Recommended and prepared by:


 Danilo Batson
 Assistant Director of Public Services

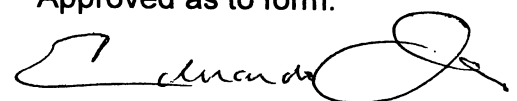
Respectfully submitted:


 Jorge Rifá
 City Administrator

Fiscal impact reviewed by:


 Vilko Domic
 Director of Finance

Approved as to form:


 Eduardo Olivo
 City Attorney

Recommended by:


 Loretta Gutierrez
 Director of Safety & Community Services

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, APPROVING AN AGREEMENT WITH CONVERSE CONSULTANTS
FOR DIVISION OF STATE ARCHITECT (DSA) APPROVED INSPECTOR OF
RECORD FOR THE NEW EMERGENCY OPERATIONS CENTER PROJECT

WHEREAS, on August 8, 2012, the City Council approved a Request for Proposals (RFP) for Division of State Architect (DSA) Approved Inspector of Record for Central Library Renovation and Emergency Operations Center Projects; and

WHEREAS, after analyzing all of the proposals that were received in response to the RFP, City staff recommended that the City Council approve an agreement with Converse Consultants for the required services.

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

Section 1. The Agreement between the City of Commerce and Converse Consultants for Inspector of Record Services for the Emergency Operations Center Project is hereby approved. The Mayor is hereby authorized to execute the Agreement for and on behalf of the City of Commerce.

PASSED, APPROVED AND ADOPTED this ____ day of November, 2012.

Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

THIS AGREEMENT ("Agreement") entered into this _____ day of November, 2012, ("Effective Date") is made by and between Converse Consultants ("CONSULTANT") located at 222 E. Huntington Drive, Suite 211, Monrovia, CA 91016 and the City of Commerce, a Municipal Corporation ("CITY") located at 2535 Commerce Way, Commerce CA 90040;

RECITALS

WHEREAS, the City has determined that it requires the services of a professional that can provide professional Division of State Architect approved Inspector of Record and material testing services; and

WHEREAS, the City desires to have an agreement in place for these services prior to implementation and construction of a new Emergency Operations Center Project; and

WHEREAS, CONSULTANT represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, CONSULTANT further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

1. Scope of Services and Schedule of Performance

CONSULTANT shall provide City with such professional services as are set forth in Exhibit B, "Scope of Services," which is attached hereto and incorporated herein by this reference.

2. Warranty

CONSULTANT warrants that the services provided under this Agreement will be performed with the degree of skill and judgment normally exercised by recognized professionals performing services of a similar nature at the time the services were rendered.

3. Term of Agreement

The term of this Agreement shall be for an initial one year period. The City shall have the option to extend the Agreement for two one-year terms. If the City desires to exercise such option(s), the City shall advise CONSULTANT at least thirty (30) days prior to the expiration of the initial term or the initial option period.

4. Compensation and Payment

4.1. So long as CONSULTANT is discharging CONSULTANT's obligations in conformance with the terms of this Agreement, CONSULTANT shall be paid such compensation rates as are set forth in CONSULTANT's November 8, 2012 fee schedule which is attached hereto as Exhibit "B" and incorporated herein by this reference. CONSULTANT will not be eligible for any paid benefits for federal, social security, state workers' compensation, unemployment insurance, professional insurance,

medical/dental, or fringe benefits offered by City.

4.2. Such fees shall be payable following receipt of an itemized invoice for services rendered submitted to City in a timely manner. CONSULTANT shall send and address its bill for fees, expenses, and costs to City to the attention of the City Administrator upon completion of services invoiced to City on a monthly basis.

4.3. Payment by the City to CONSULTANT shall be within 30-days of receipt of approved invoices. Payments will be based on approved invoices which include all required reports and detailed back-up information on all expenses. City shall pay the full amount of such invoice; provided, however, that if City or its City Administrator object to any portion of an invoice, City shall notify CONSULTANT of City's objection and the grounds therefore within thirty (30) days of the date of receipt of the invoice, and the parties immediately shall make every effort to settle the disputed portion of the invoice.

5. Financial Records

CONSULTANT shall maintain complete and accurate records with respect to fees and costs incurred under this Agreement. All such records shall be maintained on a generally accepted accounting basis and be clearly identified and readily accessible for audit or examination. CONSULTANT shall keep, maintain and provide free access to such books and records to examine and audit the same, and to make transcripts thereof as necessary, and to allow inspection of all work data, documents, proceedings and activities related to this Agreement for a period of four (4) years from the date of final payments under this Agreement. All accounting records shall readily provide a breakdown of fees and costs charged to this Agreement.

6. Right of Termination

6.1. City may in its sole discretion terminate this Agreement by providing CONSULTANT with a thirty (30) day written notice.

6.2. CONSULTANT may terminate this Agreement by giving the City a 60-day advance written notice.

6.3. With the 60-day written notice of termination, CONSULTANT shall give City a written explanation of the reason that the CONSULTANT believes termination is necessary, and cooperate with the City in an effort to resolve the issue.

6.4. Termination by either party hereunder shall not relieve CONSULTANT from providing services required to be performed up to the effective date of such termination, nor relieve City of its duty to pay the approved costs, prorated as necessary, to the effective date of such termination, or any other reimbursements, fees or expenses to be paid to CONSULTANT by the terms of this Agreement.

7. Independent Contractor

CONSULTANT is and shall perform its services under this Agreement as a wholly independent CONSULTANT. CONSULTANT shall not act nor be deemed an agent, employee, officer or legal representative of City. Except as otherwise expressly set forth herein, CONSULTANT shall not at any time or in any manner represent that it or any of its agents, employees, officers or legal representatives are in any manner agents, employees, officers or legal representatives of City. CONSULTANT has no

authority to assume or create any commitment or obligations on behalf of City or bind City in any respect. This Agreement is not intended to and does not create the relationship of partnership, joint venture or association between City and CONSULTANT. None of the foregoing shall affect any privilege or protection against disclosure which applies to the services CONSULTANT undertakes under this Agreement.

8. CONSULTANT to Provide Required Personnel; Subcontracting

CONSULTANT shall provide and direct the necessary qualified personnel to perform the services required of and from it pursuant to the express and implied terms hereof, with the degree of skill and judgment normally exercised by recognized professional firms performing services of a similar nature at the time the services are rendered, and to the reasonable satisfaction of City. CONSULTANT may not have a subcontractor perform any services required under this Agreement unless the subcontractor is first approved and authorized by the City, in writing, to perform such work. B

9. Responsible Principal and Project Manager

CONSULTANT shall be required to identify a Project Manager for CONSULTANT who shall be responsible for complying with CONSULTANT's obligations under this Agreement and shall serve as principal liaison between City and CONSULTANT. Designation of another responsible principal or project manager by CONSULTANT shall not be made without the prior written consent of City.

10. City Liaison

CONSULTANT shall direct all communications to the Director of Community Development of City or his designee. All communications, instructions and directions on the part of City shall be communicated exclusively through the Director of Community Development or the City Administrator of City or their designees.

11. Licenses

CONSULTANT warrants that it and its employees have obtained all valid licenses and/or certifications generally required of professionals providing services such as the services required under this Agreement by all applicable regulating governmental agencies and are in good standing with such applicable regulating governmental agencies.

12. Compliance with Laws

CONSULTANT shall, and shall ensure that its employees and sub-CONSULTANTS comply with all applicable City, county, state, and federal laws and regulations (including occupational safety laws and regulations) in performing the services required under this Agreement, and shall comply with any directions of governmental agencies and City relating to safety, security, and the like as they pertain to the performance of this Agreement.

13. Insurance

CONSULTANT shall maintain insurance and provide evidence thereof as required by Exhibit "C" hereto (the "Required Insurance"). CONSULTANT shall also require each of its sub consultants to maintain insurance coverage that meets all of the requirements of this Agreement.

14. Indemnification

14.1 CONSULTANT shall indemnify and hold City and its respective officials, officers, agents and employees harmless from and against any and all liabilities, including but not limited to losses, damages, demands, claims, actions, fees, costs, and expenses City's respective officials, officers, agents and employees hereafter may suffer in connection with any claim, action, or right or action (at law or in equity) because of any injury (including death) or damage to person or property proximately caused by any negligent acts, errors, or omissions by CONSULTANT, its employees, its subconsultants or its agents in the performance of CONSULTANT's obligations under this Agreement. CONSULTANT shall not be liable to the extent that any liability, loss, damage, cost, and expense is caused from an act of negligence or willful misconduct by City or its respective officials, officers, employees or agents. Upon demand, CONSULTANT shall promptly provide a defense to such claims, actions or right of action (at law or equity) and shall promptly pay for all associated and resulting costs, damages, settlements, penalties, judgments, fees and expenses, including attorneys' fees and costs.

14.2. City shall have the right to offset against the amount of any compensation due CONSULTANT under this Agreement any amount due City from CONSULTANT as a result of CONSULTANT's failure to pay City promptly any indemnification arising under this Section and related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

14.3. CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 16 from each and every subconsultant or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

14.4. City does not, and shall not, waive any rights that it may possess against CONSULTANT because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

15. Confidentiality

CONSULTANT shall maintain as confidential and not disclose to others, either before or after the termination of this Agreement, any data, documents, reports, or other information provided to CONSULTANT by City, or employees or agents of City, or any

data, documents, reports, or other information produced by CONSULTANT during its performance hereunder, except as expressly authorized in writing by City, or to the extent required for: (1) compliance with professional standards of conduct for the preservation of the public safety, health, and welfare, but only after CONSULTANT notifies City of such need for disclosure; and (2) compliance with any court order or other government directive or requirement, but only after CONSULTANT notifies City of such an order, directive, or requirement. CONSULTANT shall keep all "Confidential" materials received or generated under this Agreement in separate files marked "Confidential." Any non-compliance by CONSULTANT with this part of the Agreement shall be deemed a material breach of this Agreement. The obligations of this paragraph shall survive the termination of this Agreement.

16. Ownership of Documents

All original documents, designs, drawings, methodological explanations, computer programs, reports, notes, data, materials, services and other products prepared in the course of providing the services under this Agreement (collectively, the "products") shall become the sole property of City except as prohibited by law, and City shall have authority to publish, disclose, distribute, use, reuse or disposed of the Products in whole or in part, without the permission of CONSULTANT except as prohibited by law. In the event that this Agreement is terminated by City or CONSULTANT, CONSULTANT shall provide City with any finished or unfinished Products. No documents, designs, drawings, methodological explanations, computer programs, reports, notes, data, materials, services and other products prepared in whole or in part under this Agreement shall be the subject of an application for copyright or submitted for publication by or on behalf of CONSULTANT. Notwithstanding such ownership, CONSULTANT shall be entitled to make and obtain copies or reproductions of such Products for its own files or internal reference.

17. Data and Services to be Furnished by City

All information, data, records, reports and maps as are in possession of City and necessary for the carrying out of this work shall be made available to CONSULTANT without charge. City shall make available to CONSULTANT members of its staff for consultation with CONSULTANT in the performance of this Agreement. City does not warrant that the information data, records, reports and maps heretofore to be provided to CONSULTANT are complete or accurate and CONSULTANT shall satisfy itself as to such accuracy and completeness. City and CONSULTANT agree that City shall have no liability should any of the information, data, records, reports, and maps be inaccurate, incomplete or misleading.

18. Covenant Against Contingent Fees

CONSULTANT warrants that it has not employed or retained any company or person to solicit or secure this Agreement and that it has not paid or agreed to pay any company or person any fee, commission or percentage from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to terminate this Agreement without liability, or in its discretion, to deduct from the consideration payable to CONSULTANT, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

19. Conflict of Interest

CONSULTANT covenants that neither it nor any officer or principal of its firm have any interests, nor shall they acquire any interest, directly or indirectly which will conflict in any manner or degree with the performance under this Agreement. CONSULTANT further warrants its compliance with the Political Reform Act (Gov. Code § 81000, et seq.) and all other laws, if applicable, respecting this Agreement and that no services shall be performed by either an employee, agent, or a subconsultant of CONSULTANT, who has a conflict relating to City or the performance of services on behalf of City.

20. Other Agreements

CONSULTANT warrants that CONSULTANT is not a party to any other existing agreement that would prevent CONSULTANT from entering into this Agreement or that would adversely affect CONSULTANT's ability to perform the services under this Agreement. During the term of this Agreement, CONSULTANT shall not, without City's prior written consent, perform services for any person, firm, or corporation other than City if such services could lead to a conflict with CONSULTANT's obligations under this Agreement.

21. Waiver of Breach

No waiver of any term, condition or covenant of this Agreement by City shall occur unless signed by the City Administrator of City and such writing identifies the provision which is waived and the circumstances or period of time for which it is waived. Such waiver shall be for the specified period of time only and shall not apply to any subsequent breach. In addition, such waiver shall not constitute a waiver of any other term, condition or covenant of this Agreement nor shall it eliminate any remedies available to City for any breaches of this Agreement which are not excused by such waiver. A delay in communicating a failure of CONSULTANT to satisfy a term, condition or covenant in no way waives that term or any remedies available for its breach.

22. No Discrimination

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

23. Captions

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

24. Waiver

The waiver by City or CONSULTANT of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or CONSULTANT unless in writing.

25. Cumulative Remedies

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action.

26. Assignment

Neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by CONSULTANT. Any attempt to so assign or transfer this Agreement or any rights or obligations hereunder without such consent shall be void and of no effect.

27. Attorneys' Fees

In the event arbitration or a judicial proceeding is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable costs and attorneys' fees incurred in connection therewith.

28. Notices

Notices provided hereunder shall be delivered by certified First Class U.S. Mail, postage prepaid, or by personal service as required in judicial proceedings, directed to the address provided below:

For City:
City of Commerce
2535 Commerce Way
Commerce, California 90040
Attn: City Administrator

For CONSULTANT:
Converse Consultants
222 E. Huntington Drive, Suite 211
Monrovia, California 91016
Attn: William Chu, P.E./G.E. Senior Vice President/Principal Engineer

Notice shall be deemed received three (3) days after its mailing to the above address or upon actual receipt as indicated by return receipt, whichever is earlier. Personal service shall be deemed received the same day personal delivery is affected.

29. Governing Law

The validity, performance and construction of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California applicable to contracts made to be performed therein. Any litigation commenced by either party to this Agreement shall be venued in Los Angeles County, California.

30. Severability

Should any part of this Agreement be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement, absent the unexercised portion, can be reasonably interpreted to give effect to the intentions of the parties.

31. No Construction of Agreement Against any Party

Each Party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, it shall not be construed against any Party on the basis such Party drafted this Agreement or any provision thereof.

32. Entire Agreement and Amendments to Agreement

This Agreement contains the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all previous communications, negotiations, and agreements, whether oral or written, between the parties with respect to such subject matter, and no addition to or modification of this Agreement or waiver of any provisions of this Agreement shall be binding on either party unless made in writing and executed by CONSULTANT and City.

33. No Representations Except as Expressly Stated in this Agreement

Except as expressly stated in this Agreement, no Party, nor its employees, agents or attorneys have made any statement or representation to any other Party or its employees, agents or attorneys regarding any fact relied upon in entering into this Agreement, and each Party does not rely upon any statement, representation and/or promise of any other Party, its respective employees, agents or attorneys in executing this Agreement.

34. Counterpart Signatures

This Agreement may be executed in one or more counterparts. When this Agreement has been properly signed by an authorized representative of each of the Parties hereto, it shall constitute a valid Agreement, though each of the signatories may have executed separate counterparts hereof.

IN WITNESS WHEREOF, the parties hereto have each executed or caused to be executed this Agreement as of the Effective Date.

CITY OF COMMERCE

By: _____
Lilia R. Leon, Mayor

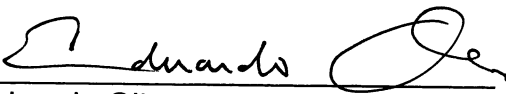
ATTEST:

Linda Kay Olivieri, MMC
City Clerk

CONVERSE CONSULTANTS (CONSULTANT)

By: _____
William Chu, P.E./G.E. Senior Vice President/Principal Engineer

APPROVED AS TO FORM:



Eduardo Olivo
City Attorney

EXHIBIT A

EXHIBIT A REQUIRED INSURANCE

On or before beginning any of the services called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of this Agreement, and provide proof thereof that is acceptable to City of its procurement of the insurance specified below from insurers and under forms of insurance satisfactory in all respects to City. Such insurance shall not be in derogation of CONSULTANT's obligations to provide indemnity under Section 14 of this Agreement.

1. Comprehensive General Liability And Automobile Liability Insurance Coverage

CONSULTANT shall carry and maintain Comprehensive General Liability and Automobile Liability Insurance which provides the following:

Minimum coverage: Bodily injury limits of \$2,000,000 for each person and \$2,000,000 for each occurrence; property damage limits of \$2,000,000 for each occurrence, \$2,000,000 aggregate.

If a Commercial General Liability Insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned real property and automobiles. Insurance coverage shall not be subject to any type of pollution exclusion or owned property exclusions.

2. Errors And Omissions Insurance Coverage

CONSULTANT shall carry and maintain Errors and Omissions Coverage Insurance which provides a minimum coverage of at least \$2,000,000 for each occurrence, \$2,000,000 aggregate, triggered by manifestation of injury.

3. Worker's Compensation

Before execution of the Agreement, CONSULTANT shall file with the City the following signed certification:

"I am aware of the provisions of Section 3700 Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Service Agreement".

CONSULTANT shall carry and maintain worker's compensation as required by the California Labor Code for all persons employed directly or indirectly in connection with this Agreement by CONSULTANT or any subcontractor.

4. Additional Insureds

The City of Commerce, their officers, agents and employees must be named as additional insureds or as additional loss payees in all insurance policies required by this Agreement. An endorsement to this effect shall be delivered to City prior to the commencement of any work. Satisfaction of any deductible requirement shall be the responsibility of CONSULTANT. Such insurance shall be primary, and noncontributory with any other insurance by the City of Commerce.

5. Cancellation Clause

Each of the policies of insurance shall contain a clause substantially as follows:

It is hereby understood and agreed that this policy may not be canceled nor the amount of the coverage thereof be reduced until 30 days after receipt by the City Administrator of the City of Commerce of the written notice of such cancellation or reduction of coverage, as evidenced by receipt of a certified letter.

6. Severability 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.

7. Qualifications of Insurer

All policies of insurance shall be issued by an insurance company acceptable to City and authorized to issue said policy in the State of California.

8. Approval of Insurer

The insurance carrier providing the insurance shall be chosen by CONSULTANT subject to approval by City, provided that such approval shall not be unreasonably withheld.

9. Payment of Premiums

All premiums on insurance policies shall be paid by CONSULTANT making payment, when due, directly to the insurance carrier, or in a manner agreed to by City.

10. Evidence of Insurance and Claims

City shall have the right to hold the policies and policy renewals, and CONSULTANT shall promptly furnish to City all renewal notices and all receipts of paid premiums. In the event of loss, CONSULTANT shall give prompt notice to the insurance carrier and City. City may make proof of loss if not made promptly by CONSULTANT.

EXHIBIT B



Converse Consultants

Geotechnical Engineering, Environmental and Groundwater Science, Inspection and Testing Services

November 8, 2012

Mr. Danilo Batson
City of Commerce
2535 Commerce Way
Commerce, CA 90040

Subject: **COST PROPOSAL TO PROVIDE DIVISION OF STATE ARCHITECT (DSA)
APPROVED INSPECTOR OF RECORD AND GEOTECHNICAL
OBSERVATION, MATERIAL INSPECTION AND TESTING SERVICES
New Emergency Operation Center (EOC) Project
City of Commerce, California
Converse Project No. 12-31-246-00**

Dear Mr. Batson:

Converse Consultants (Converse) appreciates the opportunity to submit our cost proposal to provide DSA Approved Inspector of Record (IOR) and Geotechnical Observation and Special Inspection and Materials Testing Services to the City of Commerce for the above-mentioned project. The enclosed proposal was prepared in accordance with the Request for Proposal (RFP) dated August 7, 2012; Addendum 1, issued on September 9, 2012; and our subsequent conversations with you.

The estimated cost of our IOR Services is **\$42,160.00**. The estimated cost of our Geotechnical Observation and Special Inspection and Materials Testing Services is **\$42,812**. Our total proposed costs for IOR, Geotechnical Observation and Testing, and Special Inspection and Materials Testing services is **\$84,972**. Detailed cost proposals and rate sheets are provided in the body of this proposal and Appendix A.

Our fees will be assessed on a time and materials basis in accordance with the unit rates indicated on our *Schedule of Fees*, cost breakdown, and *General Conditions*, copies of which are attached and form a part of this proposal. This proposal will expire in 90 days from its issuance, if not accepted in that time.

Our cost is based on the following assumptions:

- All field work will be done in one mobilization.
- Traffic control will not be required for our scope of work.
- Access to the site will be available during normal weekday working hours (between 7:00 am to 6:00 pm daily) at no additional cost to us.

If, due to weather or site conditions, the site is not accessible, we will contact you to discuss the impact on our cost estimate. If unusual or unanticipated subsurface conditions are encountered in our borings, it may be necessary to increase the scope and cost of our study. If such is the case, we will inform you immediately to discuss the impact that the unanticipated conditions have on our study and our cost estimate for a revised scope.

No work beyond the outlined scope will be performed without receiving your prior approval and authorization. Additional work will require an additional fee above and beyond the estimated values stated here.

During the course of this work we will carry workers' compensation insurance as required by law. Our findings and recommendations will be prepared in accordance with generally accepted professional engineering and engineering geologic principles and practices in this area of southern California. Unless we hear differently we will assume that these conditions are acceptable to you.

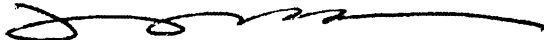
It is understood by both contracting parties that this design phase is a prevailing wage project as defined in the Labor Code Sections 1770-1780.

Special billing instructions, including backup documentation requirements, should be mutually agreed upon and indicated below. Subsequent additions or changes should be likewise mutually agreed upon and submitted in writing with appropriate authorization.

Please sign two copies of the Authorization and Agreement Block at the end of this proposal. Retain one copy for your files and return one copy, together with a copy of this proposal, to this office to formally authorize our services.

Thank you for the opportunity to present this proposal. We look forward to working with you on this project. If you have any questions, please call William H. Chu at (626) 930-1222.

CONVERSE CONSULTANTS



William H. Chu, P.E., G.E.
Senior Vice President/Principal Engineer

Encl: Cost Proposal
Custom Schedule of Fees (PW, MTS, GLT 2012)
General Conditions (GC99-1)

Dist: 1/Addressee (via email)
WHC/kb/amm



Converse Consultants

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SCOPE OF WORK

Project Understanding

Converse understands that the purpose of this RFP is for the District to obtain a select group of pre-qualified, certified DSA inspectors to provide project inspection and special inspection and materials testing services in support of construction of a New Emergency Operation Center (EOC) and the Renovation of the Central Library.

The EOC will be a 1,900 SF stand-alone building, 30 feet by 64 feet, constructed of concrete masonry units. The building will serve as a locus for emergency response and recovery efforts in the event of an earthquake, natural disaster, civil unrest, etc., and will therefore be equipped with sophisticated media integration systems, 100% power backup, and kitchen, storage, and restroom facilities.

The Central Library Renovation consists of new electrical, data, and mechanical systems, window upgrades, new roofing, and new insulation for 11,866 SF of existing library and 591 SF of public restrooms. The Central Library is part of the larger City Hall complex.

Converse will conduct inspection and testing in accordance with the project specifications and applicable industry standards. Converse inspectors are proficient in the requirements set by the Division of the State Architect (DSA). Converse requires all inspectors to complete the DSA certification prior to their assignment on any projects and to attend local DSA seminars routinely to update consultants as to any changes. Converse also maintains DSA three certified laboratories in Monrovia, Redlands, and Costa Mesa, California.

Inspector of Record Services

Our project strategy and methodology to meet the technical and personnel requirements of this contract are as follows:

Account Manager: William Chu, P.E., G.E., will provide project oversight and will be the individual authorized to negotiate the contract and sign contract documents. His duties for this project will include:

- Technical assistance and oversight.
- Contract and budget negotiations.
- Resource management oversight.
- Meetings as necessary.

Project Inspector: The Project Inspector from our office will be the single point of contact with your Construction Manager (CM). He will discuss the contractor's progress with the CM and contractors.

Our Project Inspector will perform the following inspection services based on **part time basis** in accordance with the approved plans and specifications for this project.

- Perform on-site inspection services, inspection-related activities, and special inspections.
- Verify that the project Contractor's work is in compliance with Title 24 California Code of Regulations, the City's standards, and other requirements set by jurisdictional public agencies.



- Perform continuous inspection of the project during all stages of demolition and construction, verifying that approved plans and specifications are executed to completion.
- Review the scope of the project and the agreements between the City and Architect, Construction Manager (if applicable), and Contractor, in order to effectively serve as a liaison between the City and the Architect, the Construction Manager (if applicable), the Contractor, and/or government inspectors.
- Attend meetings held at the project site or other location identified by the City, as directed by the Architect, the City, or the Construction Manager (if applicable). Such meetings may pertain to budget meetings, specification reviews, coordination, and work progress.
- Maintain communication with the Contractor and all subcontractors on the project, consider and evaluate suggestions and recommendations submitted by the Contractor to the Architect; and report verbally and confirm in writing the same to the Contractor, the Construction Manager (if applicable), and the Architect, with recommendations to these parties for final decision.
- Accompany government inspectors representing local, state, or federal agencies having jurisdiction over the project during site visits, and record in writing and report to the Construction Manager (if applicable), the Architect, and the City the results of agency inspections.
- Maintain orderly job files at the project site that include correspondence, reports of project site conferences, minutes of job site meetings, shop drawings, and reproductions of the original Construction Contract.
- Maintain accurate and qualitative daily inspection reports in job files that are thorough, complete and orderly. Reports will record hours on the project site, weather conditions, construction procedures (where performed and any deviations), construction equipment and vehicles used, personnel assigned by the Contractor and subcontractors, equipment and materials delivered to the site, daily activities, occurrences or conditions that might affect the construction budget or schedule, and any work or material in place that does not correspond with the drawings or specifications, as well as resulting action taken, etc. Those reports and/or job files shall be made available to the project Architect, the Construction Manager (if applicable), and the City upon request.
- Keep the City thoroughly informed of work progress by submitting reports required as by Title 24:
 - Copies of verified reports required by Title 24 CCR submitted to the City within five (5) work days of the end of the report period and within five (5) days of final acceptance for the final verified report.
 - Copies of semi-monthly reports required by Title 24 CCR, submitted to the City within two (2) work days of the close of the report period.
- Maintain all inspection records of construction procedures on the project jobsite until the completion of the work.
- Advise the Architect, the Construction Manager (if applicable), and the City in advance, verbally and in writing, of test schedules. Observe the tests at the project site as required by the Construction Contract.



- Verify that all required certification documentation relative to the project is received in a timely manner by the Construction Manager (if applicable) and the City.
- Notify immediately the Architect, the Construction Manager (if applicable), and the City if work is not in compliance with the plans and specifications.
- Be alert to the construction schedule and to any conditions that may cause delay in substantial completion of the project, and upon observing such conditions, report them immediately.
- Review the Contractor's pay requests prior to the issuance of Architect's and Contractor's certificate of payment to the Construction Manager (if applicable) and the City, and indicate whether amounts claimed by the Contractor are, in his opinion, correct.
- Serve as a liaison between the Construction Manager (if applicable), the City and the Contractor at the project site, especially where existing facilities remain in operation during the project.
- Assist in the development of a punch list agreement between the City, the Construction Manager (if applicable), the Architect, and the Contractor regarding incomplete task items and the general conditions of areas to be occupied by the City prior to substantial completion of the project by the Contractor.
- Review and verify the adequacy and accuracy of required As-Built drawings prepared by the Contractor, as set forth in the Construction Contract, and determine that such As-Built drawings are updated by the Contractor on a monthly basis prior to processing of Contractor's monthly payment request.
- Check each punch list item to ensure that it is corrected in accordance with the Construction Contract, plans, and specifications.

Special Inspection and Materials Testing Services

Special inspection and materials testing services will include, but not be limited to, the following:

Soils

- Review soil reports, project plans, and specification.
- Review submitted on-site and imported materials to determine their suitability as fill materials.
- Inspect bottom of excavation.
- Perform in-place density tests according to ASTM D 1556 (sand cone method). Soils density tests may also be performed by Nuclear method according to ASTM D2922 and adjusted to ASTM D 1556 provided that calibration curves are periodically checked.
- Provide fill placement inspection and testing during construction, on an intermittent and continuous basis as required to establish proper execution and conformance with the specifications. This includes testing (e.g. field density tests) on-site soil for subgrades to receive fill, fill placement on building pads, backfill placement in trenches, roadways, parking areas, walkways and subgrade.
- Review and provide laboratory testing on soil, backfill materials, aggregate base, under slab granular cushion, sand bedding, etc. Develop compaction curves for materials encountered. Monitor excavation and stockpiling of suitable fill material from mass excavation, existing



aggregate base and the crushing of existing concrete for use as aggregate base.

- Review subgrades for floor slabs.
- Prepare reports summarizing all observations and test results.

Concrete

- Review concrete mix designs and product mill certificates for compliance.
- Perform batch plant inspection.
- Review each batch ticket, inspect concrete placement, and test concrete slump.
- Provide minimum of one test for each type of cement and aggregate for conformance to the working drawings and specifications for mix designs.
- Verify concrete meets the specified strength and in required areas of locations.
- Fabricate and pick-up concrete cylinders.
- Monitor concrete tests results and advise in the event of non-conforming tests.
- Test concrete samples for compressive strength. Test one cylinder at seven days and two at twenty eight days retain one cylinder for possible test at fifty six days.
- Perform anchor pull test.
- Prepare reports summarizing all observations and test results.

Reinforcing Steel

- Review material identification/mill certification sheets to verify that steel meets project manual specifications.
- Sample and test reinforcing steel (e.g. bend and tensile tests).
- Inspect welds to meet conformance with project specifications.
- Verify welding procedures, welding operators, and welders in accordance with AWS D1.1.
- Inspect welded reinforcing bars according to CBC Section 1929A.
- Conduct High Strength Bolting Inspection of test bolts, nuts, and washers per ICBO, CBC & AISC.
- Prepare reports summarizing all observations and test results.

Masonry

- Perform sampling and placing of masonry units with special attention to joints and bonding of units at the corners. Inspect placement of reinforcement including splices, clearances and supports. Inspect grout space immediately prior to closing of clean outs and during all grouting operations, including removal of mortar fins, dirt, and debris.
- Test mortar, grout and block by the Unit Strength Method per CBC section 2105B3.4. Test units before construction and for each 5,000 SF wall area. Test masonry units for strength, absorption, and moisture content.
- Perform batch plant inspection.
- Review certificates of compliance for materials. Sample and test where nonperformance is indicated.
- Review mortar and grout mix designs and certificates of compliance.
- Inspect placement of grout beneath bearing plates with special attention to procedures to avoid segregation and achieve proper consolidation. Review grout certificates.
- Perform mortar and grout tests in accordance with CBC Standard 21-16 and 21-18. A sample consists of three specimens.
- Perform two corings per 5,000 square feet of masonry wall and test the shear bond of the



cores as required by CBC 21058 3.1 in accordance with the following test procedures:

- (1) Cores for compression or shear bond tests shall have a diameter of approximately four to six inches, and be taken from the center of a cell in which there is no reinforcing steel. The core drill must be square with the wall, level and adequately secured to minimize vibration. The drill shall be sharp and in good condition so as to advance through the wall by using minimum pressure.
 - (2) Core samples shall be handled and transported in a manner that avoids any shock to the specimens and protects them from vibration and temperature extremes.
- Prepare reports summarizing all observations and test results.

Structural Steel

- Review manufacturers' test reports for compliance with requirements specified.
- Verify material identification.
- Inspect high strength bolted connections.
- Inspect field welding.
- Inspect fabrication shop welding.
- Inspect welding in accordance with AWS D1.1. The following shall be performed on each weld:
 - (1) Verify Welding Procedure Specification (WPS) sheet has been provided and has been reviewed with each welder performing the weld. Welds not executed in conformance with the WPS are rejected.
 - (2) Verify fit-up meets tolerances of WPS and mark joint prior to welding.
 - (3) Verify welding consumables per contract documents and WP.
 - (4) Verify welder qualification and identification.
 - (5) Verify amperage and voltage at the arc with hand held meters.
 - (6) Observe preheat and inter-pass temperatures, weld pass sequence, and size of weld bead.
- For seismic critical welds, inspect removal of back-up and run-off plates, preparatory grinding and execution of reinforcing fillet, verify smoothness of beam flange copes at reduced beam sections, and verify weld access holes meet surface requirements of AWS Section 5.15.4.3.
- Nondestructive test all complete penetration groove welds larger than 5/16 inches by ultrasonic methods for conformance with the weld quality and standard acceptance of AWS D1.1 for welds subject to tensile strength. Pass sound through entire weld volume from two crossing directions.
- Test column webs for cracking using dye penetrant or magnetic partial test, over 3" minimum zone above and below continuity plates after welding.
- Inspect "reduced beam flange sections" for accuracy of profile and smoothness of ground surface.
- Ultrasonically inspect base metal thicker than 1" for discontinuities behind welds.
- Inspect and test stud welding in accordance with AWS D1.1. Review pre-production testing and qualification. Inspect welding and perform welding verification inspection and testing.
- Inspect and test deck welding in accordance with AWS D1.3. Review pre-production testing and qualification. Inspect welding and perform verification, inspection and testing.
- Inspect and test welding of shear connector studs in accordance with AWS D1.1. Review



pre-production testing and qualification. Inspect welding and perform verification, inspection and testing.

- Inspect and test field strength bolting and welding as described above.
- Perform plant inspection and test expansion of adhesive anchors.
- Field inspect and test expansion of adhesive anchors and verify that all seats, plates, and reinforcement of other items to be cast into concrete are accurately placed, positioned securely, and positioned securely as not to cause hardship in placing concrete.
- Prepare reports summarizing all observations and test results.

Aggregate Base & Asphaltic Concrete

- Review of material certificates.
- Review mix designs.
- Perform laboratory tests for mix density (Marshall).
- Secure samples of uncompacted paving mixtures and compacted pavement according to ASTM D 979.
- Perform extraction/gradation tests.
- Perform in-place density tests by nuclear method.
- Inspection of placement.
- Core in place AC for thickness and density.
- Perform finished surface testing of each hot-mix asphalt course for compliance with smoothness tolerances.
- Prepare reports summarizing all observations and test results.



FEE PROPOSAL

Services	Estimate Hours	Hourly Rate	COST
IOR Services	124 working days @ 4 hrs per day	\$85.00	\$42,160.00
Geotechnical Observation and Special Inspection and Materials Testing	-	-	\$42,812.00
TOTAL			\$84,972.00

A schedule of hourly rates and fees for (1) Geotechnical Observation and Testing and (2) Material Inspection and Testing are included in the Appendix of this proposal. In general, our rates will be subject to the following general conditions.

- Construction duration: 124 working days.
- Project inspector (IOR) will be part time basis.
- Geotechnical observation, materials inspection and testing services are based on on-call as needed basis.
- An eight-hour day at the site. Overtime will be charged at 1.5 times the regular hourly rate.
- There will be a two-hour minimum charge in case of work cancellation after our field personnel has been dispatched.
- No after hours, weekend or overtime are included in our cost estimate.
- For technicians or inspectors, we will assess a minimum four-hour charge during each site visit less than four hours. For time in excess of four hours and less than eight hours, we will charge for eight hours.
- No travel time to and from the job site will be charged for technicians or inspectors.
- Our field representative will not direct, supervise or lay out the work of the contractor. Our services will not include a review or evaluation of the contractor's safety measures on or near the project.
- Any meetings and/or consultation(s) requested by the client will also be charged in accordance with the attached *Schedule of Fees*.
- **It is understood by both contracting parties that this is a prevailing wage project as defined in Labor Code Sections 1770-1780.**
- Our rates will be adjusted if the prevailing wage is adjusted by the Department of Industrial Relations.
- For on-call services, the test locations will be prepared and ready for testing by Converse field personnel upon their arrival at the site. The client and/or contractor will be responsible for the excavation and backfilling of all test locations.
- Additional inspections and laboratory testing outside the agreed-upon scope of work can be provided upon request. Charges for these additional services will be based on our attached *Schedule of Fees*.



- No services will be provided prior to our signature of an agreement with you. No additional work required will be provided without written authorization and a budget amendment from your authorized representative.
- Our services will be performed on a time-and-materials basis in accordance with the unit rates indicated, and/or *Schedule of Fees* and *General Conditions*.
- Our field representative will not direct, supervise, or lay out the work of the contractor. Our services will not include a review or evaluation of the contractor's safety measures on or near the project.
- Any meetings and/or consultation(s) requested by the client will also be charged in accordance with the attached *Schedule of Fees*.
- Testing services outlined in this proposal will be performed at the request of your authorized representative.
- If services are provided on as-needed basis, no comments regarding compaction procedures or observations will be made. Daily field reports indicating work performed and test locations will be provided as the testing is completed.
- We require 24 hours advance notice for our services. We will, however, make every attempt to accommodate requests on shorter notice.



**Proposal to Provide Division of State Architect (DSA) Approved Inspector of Record
 And Geotechnical Observation, Material Inspection and Testing Services
 New Emergency Operation Center (EOC) Project
 City of Commerce, California
 Converse Project No. 12-31-246-00**

ACCEPTANCE OF AGREEMENT AND AUTHORIZATION TO PROCEED³	
Firm Name:	(Client) ¹
By:	(Print Name) (Signature)
Title:	Date:
Telephone No. ()	Fax No. ()
P.O. No./Billing Instructions ² :	

- ¹ Invoices to be sent to the Client, who shall be responsible for payment thereof, unless notified otherwise. The Client is represented by a person with authority to financially commit to the scope of work herein and acknowledges that the person signing has read and understands the enclosed General Conditions.
- ² Billing requirements, including backup documentation, should be mutually agreed upon and indicated here. Subsequent additions or changes should likewise be mutually agreed upon and submitted in writing with appropriate authorization.
- ³ Converse has been informed by the Client that the investigation phase is a prevailing wage project as determined by local Labor Code.



APPENDIX

**CONVERSE CONSULTANTS**

222 E. Huntington Drive, Suite 211
 Monrovia, CA 91016
 Telephone 626/930-1200
 Fax 626/930-1212

Prevailing Wage Project

Project Name: New Emergency Operation Center (EOC) **Project No.:** 12-31-246-00
Date: 11/08/12
Commerce, California

COST ESTIMATE FOR GEOTECHNICAL OBSERVATION AND TESTING:**EARTHWORK:**

FIELD TESTING SERVICES				
Task	Unit	No. of Unit	Unit Rate (\$)	Cost (\$)
Project kick-off Meeting	hour	4	\$125.00	\$500.00
Sample Pick-up	hour	2	\$50.00	\$100.00
Field technician (soil, aggregate base and asphalt)	hour	100	\$80.00	\$8,000.00
Project manager/engineer	hour	4	\$125.00	\$500.00
Subtotal:				\$9,100.00

LABORATORY TESTING SERVICES				
Test	Unit	No. of Unit	Unit Rate (\$)	Cost (\$)
Maximum dry density test (soil)	test	2	\$105.00	\$210.00
Maximum dry density test (aggregate base)	test	1	\$115.00	\$115.00
Sieve analysis	test	1	\$80.00	\$80.00
Expansion Index	test	1	\$80.00	\$80.00
Asphalt concrete Marshall Density	test	1	\$150.00	\$150.00
Subtotal:				\$635.00

OFFICE SERVICES				
Task	Unit	No. of Unit	Unit Rate (\$)	Cost (\$)
Office support	hour	6	\$60.00	\$360.00
Project manager	hour	4	\$125.00	\$500.00
Principal-in-charge	hour	1	\$145.00	\$145.00
Final compaction report	report	1	\$1,000.00	\$1,000.00
Subtotal:				\$2,005.00

COST ESTIMATE BREAKDOWN FOR EARTHWORK

Field Testing Services:	\$9,100.00
Laboratory Testing Services:	\$635.00
Office Services:	\$2,005.00
Total Cost for Earthwork:	<u>\$11,740.00</u>

Notes: This cost estimate is based on the preliminary construction schedule and understanding the project, but may not reflect actual construction schedules and sequences. This is only an estimate. Our services will be provided based on time and material in accordance with our proposal.

**CONVERSE CONSULTANTS**

222 E. Huntington Drive, Suite 211

Monrovia, CA 91016

Telephone 626/930-1200

Fax 626/930-1212

Prevailing Wage Project**Project Name:** New Emergency Operation Center (EOC)**Project No.:** 12-31-246-00

Commerce, California

Date: 11/08/12**COST ESTIMATE FOR MATERIAL INSPECTION AND TESTING:****MATERIAL INSPECTION AND TESTING:**

FIELD TESTING SERVICES				
Task	Unit	No. of Unit	Unit Rate (\$)	Cost (\$)
Sample pick-up	hour	12	\$50.00	\$600.00
ACI Technicians (field & batch plant)	hour	32	\$80.00	\$2,560.00
Special inspector/concrete (reinforced, anchor & expansion bolts)	hour	60	\$80.00	\$4,800.00
Special inspector/masonry & Brick Veneer	hour	80	\$80.00	\$6,400.00
Special inspector/steel (shop)	hour	40	\$80.00	\$3,200.00
Special inspector/steel, high strength bolt, stud (field)	hour	88	\$80.00	\$7,040.00
Special inspector/steel (NDT, anchor bolt pull test, shop pins)	hour	12	\$80.00	\$960.00
Subtotal:				\$25,560.00

LABORATORY TESTING SERVICES				
Task	Unit	No. of Unit	Unit Rate (\$)	Cost (\$)
Compression strength/concrete, mortar, grout	cylinder	24	\$23.00	\$552.00
Rebar bend and tensile (size #5 to #9)	test	6	\$85.00	\$510.00
Rebar bend and tensile (greater than size #9)	test	0	\$215.00	\$0.00
Masonry block (9 per set)	set	2	\$650.00	\$1,300.00
High strength bolts	set	3	\$250.00	\$750.00
Masonry prism	sample	3	\$110.00	\$330.00
Subtotal:				\$3,442.00

OFFICE SERVICES				
Task	Unit	No. of Unit	Unit Rate (\$)	Cost (\$)
Office support	hour	8	\$60.00	\$480.00
Project manager/engineer	hour	4	\$125.00	\$500.00
Principal-in-charge	hour	2	\$145.00	\$290.00
Final verify report	report	1	\$800.00	\$800.00
Subtotal:				\$2,070.00

COST ESTIMATE BREAKDOWN FOR MATERIAL INSPECTION AND TESTING

Field Testing Services:	\$25,560.00
Laboratory Testing Services:	\$3,442.00
Office Services:	\$2,070.00
Total Cost for Material Inspection and Testing:	<u>\$31,072.00</u>

TOTAL COST FOR GEOTECHNICAL, MATERIAL INSPECTION AND TESTING

Total Cost for Earthwork:	\$11,740.00
Total Cost for Material Inspection and Testing:	\$31,072.00
Total Cost for Grading, Material Inspection and Testing:	<u>\$42,812.00</u>

Notes: This cost estimate is based on the preliminary construction schedule and understanding the project, but may not reflect actual construction schedules and sequences. This is only an estimate. Our services will be provided based on time and material in accordance with our proposal.

CONVERSE CONSULTANTS
City of Commerce
Prevailing Wage Schedule of Fees
Personnel

Introduction

It is the objective of Converse Consultants to provide its clients with quality professional and technical services and a continuing source of professional advice and opinions. Services will be performed in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. This fee schedule is valid through January 31, 2013.

Hourly Charges for Personnel

Staff assignments will depend on personnel availability, job complexity, project site location and experience level required to satisfy the technical requirements of the project and to meet the prevailing standard of professional care.

Field Technical Services

DSA Class 1 Project Inspector (IOR)	95
Construction Inspector – ACI/ICC and/or AWS/CWI certified (concrete, post-tension, masonry, structural steel, fireproofing, includes concrete batch plant and local steel fabrication inspections)	\$75
Non-Destructive Testing Inspector (ultrasonic, magnetic particle, dye penetrant)	80
Construction Inspector/Technician (skidmore, pull testing, torque testing, Schmidt hammer, and pachometer)	80
Coring Technician (including machine and power generator)	80
Soils Technician (soil, base, asphalt concrete, and moisture emission testing)	80
Supervisory Soils Technician	80
Sample Pick-up	50

Professional Services (Field and Office)

Staff Professional	\$80
Senior Staff Professional	85
Project Professional	110
Project Manager	125
Senior Professional	125
Principal Professional	145

Laboratory Testing

Laboratory Technician	\$65 or Per Test
(Unit prices for routine tests quoted upon request; see Geotechnical Laboratory Testing and Materials Testing Services Schedules of Fees)	

Office Support

Clerical/Word Processing	\$60
Drafting	65
CAD Operator/Drafting Manager	70

Overtime and special shift rates for Field Technical Services personnel are determined in accordance with Prevailing Wage law. Travel time to and from the job site will be charged at the hourly rates for the appropriate personnel.

Expenses

1. Exploration expenses (drilling, trenching, etc.) are charged at cost plus ten percent.
2. Travel and subsistence expenses (transportation, room and board, etc.) for individuals on projects requiring travel and/or living 50 miles away from the project site are charged at cost plus ten percent.
3. Other out-of-pocket direct project expenses (aerial photos, long-distance telephone calls, permits, bonds, outside printing services, tests, etc.) are charged at cost plus ten percent.

Invoices

1. Invoices will be submitted to the Client on a monthly basis, and a final bill will be submitted upon completion of services.
2. Payment is due upon presentation of invoice and is past-due thirty days from invoice date. In the event Client fails to make any payment to Converse when due, Converse may immediately cease work hereunder until said payment, together with a service charge at the rate of eighteen percent per annum (but not exceeding the maximum allowed by law) from the due date, has been received. Further, Converse may at its sole option and discretion refuse to perform any further work irrespective of payment from Client in the event Client fails to pay Converse for services when said payments are due.
3. Client shall pay attorneys' fees or other costs incurred in collecting any delinquent amount.

General Conditions

The terms and provisions of the Converse General Conditions are incorporated into this fee schedule as though set forth in full. If a copy of the General Conditions does not accompany this fee schedule, Client should request a copy from this office.

CONVERSE CONSULTANTS
City of Commerce
Schedule of Fees
Materials Testing Services

Compensation for laboratory testing services will be based on rates in accordance with this schedule. Costs of tests not on this schedule will be by quote and/or in accordance with our current hourly fee schedule. Our services will be performed in accordance with the General Conditions. This fee schedule is valid through January 31, 2014.

AGGREGATES

Moisture Content (ASTM D2216)	\$10.00
Particle Size Analysis	
▪ Coarse (ASTM C136), each.....	60.00
▪ Coarse and fine (ASTM C136 & 137), each	140.00
▪ Specific Gravity & Absorption	
▪ Coarse Aggregate (ASTM C127).....	80.00
▪ Fine Aggregate (ASTM C128)	80.00
▪ Unit weight per cubic foot (ASTM C29)	50.00
▪ Soundness-Sodium or Magnesium (ASTM C88),each..	200.00
▪ Potential Alkali Reactivity (ASTM D289).....	300.00
▪ Freeze Thaw Soundness	175.00
▪ Los Angeles Abrasion, per class (ASTM C131, C535)..	210.00
▪ Sand Equivalent (ASTM D2419).....	70.00
▪ Lightweight Particles (ASTM C123), each	75.00
▪ Clay Lumps and Friable Particles (ASTM C142), each .	100.00
▪ Stripping test (ASTM D1664), each	65.00
▪ Organic impurities (ASTM C40).....	60.00
▪ Durability	By Quote

CONCRETE TESTS

Laboratory Trial Batch (ASTM C192).....	By Quote
Laboratory Mix Design, historical data	By Quote
Compression Test, 6" x 12" cylinder (ASTM C39), each	23.00
Light Weight Concrete	
▪ Compression	23.00
▪ Unit Weight.....	23.00
Specimen preparation, trimming or coring, each.....	45.00
Bond Strength (ASTM C321)	
▪ Prepared by Converse	120.00
▪ Prepared by Others.....	60.00
Core Compression Test (ASTM C12), each.....	45.00
Flexure test, 6"x 6" beams (ASTM C78), each.....	60.00
Modulus of Elasticity - Static (ASTM C469), each.....	110.00
Length Change (3 bars, 5 readings each, up to 26 days) (ASTM C157).....	250.00
Splitting Tensile, 6" x 12" cylinders, each.....	50.00
Field Concrete Control (sampling, slump, temperature, cast 4 cylinders, molds, cylinder pick-up, within 10 mi. of office, stand-by extra) ASTM/UBC, hourly rate schedule, or each Cylinder	70.00
Field Concrete Control (same as above plus air content test) ASTM/UBC, hourly rate schedule, or each Cylinder	80.00
Hold Cylinder	7.00
Cylinder Mold sent to job site but not casted by Converse or returned to Converse	5.00

MASONRY (ASTM C140, E447, UBC STANDARD 24-22)

Moisture Content, as received, each	20.00
Absorption, each	50.00
Compression, each	40.00
Shrinkage (ASTM C426), each.....	90.00
Net Area and Volume, each	25.00
Masonry Blocks, per set of 9	650.00
Masonry Core Compression, each	45.00
Masonry Core Shear, each.....	50.00
Masonry Core Trimming, each	45.00
Compression Test, grouted prisms, 8" x 8" x 16", each	110.00
Compression Test, grouted prisms,	

12" x 16" x 16", each	140.00
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Compression Test

▪ 2" x 4" Mortar Cylinder, each	23.00
▪ 3" x 6" Grout Prisms, each.....	23.00
▪ 2" Cubes (ASTM C109), each.....	23.00
Cast by others.....	23.00
Mortar or Grout Mix Designs	By Quote

FIREPROOFING TESTS

Oven Dry Density (per sample)	50.00
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MOISTURE EMISSION TEST

Moisture Emission Test Kit	35.00
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ASPHALTIC CONCRETE

Stability, Flow, and Unit Weight, ASTM D6927	150.00
Marshall ASTM D1559, ASTM D2726.....	150.00
Measured Maximum Specific Gravity of Mix (ASTM D2041) (Rice Method), each.....	75.00
Void Analysis of Cores or Marshall Specimens	
Calculations Only (ASTM D3203) set of 2 or 3	35.00
Laboratory Mixing of Asphalt & Concrete, per sample.....	50.00
Complete Asphalt Concrete Mix Design (Hveem or Marshall).....	By Quote
Extraction of Asphalt and Gradation (ASTM D2172, Method B)	
Or California 310, including ash correction, each	150.00
Extraction of Rubberized Asphalt and Gradation, each	170.00
Specific Gravity (ASTM D2726 or ASTM D1188)	
▪ uncoated	85.00
▪ coated	95.00
Immersion-Compression.....	400.00
Particle coating (ASTM 2489).....	45.00
Stripping (ASTM D1664)	50.00
Moisture or Volatile Distillates in paving mixtures, or materials containing petroleum products or byproducts.....	
Retained Strength (ASTM D1074/D1075) 6 specimens	By Quote
Retained Stability, Mil, Std, 520A, Method 104, 6 specimens	By Quote
CBR, ASTM D1883, including M/D curve, 1 point.....	210.00
Asphalt Temperature	15.00

STRUCTURAL STEEL

Tensile Test, #9 Bar or Smaller, each	45.00
Bend Test, #9 Bar or Smaller, each	40.00
Tensile Test, #10 or Greater, each.....	215.00
Tensile Test, #18 Bar, each.....	310.00
Rebar coupler tensile test.....	65.00
Tensile Test, Welded #9 Bar or Smaller, each.....	50.00
Tensile Test, Welded #10 Bar or larger, each.....	215.00
Tensile Test, Welded #18 Bar, each	310.00
Tensile Test, Mechanically Spliced Bar, #9 Bar or Smaller, each	150.00
Tensile Test, Mechanically Spliced Bar, #10 or larger, each .	310.00

HIGH STRENGTH BOLT, NUT, AND WASHER TESTING

Wedge Tensile Test for A490 Bolts	
Under 100,000 lbs, each	45.00
Over 100,000 lbs, each	55.00

HIGH STRENGTH BOLT, NUT, AND WASHER TESTING,
continued

Wedge Tensile Test for A325 Bolts

Under 100,000 lbs, each.....	50.00
Tensile Test – Anchor Bolts, tested with displacement transducers, each	300.00
Nut - Hardness, Proof, and Cone Proof Load Test, each	50.00
Washer - Hardness, each	30.00
A325 or A490 – Bolt hardness only, each	35.00
Bolt A325 or A490	
Wedge Tensile Under 100,000 lbs, and Hardness, each....	80.00
Wedge Tensile Over 100,000 lbs, and Hardness, each...	100.00
Bolt, Nut, and Washer - All Tests per set with bolts	
Under 100,000 lbs.	250.00
Over 100,000 lbs.	350.00

NOTES:

- (1) See *Geotechnical Laboratory Testing Schedule of Fees* for soil testing.
- (2) Hourly rates are available upon request.
- (3) Field laboratory rates are available upon request.
- (4) Listed unit rates are based upon the assumption that samples will be delivered to our laboratory at no cost to Converse.

CONVERSE CONSULTANTS
City of Commerce
Schedule of Fees
Geotechnical Laboratory Testing

Compensation for laboratory testing services will be made in accordance with this fee schedule. Costs of tests not on this schedule will be by quote and/or in accordance with our current hourly fee schedule. The rates are based on non-contaminated soil. A surcharge will be charged for handling contaminated material, which will be determined based on the project.

IDENTIFICATION AND INDEX PROPERTIES TESTS

Visual Classification, ASTM D2488	8.00
Engineering Classification, ASTM D2487	15.00
Moisture Content	
▪ Moisture Content & Dry (Bulk) Density, ASTM D2216 & D2937	15.00
▪ Moisture Content, ASTM D2216.....	10.00
Shrinkage Limit, ASTM D427	85.00
Atterberg Limits, ASTM D4318	
▪ Several points.....	80.00
▪ One point.....	40.00
Particle Size Analysis, ASTM D422	
▪ Fine Sieve (From +#200 to #4).....	80.00
▪ Coarse Sieve (From +#200 to 3 in)	80.00
▪ Hydrometer.....	85.00
Percent Passing #200 Sieve, ASTM D1140	45.00
Specific Gravity	
▪ Fine (passing #4 sieve), ASTM D854.....	70.00
▪ Coarse (retained on #4 sieve), ASTM C127.....	70.00
Sand Equivalent Test	75.00
Double Hydrometer Dispersion, ASTM D4221	150.00

COMPACTION AND BEARING STRENGTH

Standard Proctor Compaction, ASTM D698 or ASTM D1557-91	
▪ Method A or B	105.00
▪ Method C (6-inch mold).....	115.00
California Impact Method (Caltrans 216).....	200.00
R-value, ASTM D2844.....	200.00
California Bearing Ratio (CBR), ASTM D1883	
▪ 1 point	125.00
▪ 3 point	325.00
Relative Density	
▪ 0.1 cubic foot mold	200.00
▪ 0.5 cubic foot mold	300.00

SHEAR STRENGTH

Torvane/Pocket Penetrometer.....	20.00
Direct Shear (per point)	
▪ Quick Test	60.00
▪ Consolidated - Drained (granular soil) ASTM D3080	140.00
▪ Consolidated - Drained (fine grained soil), ASTM D3080	200.00
▪ Consolidated - Undrained (fine grained).....	120.00
▪ Residual Strength, per Cycle.....	45.00
▪ Remolded Specimens, per specimen	45.00

STATIC UNIAXIAL AND TRIAXIAL STRENGTH TESTS (PER POINT)

Unconfined Compression, ASTM 2166	75.00
Unconsolidated - Undrained, ASTM D2850.....	110.00
Consolidated – Undrained (per point).....	700.00
Consolidated – Drained (per point).....	700.00
With Pore Pressure Measurement, per load.....	150.00
Remolded Specimens, per specimen	45.00

CONSOLIDATION AND SWELL COLLAPSE TESTS

8 Load Increments	180.00
Additional load increment	30.00
Time-Ratio, per load increment	60.00
Single Point (collapse test).....	60.00
Single Load Swell, ASTM D4546	
▪ Ring Sample, Field Moisture.....	65.00
▪ Ring Sample, Air Dried.....	65.00
Remolded Sample, per specimen	45.00
Expansion Index Test, UBC 29-2/ASTM D4829.....	80.00

HYDRAULIC CONDUCTIVITY TESTS

Constant Head, ASTM D2434.....	250.00
Falling Head Flexible Wall, ASTM D5084	300.00
Triaxial Permeability, EPA 9100.....	350.00
Remolded Specimen, per specimen.....	50.00

CHEMICAL TESTS

Corrosivity (pH, resistivity, sulfates, chlorides).....	150.00
Organic Content, ASTM D2974.....	65.00

Conditions: Unit rates presented on this fee schedule are for routinely performed geotechnical laboratory tests. Numerous other earth material physical tests can be performed in our geotechnical laboratories, including rock core, soil cement and soil lime mixture tests. Tests not listed can be quoted upon request. This fee schedule is valid through January 31, 2014.

Prices are based on the assumption that samples are uncontaminated and do not contain heavy metals, acids, carcinogens and/or volatile organics which can be measured by an organic vapor analyzer or photoionization detector with a concentration greater than 50 parts-per-million (ppm). Quoted testing fees are based on the assumption that no protective clothing will be required to handle samples. If Level D protective clothing will be required during handling of samples (as defined in the Federal CFR Part 1910.120), then a 40% increase in fees presented in this schedule will be applied. Level C protective clothing will be a 60% increase in fees. Converse will not handle samples that require either Level B or Level A protection in our geotechnical laboratories. Contaminated samples will be returned to the client. Uncontaminated samples will be disposed of 30 days after presentation of test results. The client must disclose the source of samples. Samples imported from out of state will be incinerated after testing, in accordance with requirements of the United States Department of Agriculture. Soil samples obtained within the State of California currently designated quarantine areas will also be incinerated in accordance with the requirement of the State of California, Department of Food and Agriculture, Division of Plant Industry, Pest Exclusion. A \$5.00 incineration fee will be added to each sample that is required to be incinerated in accordance with State and Federal law.

Test results requiring plots will be presented in a publishable format generated from computer programs. Otherwise, raw test numbers will be presented. A minimum laboratory fee of \$50.00 will be charged to present and mail test results. Beyond the standard U. S. Mail delivery, specialized transmittal will be charged at additional cost (e.g., Federal Express, UPS, etc.). Geotechnical testing does not include engineering and/or geologic review and analysis. Typical turn-around for geotechnical laboratory testing is two weeks (or roughly ten working days). To expedite test turn-around to five working days, a 50% increase in the fees in this schedule will be applied. Many geotechnical tests require at least one week to perform in accordance with the ASTM or other standard specifications. Fees presented in this schedule for relatively undisturbed direct shear, consolidation or expansion pressure tests are based on the assumption that 22-inch-diameter (2.416-inch inside diameter) brass ring samples will be provided to the geotechnical laboratory for testing. Remolded specimens will be compacted in standard 2.5-inch outside diameter brass rings for direct shear, consolidation and expansion pressure tests. All fees presented in this schedule are based on the assumption that the client will deliver samples to our laboratory at no additional cost to Converse.

Invoices will be issued monthly and are payable on receipt unless otherwise agreed upon. Interest of 1.5% per month (but not exceeding the maximum allowed by law) will be payable on any amount not paid within thirty days; payment thereafter to be applied first to accrued interest and then to the principle unpaid amount. The Client shall pay any attorneys' fees or other costs incurred in collecting any delinquent amounts.

CONVERSE CONSULTANTS

General Conditions –

Right of Entry

Client warrants to Converse that it has full legal right to authorize Converse's entry upon the real property where Converse's services are to be performed ("Site" herein) and upon all property, if any, required for ingress and egress to the Site.

Client authorizes Converse to enter upon the Site and such adjoining property as is necessary to allow Converse to perform its services.

Converse will take reasonable precautions to minimize any damage to the Site; however, Client acknowledges that during the normal course of the performance of Converse's services, some damage to the Site may occur. The correction of any damage to the Site (surface or subterranean) shall be the obligation of the Client.

Information Supplied by Client

Client warrants the accuracy of any information supplied by it to Converse, acknowledges that Converse will not verify the accuracy of such information, and agrees that Converse is entitled to rely upon any such information.

Client shall immediately notify Converse in writing of any data, information or knowledge in the possession of or known to Client relating to conditions existing at the Site and shall provide Converse with the location, size and depth of any and all underground tanks, piping or structures existing upon the Site.

Client shall defend, indemnify and save harmless Converse, its officers, agents and employees from and against any and all claims, costs, suits and damages, including attorneys' fees, arising out of errors, omissions and inaccuracies in documents and information provided to Converse by Client.

Ownership of Data and Documents; Samples

All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates and other documents prepared by Converse shall remain the sole property of Converse.

Client shall have the right to the use of all data, recommendations, proposals, reports, design criteria and similar information provided to it by Converse ("information" herein); provided, however, that the information shall not be used or relied upon by any party other than Client, save and except as may be required by the design and licensing requirements of the project for which the information is provided; further, such use shall be limited to the particular site and project for which the information is provided. To the extent Client utilizes Converse's information by providing or making the same available to any third party (a) Client agrees to give written notice to any such third party that it may not utilize or rely on any aspect of Converse's information and (b) Client agrees to defend, indemnify and hold Converse harmless against any and all claims, demands, costs, losses, damages and expenses, including attorneys' fees, that may be asserted against or sought from Converse by any such third party.

Client's right to the use of the information is expressly conditioned upon Client's prompt payment to Converse of all sums due under the Client/Converse agreement. In the event of Client's nonpayment or partial payment of said amounts, Client agrees that it shall not use any of the information for any purpose whatsoever and shall return the same to Converse within 2 business days upon demand.

Converse will retain all samples of soil, rock or other materials obtained in the course of performing its services for a period of thirty (30) days. Thereafter, further storage or transfer of samples to Client may be made at Client's expense upon written request from Client to Converse received by Converse prior to the expiration of the 30-day period.

Converse shall retain permanent records relating to the Converse services for a period of five (5) years following submittal of Converse's report, during which period the records will be made available to Client upon reasonable notice given by Client and upon payment to Converse of an amount sufficient to reimburse Converse for its necessary and reasonable expenses in making said records available.

Standard of Care and Professional Responsibility

Client acknowledges that the services to be performed by Converse involve the use of tests, calculations, analyses and procedures which are in a constant state of development, improvement and refinement and that, as such, improvements, changes in methods, and modifications of procedures have been made in the past, are now being made, and are expected to continue to be made in the future.

Further, Client recognizes that, while necessary for investigations, commonly used exploration methods, such as drilling borings or excavating trenches, involve an inherent risk. For example, exploration on a site containing contaminated materials may result in inducing cross-contamination, the prevention of which may not be complete using presently recognized sealing methods.

Client recognizes that the state of practice, including but not limited to the practice relating to contamination or hazardous waste conditions, is changing and evolving and that standards existing at the present time may subsequently change as knowledge increases and the state of the practice continues to improve.

Client recognizes that projects containing contaminated materials may not perform as anticipated by Client, even though Converse's services are performed in accordance with the level of care and skill required of it. Further, certain governmental regulations relating to hazardous waste sites may purport to require achievement of results which cannot be accomplished in an absolute sense. It is recognized that a satisfactorily designed, constructed and maintained monitoring system may assist in the early detection of environmental changes allowing for early correction of problems. Unless it is specifically included in the scope of services to be performed by Converse, Client understands that Converse shall not perform such monitoring.

The services to be provided by Converse pursuant to the agreement to which these General Conditions are a part shall be provided in accordance with generally accepted professional engineering, environmental, and geologic practice in the area where these services are to be rendered and at the time that services are rendered. Client acknowledges that the present standard in the engineering and environmental professions does not include, and Converse does not extend to Client, a guarantee of perfection of the work contemplated hereby; further, that even in the exercise of normal and reasonable care, errors or omissions may from time to time occur. Except as expressly set forth in these General Conditions, no other warranty, express or implied, is extended by Converse.

Converse shall have no duty to supervise, coordinate or otherwise be involved in the performance of services or work by any third party consultant, contractor or subcontractor.

Where Converse's services involve field observation of grading, filling and compaction (or any of them), it is agreed:

- a. That Converse shall in no way be responsible for the manner in which such work is performed by any third party.
- b. That in the event Converse is to provide periodic observation, Client acknowledges that Converse cannot be responsible for any work performed at a time or times when Converse was not performing its observation services. Converse will not provide an opinion concerning the performance of any third party, save and except to the extent that said work was in fact observed and testified by Converse during the course of construction.
- c. That where Converse's services include continuous observation, Client agrees not to allow grading, filling or compaction to be performed at any time or times when Converse is not physically present upon the Site and shall restrict the amount and extent of such grading, filling and compaction to that which can be properly observed by Converse personnel present on the Site.
- d. That in the event Converse is to conduct test borings for Client, Client acknowledges that the accuracy of said test borings relates only to the specific location in which the boring itself was performed and that the nature of many sites is such that differing subsurface soil characteristics can be experienced within a small distance. As such, Client acknowledges that greater accuracy is obtained when the number of test borings is increased.

Technical Limitations

Client acknowledges and agrees that: (1) it is unreasonable to expect Converse to be able to completely evaluate subsurface conditions, even after the most comprehensive exploratory program; (2) site conditions change frequently due to the passage of time, human activities, and climatic conditions and uncertainties are therefore inherent in the nature of Converse's services and impossible to avoid; (3) the identification of geotechnical and environmental conditions and the prediction of future or concealed conditions is an inexact scientific endeavor; (4) the state of the art of geotechnical and environmental practice is such that Converse cannot guarantee that its recommendations will prove adequate on this project and the Client assumes the risk of any such failure, except as otherwise provided in these General Conditions and that (5) these General Conditions contains specific LIMITATIONS OF LIABILITY.

Indemnity of Client and Limitation of Liability

Converse shall indemnify Client, its officers, directors, agents or employees from any claim, demand or liability arising from personal injury or property loss or damage caused by the sole negligence or willful misconduct of Converse.

Anything to the contrary in the agreement to which these General Conditions are attached or in these General Conditions notwithstanding, Converse's liability shall be limited to the lesser of the fees charged to Client by Converse for the services performed for Client, or the sum of fifty thousand dollars. Client may, at its option, increase the maximum amount for which Converse shall be liable by payment of an additional fee. For the maximum liability sum of one hundred thousand dollars, the additional amount to be paid shall be four percent of the total Converse fee charged hereunder; for the maximum liability sum of one million dollars, the additional amount to be paid shall be five percent of the total Converse fees charged hereunder Client acknowledges and agrees that its recovery, if any, shall be satisfied, in the first instance, from the proceeds of Converse's insurance, and to the extent of any deficiency in the available insurance proceeds, then and only then, by Converse.

Client acknowledges that Converse has agreed to charge Client a reduced fee for services in exchange for the above limitation of liability and that said reduction in fees is consideration for said limitation.

Client shall defend and save harmless Converse, its officers, directors, agents and employees from all liability, claims and demands, including expenses of suit and reasonable attorneys' fees arising from personal injuries, including disease and death, property loss or damage, injury to others (including personnel of Client, Converse or subcontractors performing work hereunder), and air or ground pollution or environmental impairment arising out of or in any manner connected with or related to the performance of Converse's services, except where there is a judicial determination that such injury, loss or damage shall have been caused by the sole negligence or willful misconduct of Converse. Client acknowledges that Converse has charged Client a reduced fee for services to be performed by it in exchange for this hold harmless and that the reduction in fees is consideration for said hold harmless provision.

Converse will not be liable for consequential damages of any kind, nature or description.

Hazardous Waste, Pollution and Health Hazard Projects ("Hazardous Projects" Herein)

Prior to the commencement of services by Converse on any hazardous project, Client agrees to advise Converse in writing of any known hazardous waste or materials existing on or near the Site or if any of said services are to be performed in an area where dust, fumes, gas, noise, vibrations or other particulate or nonparticulate matter is in the atmosphere where it raises a potential or possible health hazard or nuisance to anyone working within the area.

Anything in these General Conditions notwithstanding, Client shall indemnify and hold Converse, its officers, directors, agents, servants and employees, harmless from any claim, demand or action brought by any party whomsoever, including employees of Converse which claim, demand or action is based upon injury or damage caused or alleged to have been caused by hazardous wastes or hazardous materials whether or not such waste or materials were known to exist prior to the commencement of services.

Client agrees to be responsible for the removal and disposal of any hazardous waste uncovered as a result of the site investigation, including drill cuttings, unless specifically included within the scope of work

It is agreed that the discovery of unanticipated hazardous materials constitutes a changed condition mandating an immediate renegotiation of the scope of services or termination of services. Converse will at all times endeavor to perform in a faithful and trustworthy manner. Client understands that Client or Converse may be required by local and/or state and/or federal statute to report the discovery of hazardous materials to a government agency. Client also understands that Converse may be required by local and/or state and/or federal statute to report the discovery of hazardous materials to a government agency, and that Converse, when practical, will do so only after notifying Client. In the event Converse discovers hazardous material that we believe poses an immediate threat to public health and safety, Converse will use its best judgment to notify appropriate emergency personnel for immediate containment. Client agrees to take no action of any kind against Converse when Converse makes a good-faith effort to fulfill its obligations.

Client's Responsibilities

Client shall immediately provide Converse with full information in writing as to Client's requirements for the services to be provided by Converse and shall designate in writing within five (5) days of the effective date of the agreement to which these General Conditions are a part, a representative to act on Client's behalf in conjunction with the services to be provided hereunder. Client shall promptly review all documents, reports, data and recommendations submitted by Converse and shall communicate with Converse concerning such reviews for the purpose of avoiding delay in the performance of the services to be rendered by Converse.

Client shall notify any third party who may perform on the Site of the standard of care being undertaken by it pursuant hereto and of the limitations of liability contained herein. Client shall require as a condition to the performance of any such third party a like indemnity and limitation of liability on their part against Converse.

Confidentiality

Converse shall hold all information provided to it by Client and the results of the work performed by it confidential and shall not disclose the same to any third party except where required by Governmental regulatory agencies or as otherwise required by law.

Disputes

Converse shall have the right to bring a legal action in a state or federal court against Client for any sums due or alleged to be due to it or for services rendered. Except for this right, Converse and Client agree that as an express condition to the right of either party to bring a legal action against the other, they shall first submit any dispute to mediation by a neutral person acceptable to both parties.

Each party shall bear its own attorneys' fees, costs and other expenses, except that each party shall be responsible and pay for one-half of the costs and expenses of the mediator. In the event that legal action is required, the prevailing party shall be entitled to recover all of its costs incurred in connection therewith including, without limitation, staff time, court costs, attorneys' fees, consultant and expert witness fees and any other related expenses. In this regard, in order to make the prevailing party whole, the parties acknowledge and agree that the prevailing party shall be entitled to recover all of its costs incurred in connection with the legal action and shall not be limited to "reasonable attorneys fees" as defined in any statute or rule of court.

The obligations, responsibilities, warranties and liabilities of the parties shall be solely those expressly set forth herein. Remedies and limitations of liability shall apply regardless of whether an action is brought in contract, or is based on either party's negligence, or another theory of law. All of the rights, remedies, obligations, terms, conditions and limitations of liability stated herein shall extend collectively to and be binding upon the parties' partners, joint ventures, licensors, successors, assigns, insurers, and affiliates. Client and Converse agree that any legal action with respect to the services to be performed under these General Conditions shall be brought against the parties, and not against individual officers, employees or former employees of the parties. All legal actions by either party against the other for breach of these General Conditions or for the failure to perform in accordance with the applicable standard of care, however framed, that are essentially based upon such breach or failure shall be barred two (2) years from the time claimant knew or should have known of its right to make a claim, but, in any event, not later than four (4) years from substantial completion of Converse's services.

Jobsite Safety

Converse shall be responsible for its activity and that of its employees on the Site. This shall not be construed to relieve the Client, its general contractor or any subcontractor of their obligation to maintain a safe jobsite.

Neither the professional activities nor the presence of Converse or its employees and subcontractors shall be understood to control the operations of others, nor shall it be construed to be an acceptance of the responsibility for jobsite safety.

Converse will not direct, supervise or lay out the work of the Client, contractor, or any subcontractors. Converse's services will not include a review or evaluation of the adequacy of the contractor's safety measures on or near the Site.

Schedules

Unless otherwise specified in the agreement, Converse shall be obligated to perform within a reasonable period of time. Converse shall not be responsible for delays in the completion of its services created by reason of any unforeseeable cause or causes beyond the control and/or without the fault or negligence of Converse, including but not restricted to acts of God or the public enemy, acts of the Government of the United States or of the several states, or any foreign country, or any of them acting in their sovereign capacity, acts of other contractors with Client, fire, floods, epidemics, riots, quarantine restrictions, strikes, civil insurrections, freight embargoes, and unusually severe weather.

Should completion of any portion of the services to be rendered by Converse be delayed beyond the estimated date of completion for any reason which is beyond the control of or without default or negligence of Converse, then and in that event Client and Converse shall mutually agree on the terms and conditions upon which the services may be continued or terminated.

Invoices

Converse shall submit monthly progress invoices to Client, and a final bill shall be submitted upon completion of the services. Within thirty (30) days after receipt of an invoice, Client shall pay the full amount of the invoice. If Client objects to all or any portion of any invoice, it shall so notify Converse of the same within fifteen (15) days from the date of receipt of said invoice and shall pay that portion of the invoice not in dispute, and the parties shall immediately make every effort to settle the disputed portion of the invoice.

If Client fails to make payment within thirty (30) days after receipt of an invoice, then Client shall pay an additional monthly service charge of one and one-half percent (1½ %) on all such amounts outstanding. The additional charge shall not apply to any disputed portion of any invoice resolved in favor of Client. In the event Client fails to pay any undisputed amount to Converse when due, Converse may immediately cease work until said payment together with a service charge at the rate of 1½ % per month, as specified above, from the due date has been received. Further, Converse may, at its sole option and discretion, refuse to perform any further work irrespective of payment from Client.

In the event that all or any portion of the 1½ % service charge provided for herein is deemed to be an interest charge, then and in that event said interest charge shall be limited to the maximum amount legally allowed by law.

Client acknowledges Converse's fee schedules are revised annually and agrees that the fee schedule in effect at the time the services are performed shall apply to such services.

Insurance

Converse represents that it now carries, and will continue to carry during the term of the contract to which these General Conditions are a part, Workers Compensation insurance and that, if requested, Converse shall provide to Client certificates as evidence of the aforementioned insurance.

Assignments

Client shall not assign this contract or any portion thereof to any other person or entity without the express written consent of Converse. Nothing contained in this contract or any part thereof shall be construed to create a right in any third party whomsoever, and nothing herein shall inure to the benefit of any third party.

Severability

If any provision of these General Conditions is finally determined to be contrary to, prohibited by, or invalid under applicable laws or regulations, such provision will be renegotiated so as to give effect to the intent of the parties to the maximum possible extent. Such determination and renegotiation shall not affect or invalidate the remaining provisions or these General Conditions.

Governing Law

These General Conditions shall be governed by and construed under the laws of the State of California.



AGENDA REPORT

Meeting Date: 11/20/2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AMENDING RESOLUTION NO. 10-49, ADOPTING A CITY OF COMMERCE FEE SCHEDULE, AS AMENDED, TO INCLUDE THE THIRD-YEAR FEE INCREASES IDENTIFIED IN THE IMPLEMENTATION PLAN APPROVED THEREUNDER; ELIMINATE THE AQUATIC CENTER ADMISSION FEE FOR RESIDENTS AND INCREASE THE FEE FOR RESIDENT ACTIVITY CARDS

RECOMMENDATION:

Approve and adopt the Resolution amending Resolution No. 10-49 by adopting the annual fee schedule with previously adopted fee increases phased in and including the amendments relating to the Aquatic Center admission fee for residents and the increase in the fee for Resident Activity Cards and assign the number next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND:

The City of Commerce fee schedule is updated and adopted annually. The attached fee schedule includes increases previously adopted by Council to be phased in over time.

This schedule also includes the Parks Commission's recommendation to Council of the following:

- Eliminate the \$.50 Aquatorium admission fee (\$5,455 in revenue)
- Increase the cost of each of the three Resident Activity Cards by \$2 to compensate for the loss in revenue.

The Parks and Recreation department supports the recommendation of the Parks and Recreation Commission to discontinue the collection of the \$.50 entrance fee as well as the increase in cost of each of the three Resident Activity Cards, which will compensate for the revenue loss.

Staff has also performed a survey of fees charges in other Cities as part of the review of the fee schedule and the Strategic Planning Process. Based on this review staff is not proposing any additional changes to the fee schedule at this time.

ANALYSIS:

It is recommended that the Council review and adopt the City of Commerce Fee Schedule (attached).

FISCAL IMPACT:

If the fee schedule is adopted as presented there would be several fee increases that would have a nominal positive impact on revenues.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

This item is associated with Council's Strategic Objective 2: Grow revenues to ensure all expenses are being met so that we can remain fiscally responsible and continue to provide services to the residents.

Respectfully submitted,



Jorge J. Rifá
City Administrator

Recommended by:



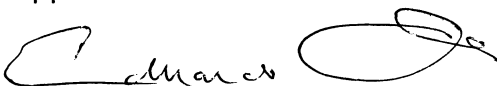
Linda Kay Olivieri, MMC
City Clerk

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to form:



Eduardo Olivo
City Attorney

RESOLUTION _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AMENDING RESOLUTION NO. 10-49, ADOPTING A CITY OF COMMERCE FEE SCHEDULE, AS AMENDED, TO INCLUDE THE THIRD-YEAR FEE INCREASES IDENTIFIED IN THE IMPLEMENTATION PLAN APPROVED THEREUNDER; ELIMINATE THE AQUATIC CENTER ADMISSION FEE FOR RESIDENTS AND INCREASE THE FEE FOR RESIDENT ACTIVITY CARDS

WHEREAS, at its meeting of July 6, 2010, the City Council approved and adopted Resolution No. 10-49, adopting a City of Commerce Fee Schedule, and

WHEREAS, at its meetings of September 28, 2010; November 2, 2010; May 17, 2011, and September 6, 2011, the City Council approved and adopted, respectively, Resolution Nos. 10-64, 10-81, 11-37 and 11-71 amending Resolution No. 10-49, adding certain fees to the City of Commerce Fee Schedule, and

WHEREAS, the Parks & Recreation Commission is recommending, and the Parks & Recreation Department supports, the elimination of the \$.50 Aquatics Center admission fee for residents; and

WHEREAS, the Parks & Recreation Commission is also recommending, and the Parks & Recreation Department supports, an increase in the cost of each of the three Resident Activity Cards by \$2.00 to compensate for a loss in revenue, and

WHEREAS, Appendix A, entitled "City of Commerce Fee Schedule", to Resolution No. 10-49, as amended, to include the recommended changes noted above and the third-year fee increases identified in the Implementation Plan as originally approved on Appendix A to Resolution No. 10-49.

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

Section 1. Appendix A to Resolution No. 10-49, as amended, is hereby amended in its entirety and replaced by the attached Appendix A, entitled "City of Commerce Fee Schedule".

Section 2. Except as provided herein, Resolution No. 10-49, as amended, shall remain in full effect and force.

Section 3. The "City of Commerce Fee Schedule", as approved and adopted in Resolution No. 10-49, and as amended herein, is not intended to depict all of the fees established by the City of Commerce and, except as may be increased and/or established thereby and herein, respectively, all other fees established by the City Council shall remain in full force and effect.

Section 4. This Resolution shall become effective immediately upon adoption.

Section 5. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

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

Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

Fiscal Year 2012-13 Fee

Fee Description

Fee Header

Department

<u>Department</u>	<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>	<u>Effective Date of New or Amended Fee</u>
	Refuse Fee	Residential		
	Refuse Franchise Fee	Commercial	11.00%	
	Council Chambers/City Facility Rental- half day	Commercial	140.00	
	Council Chambers/City Facility Rental- full day	Commercial	200.00	
Community Development- Building & Safety	Building Permit	Building Permit Issuance Fee	20.00	
	Building Permit	Building Permit Fee is based on valuation and set forth in tables with incremental values as adopted by Council Resolution No. 92-33		
	Plan Check	Plan Check Fee is 85% of Building Permit Fee		
Community Development- Planning		General Plan Amendment	1,000.00	
		Zone Change	1,000.00	
		Zoning Ordinance Amendment	1,000.00	
		Zoning Clearance Fee	100.00	
	Subdivision	Parcel Map (4 or less lots)	2,000.00	

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>
Subdivision	Tract Map (5 or more lots)	2,000.00
Subdivision	Lot Line Adjustment-Commercial	750.00
Subdivision	Lot Line Adjustment-Residential	500.00
Subdivision	Lot Combination	-
Plot Plan	Site Plan Review-Non-residential	750.00
Plot Plan	Site Plan Review-Residential	250.00
Conditional Use Permit	Conditional Use Permit	1,000.00
Conditional Use Permit	ABC and Temporary Trailer	1,000.00
Conditional Use Permit	Conditional Use Permit Modification	1,000.00
Variance	Non-residential	1,000.00
Variance	Residential	500.00
Variance	Additional Variances	100.00
Modification of Standards	Non-residential	250.00
Modification of Standards	Residential	150.00
	Home Occupation Permit	100.00

Department
Community Development-
Planning

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

<u>Department</u>	<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>
Community Development- Planning	Sign Permit	Temporary Sign Permit	25.00
	Sign Permit	Sign Permit Fee	50.00
		Temporary Use Permit	75.00
		Special Use Permit	75.00
		Time Extensions	200.00
	Appeals of Planning Commission Decision	Non-residential- Fee is cost of Application	
	Appeals of Planning Commission Decision	Residential- Fee is cost of Application	
		Street or Alley Vacation	1,000.00
		Relocation of Structure	500.00
	Environmental Review	EIR Review-If Services Agreement is required, fee is Consultant's cost plus 20%. If not, \$750.	
	Environmental Review	Categorical Exemption	250.00
	Code Enforcement	Public Nuisance Abatement	\$26.75 to \$59.68/hr

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

Fiscal Year 2012-13 Fee

Fee Description

Fee Header

Department

Negative Declaration-If Services Agreement is required, **fee** is Consultant's cost plus 20%. If not, \$500.

Environmental Review

**Community Development-
Planning**

Mitigated Negative-If Services Agreement is required, **fee** is Consultant's cost plus 20%. If not, \$500.

Environmental Review

100.00

Zoning Verification Letter (per parcel)

5.00

Zoning Maps (Small)

25.00

Zoning Maps (Large)

25.00

Dog Licenses - Unaltered

15.00

Dog Licenses - Altered

7.50

Dog Licenses (Seniors) - Altered

110.00

Animal Housing Fees-per week/per animal

Owner Relinquished Live Animals-per animal/City Pick up (Note: \$10/Owner drop-off at County & \$50/County pick-up in Commerce) - Small Animals and Small Litter
Large Animal

20.00

Animal Control

250.00

Community Services

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

<u>Department</u>	<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>
Community Services	Animal Control	Pick-up & Return of Dogs & Cats	1st Impound - \$30 2nd Impound - \$50 3rd Impound - \$100 4th Impound - \$125
	Animal Control	Pick-up of Dogs & Cats - Euthanasia	20.00
	Animal Control	City Pick-up Dead Animals-per animal (Note: \$60 County pick up) - Small Animals Large Animal	20.00 250.00
	Animal Control	Animal Traps - Daily Rental Lost or Damaged Trap	30.00 75.00
	Animal Control	Cat Cage Rental - Industrial-per week Council Chambers/City Facility Rental- half day	10.00 140.00
		Council Chambers/City Facility Rental- full day	200.00
		Rental of Sheriff's Deputies for Business Special Events-per hour	86.00
		Rental of CSS for Business Special Events-per hour	33.00
		Parenting Classes-10 sessions	100.00
		Professional Counseling - Per session	25.00 - 85.00

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

<u>Department</u>	<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>
Community Services		Vehicle Lockout Fees	15.00
		Vehicle Jumpstart Fees	15.00
Library		Burglar Alarm Permits, annual fee	50.00
	Overdue Fines	Most Library Items-Adults	0.25
	Overdue Fines	Most Library Items - Children/Juvenile	0.15
	Overdue Fines	Reference Items-Adults & Children	1.00
	Overdue Fines	Video/Cassette/DVD/CD-Adults & Children	2.00
	Overdue Fines	Maximum Overdue Charge Per Item-Adults & Children	15.00
		Library Card Replacement-Adults & Children	2.00
		Lost Item for Adults & Children-Fee is cost of item plus processing fee	
	Damaged/Non-Repairable	Processing Fee-Adults & Children	5.00
	Damaged/Non-Repairable	Major Damages-Adults & Children-Fee per damage (i.e. missing pages, torn cover)	3.00

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

Fiscal Year 2012-13 Fee

Fee Description

Fee Header

Department

Library	Damaged/Non-Repairable	Other Damages-Adults & Children-Fee per damage (i.e. torn or missing security strip, bar code)	1.00	
		Interlibrary Loans (ILL)-Fee applies to non-residents	2.00	
		Borrowing Privilege Suspended	10.00	
	Basic Activity Card	Resident-per year	12.00	11/21/2012
	Plus Activity Card	Resident-per year	37.00	11/21/2012
	Premier Activity Card	Resident-per year	62.00	11/21/2012
	Industrial Activity Card	Industrial-per month	15.00	
	Aquatics Center	Swim Lessons-2 weeks (10 sessions)	6.00	
	Aquatics Center	Adult Swim Lesson - per session	10.00	
	Aquatics Center	Adult Swim Lesson (non resident) - per session	24.00	
	Aquatics Center	Admission-residents	-	11/21/2012
	Aquatics Center	Admission-non-residents	3.50	
	Aquatics Center	Admission-handicapped	1.00	
	Aquatics Center	Water Aerobics	1.50	

Parks & Recreation

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

Fiscal Year 2012-13 Fee

Fee Description

Fee Header

Department

Parks & Recreation

Pre-School-per session

15.00

Dance Program-per session

15.00

Adult Arts/Crafts-per session

15.00

Aerobics-per session

15.00

Dance Classes-per session

15.00

Baseball

15.00

Sports Program, Youth

Softball

15.00

Sports Program, Youth

Volleyball

15.00

Sports Program, Youth

Flag Football

15.00

Sports Program, Youth

Basketball

15.00

Sports Program, Youth

Soccer

15.00

Sports Program, Youth

Boxing

15.00

Sports Program, Youth

Karate

15.00

Sports Program, Youth

Golf

15.00

Sports Program, Youth

Baseball

Sports Program, Adult

Softball

Sports Program, Adult

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

Fiscal Year 2012-13 Fee

Fee Description

Fee Header

Department

Parks & Recreation

Sports Program, Adult

Basketball

Golf

15.00

Karate

20.00

Boxing

20.00

Sports All Star

25.00

Basketball, monthly

20.00

Baseball, monthly

20.00

Soccer, monthly

20.00

Volleyball, monthly

20.00

Swim Team-per session

15.00

Water Polo-per session

15.00

Karate-per session

20.00

Boxing-per session

20.00

Golf Lesson-per session

25.00

Senior Activities-per session

10.00

Senior Dances, per session

5.00

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

Fiscal Year 2012-13 Fee

Fee Header
Fee Description

Department
Parks & Recreation

15.00
2.00

Performing Arts
Excursions Charge, per session

Industrial Residents & Family Members
- 4 session programs or less-**Fee** is flat rate of \$50 per organized program listed-Parent pays for all entry fees and travel needs

Industrial Residents & Family Members
- 12 session programs-**Fee** is flat rate of \$30 per month-Parent pays for all entry fees and travel needs

Non-Residents - 4 session programs or less-**Fee** is flat rate of \$75 per organized programs listed-Parent pays for all entry fees and travel needs

Non-Residents - 12 sessions programs-**Fee** is flat rate of \$65 per organized programs listed-Parent pays for all entry fees and travel needs

50.00
100.00

Facility/Equipment Rental
Rental of Meeting Rooms-Residents
Rental of Meeting Rooms-Industry

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

<u>Department</u>	<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>
Parks & Recreation	Facility/Equipment Rental	Rental of Meeting Rooms-Non-Resident	200.00
	Facility/Equipment Rental	Rental of Parks-Company Picnics	400.00
	Facility/Equipment Rental	Advance Rental of Picnic Shelters-Residents	10.00
	Facility/Equipment Rental	Advance Rental of Picnic Shelters-Industrial Resident	35.00
	Facility/Equipment Rental	Advance Rental of Picnic Shelters-Non-Resident	50.00
	Facility/Equipment Rental	Rental of Tables & Chairs-Residents	25.00
	Facility/Equipment Rental	Rental of Tables & Chairs-Employees	25.00
	Facility/Equipment Rental	Deposit-Table & Chairs-Employees	50.00
	Facility/Equipment Rental	Rental of Table-Industry-per table	4.00
	Facility/Equipment Rental	Rental of Chairs-Industry-per chair	1.00
	Facility/Equipment Rental	Papering of Tables (optional)	20.00
	Camp Commerce	Camp Day	2.00
	Camp Commerce	Senior Weekend	15.00

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

<u>Department</u>	<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>
Parks & Recreation	Camp Commerce	Camp Weekend	10.00
	Camp Commerce	Camp Week	25.00
	Camp Commerce	Camp Women Fitness-Resident	50.00
	Camp Commerce	Camp Women Fitness-Industry	100.00
	Facility Use Fees	Clean Up Fee	20.00
	Facility Use Fees	Community Centers-Competition	75.00
	Facility Use Fees	Community Centers-Commercial	275.00
	Facility Use Fees	Community Centers-Parking Lots	125.00
	Facility Use Fees	Community Centers-School Group	25.00
	Day Camp	Day Camp Fee	50.00
	Day Camp	Day Camp-Industrial-Full Day	120.00
	Day Camp	Day Camp Late Fee	5.00
	Kids Club	Kids Club-Resident	30.00
	Kids Club	Kids Club-Industrial	50.00
	Kids Club	Bandini-Kinder-Resident-AM	37.00
	Kids Club	Bandini-Kinder-Industrial-AM	47.00

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

<u>Department</u>	<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>
Parks & Recreation	Kids Club	Bandini-Kinder-Industrial-PM	37.00
	Kids Club	Rosewood-Kinder-Resident-PM	27.00
	Kids Club	Rosewood-Kinder-Industrial-PM	37.00
	Facility Use Fees	Deposit-Facility-Standard	50.00
	Facility Use Fees	Extended Use-Aquatics Center	35.00
	Facility Use Fees	Extended Use-Community Center	30.00
	Facility Use Fees	Parking Lot-Aquatics Center- Competition-Night	70.00
	Facility Use Fees	Parking Lot-Aquatics Center- Commercial-Day	150.00
	Facility Use Fees	Parking Lot-Aquatics Center Comercial- Night	275.00
	Facility Use Fees	Parking Lot-Aquatics Center- Competition-Day	35.00
	Facility Use Fees	Parking Lot-Aquatics Center- School- Day	25.00
	Facility Use Fees	Parking Lot-Aquatics Center- School- Night	50.00
	Facility Use Fees	Rental-Aquatics Center-Commercial	275.00

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

**Effective Date of
New or Amended Fee**

Fiscal Year 2012-13 Fee

Fee Description

Fee Header

Department

Parks & Recreation	Facility Use Fees	Rental Aquatics Center-Competition	75.00
	Facility Use Fees	Rental-Aquatics Center-School Group	40.00
	Facility Use Fees	Rental-Gym-Commercial	100.00
	Facility Use Fees	Rental-Gym-Competition	45.00
	Facility Use Fees	Rental-Gym-School	40.00
	Facility Use Fees	Rental-Range-Commercial	150.00
	Facility Use Fees	Rental-Range-Competition	75.00
	Facility Use Fees	Rental-Range-School	40.00
	Facility Use Fees	Rental-Stadium-Commercial-Day	200.00
	Facility Use Fees	Rental-Stadium-Commercial- Night	350.00
	Facility Use Fees	Rental-Stadium-Competition- Day	45.00
	Facility Use Fees	Rental-Stadium-Competition- Night	80.00
	Facility Use Fees	Rental-Stadium-School-Day	40.00
	Facility Use Fees	Rental-Stadium-School-Night	65.00
	Facility Use Fees	Rental-Stadium-Parking Lot	100.00

APPENDIX A - CITY OF COMMERCE FEE SCHEDULE

<u>Department</u>	<u>Fee Header</u>	<u>Fee Description</u>	<u>Fiscal Year 2012-13 Fee</u>	<u>Effective Date of New or Amended Fee</u>
Parks & Recreation	Facility Use Fees	Sleep Over	10.00	
	Facility Use Fees	Staff Cashier	15.00	
	Facility Use Fees	Staff Chief Rangemaster	32.00	
	Facility Use Fees	Staff Rangemaster Aide	15.00	
	Facility Use Fees	Staff Supervising Lifeguard	30.00	
	Facility Use Fees	Staff Instructor Lifeguard	25.00	
	Facility Use Fees	Staff Lifeguard	20.00	
	Facility Use Fees	Staff Supervising Rec Leader	20.00	
	Facility Use Fees	Staff Locker Attendant	12.00	
	Facility Use Fees	Staff Misc.	15.00	
	Family Program (t-shirts)	Scrappers Delight	20.00	



AGENDA REPORT

Meeting Date: November 20, 2012

TO: Honorable City Council

FROM: City Administrator

SUBJECT: Report on the history, prevention, control and reporting of West Nile Virus

RECOMMENDATION:

At the request of Mayor Pro Tempore Baca Del Rio, the City Council will receive and file a report on the history, prevention, control and reporting of West Nile Virus from the Los Angeles County Vector Control District, and take the appropriated action as deemed necessary.

MOTION: Move to approve recommendation.

BACKGROUND:

West Nile virus is transmitted to people and animals through the bite of an infected mosquito. There is no cure for West Nile virus. Approximately one in five people who are infected with West Nile virus will develop symptoms such as fever, headache, body aches, joint pains, vomiting, or rash. Less than one percent will develop a serious neurologic illness such as encephalitis or meningitis. About 10 percent of people who develop neurologic infection due to West Nile virus will die.

Typically West Nile Virus would be winding down, however, WNV activity is not yet tapering off due to early-fall weather in Southern California, which usually consists of a mix of rain and heat: A perfect combination for mosquito breeding. For this reason, residents should continue to take necessary precautions in eliminating mosquito breeding sources around their homes, and protecting against mosquito bites.

At the request of Mayor Pro Tem Baca Del Rio, the City Council will receive a presentation from the Greater LA County Vector Control District to educate the public on the control, reporting and prevention of West Nile Virus in the City of Commerce.

ANALYSIS:

A representative from the Greater L.A. County Vector Control District will discuss its eradication efforts and provide updates on the impacts of West Nile Virus in the region. In addition, the presentation will provide community education on how to prevent the spread of West Nile Virus.

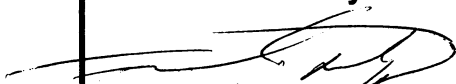
FISCAL IMPACT:

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


RELATIONSHIP TO 2012 STRATEGIC GOALS:

This presentation relates to Strategic Planning Goal #5: Implement Strategic Communication Plan for all Key Stakeholders. Utilizing the televised City Council meeting as a communication platform provides community education and information about West Nile Virus, a key issue important to the City and its stakeholders.

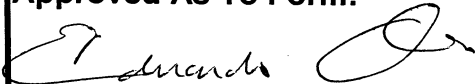
Recommended by:


Fernando Mendoza
Deputy City Administrator

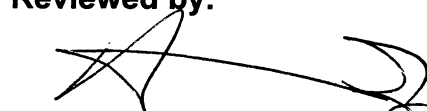
Respectfully submitted,


Jorge J. Rifá
City Administrator

Approved As To Form:


Eduardo Olivo
City Attorney

Reviewed by:


Vilko Domic
Director of Finance



AGENDA REPORT

Meeting Date: November 20, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: REPORT – EMERGENCY PREPAREDNESS EFFORTS RELATED TO A MAJOR EARTHQUAKE

RECOMMENDATION:

At the request of Mayor Leon, the City Council will receive and file a report on Emergency Preparedness efforts related to Earthquakes that may affect the City of Commerce, and take the appropriate action as deemed necessary.

MOTION:

Move to approve the recommendation and provide appropriate direction as deemed necessary.

BACKGROUND:

The City's Emergency Preparedness Division is responsible for ensuring that the City is well prepared to handle an emergency or disaster and to have a plan in place to secure the safety and well being of its residents. Disasters and emergencies have been occurring throughout the Nation and other Countries. The Assistant Emergency Preparedness Officer has been working diligently to ensure that the City as a whole is prepared for a disaster such as an earthquake. Some of the preparation involves training for staff assigned to the Emergency Operations Center, working with the CTY Communication System, securing MOU's with various vendors in the City to provide needed goods, managing the Search & Rescue Team and training, making presentations to Community groups and Preschool Program staff, organizing Shelter training for CERT Team and staff, coordinating evacuation drills, etc. Other preparation efforts will be stated during the presentation to the City Council.

At the request of Mayor Lilia Leon, the City Council will receive a presentation from the Community Services Department, Emergency Preparedness Division, pertaining to emergency preparedness for the City as it relates to a large earthquake, and provide appropriate direction as deemed necessary.

ANALYSIS:

Many disasters have been occurring frequently throughout the Nation and in other Countries, and the overdue large scale earthquake can strike at any time. It is very important that we be prepared, as it will very likely affect Southern California, including the City of Commerce.

At tonight's meeting, City staff from the Community Services Department, Emergency Preparedness Division, will present information on current emergency preparedness efforts and the plan that is in place to respond to a large scale emergency or disaster, such as an earthquake.

FISCAL IMPACT:

This activity can be carried out without additional impact on the 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 addresses a community public safety issue of concern.

Recommended by:


Loretta Gutierrez
Director of Safety and Community Services

Respectfully submitted,


for Jorge J. Rifá
City Administrator

Approved As To Form:



Eduardo Olivo
City Attorney



AGENDA REPORT

MEETING DATE: November 20, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: PROPOSED SCOPE OF WORK SUBMITTED BY CLIFTON ANDERSON TO COMPLETE AN ORGANIZATIONAL DEVELOPMENT INITIATIVE FOR THE CITY OF COMMERCE

RECOMMENDATION:

The City Council will review the Proposed Scope of Work submitted by Clifton Anderson as requested by Council Member Ivan Altamirano, and approve, reject, modify or refer to City staff for analysis and recommendation as Council deems appropriate. Preliminary specific staff recommendations are included in the Fiscal Impact section of this report.

MOTION:

Council discretion.

BACKGROUND:

Clifton Anderson facilitated the City Council 2012 Strategic Planning Workshops on April 21, 2012 and May 9, 2012. These two workshops provided the City Council with the opportunity to establish their goals and values for FY 2012/2013 in order to communicate those to the community and the City's organization.

Council Member Ivan Altamirano requested Clifton Anderson to meet with Council Members and City staff in order to recommend an Organizational Development Initiative for the City of Commerce. Mr. Anderson has met with all City Council Members, City Administrator, and Department Directors to receive input on potential initiatives that will have the highest impact at the least cost to improve organizational efficiency and effectiveness. Attached is his Proposed Scope of Work. He is proposing a phased approach with Phase 1 in December 2012 through February 2013. Phase 2 from February 2013 through May 2013 and Phase 3 from June 2013 through July 2013.

ANALYSIS:

Council has the discretion to provide Clifton Anderson additional feedback on his proposal, to approve, reject, or modify his proposal, or to refer his proposal to the City Administrator for analysis and recommendation.

FISCAL IMPACT:

The current operating budget does not include funding for an Organizational Development Initiative. Mr. Anderson has included an Investment Schedule with his proposal. The Investment required is listed for each objective. The total investment required for all three phases is \$56,400.00.

Staff provides the following comments and recommendations for City Council consideration:

- a. The 80 hours (\$16,000) of investment included in Phase 1 to "Perform organizational workload/resourcing assessment" should be deferred for separate consideration to ensure that there is no duplication of effort in the approach recommended by the Finance Department to implement the Strategic Goal to "Review and update services and activities to increase efficiency",

- b. It is recommended that Phase 1 include an additional 20 hours (\$4000) to permit an investment in enhancing Governance consistent with the City of Commerce Municipal Code.
- c. It is recommended that Phase 2 be revised within existing investment to include Facilitating the transition, if any, from the Current City Council to the City Council elected in March 2013.
- d. It is recommended that Phase 3 be deferred for separate consideration as part of the 2013/2014 Budget decision making process.
- e. It is recommended that "termination by either party with thirty (30) days notice to the other party" language be added to the proposal.

Implementation of the staff comments and recommendations above would result in proceeding at this time with a revised Phase 1 and 2 at an investment not to exceed \$28,400.

Within seven (7) business days of the project approval, a detailed timeline of activities and deliverables will be established and agreed to.

RELATIONSHIP TO 2012 STRATEGIC GOALS:

This agenda item report is applicable to the following Council strategic goals: "Implement Staff Development", "Implement strategic communication plan for all key stakeholders" and "Establish protocol to ensure decision making and evaluation process for new ideas are clear and timely".

Recommended and Prepared by:


David Hill
Interim Director of Human Resources

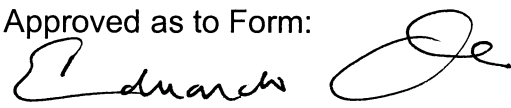
Respectfully submitted,


Jorge Rifá
City Administrator

Fiscal Impact Reviewed by:


Vilko Domic
Director of Finance/City Treasurer

Approved as to Form:


Eduardo Olivo
City Attorney

Attachments: Clifton Anderson - Proposed Scope of Work

City of Commerce Organizational Development Initiative Proposed Scope of Work

Purpose

The scope of this project is to address key organizational challenges facing the City of Commerce. These challenges point to the need to effectively manage competing priorities within an environment that has become more resource-constrained.

Problem Statement

The City of Commerce faces organizational challenges due, in part, to the changing economic landscape. As a prime example, in addition to the overall economic situation, the dissolution of the Redevelopment Agency (RDA) has led to a significant decrease in funding that the City receives from the State of California.

Based on various sources within the City of Commerce organization, several specific organizational challenges have been identified. Chief among them are opportunities to:

- (1) optimize organizational effectiveness,
- (2) enhance leadership development, and
- (3) increase employee organizational pride.

The above opportunities for improvement were identified through individual interviews with the City Councilmembers, a facilitated session of the Senior Management Team, a meeting with the City Administrator, Deputy City Administrator, and Interim Human Resources Director, and a survey of Councilmembers and the Senior Management Team in conjunction with the Strategic Planning sessions conducted in April and May, 2012. From these sources, common themes were identified and have been included within the scope of this project.

Approach

For each of the challenges identified above, specific activities and clear deliverables have been defined, along with the estimated hours required to complete them. A combination of interviews, facilitated workshops, questionnaires, and data analysis will be used to identify issues and their root causes and to develop appropriate recommendations.



Phase 1: December 2012 – February 2013

Objective 1: To clearly define roles and responsibilities within the organization (Optimize Organizational Effectiveness)

Activities:

- Identify a clear delineation and coordination of the City Council, Senior Management and employee roles (12 hours)
- Conduct workshop to clarify roles with City Council and Senior Management (6 hours, including preparation)

Deliverable:

- An updated roles and responsibilities matrix
- Successful completion of roles and responsibilities workshop

Objective 2: To better balance strategic objectives with ongoing departmental activities (Optimize Organizational Effectiveness)

Activities:

- Facilitate the continuation of the Strategic Planning process for the City through translation of the Policy Goals identified by the City Council into specific measurable Operating Department objectives and actions (16 hours)
- Facilitate Department Directors in the identification of both current ongoing actions in support of the Goals and new initiatives for City Council consideration to fund that support their goals (12 hours)
- Provide a proposed project schedule to produce and develop the updated Strategic Plan (6 hours)
- Develop prioritization process for activities/requests (12 hours)
- Perform organizational workload/resourcing assessment (80 hours)

Deliverables:

- A formal workload prioritization process
- An updated Strategic Plan
- Resource allocation recommendations

Phase 2: February 2013 – May 2013

Objective 1: To broaden the leadership capabilities of Department Directors (Enhance Leadership Development)

Activities:

- Eight (8) one-hour individual coaching sessions with Department Directors (8 hours)
- Conduct 3 four-hour leadership development workshops for Department Directors encompassing modules on core leadership skills such as



communication skills, providing feedback, effective employee evaluations, dealing with poor performers, coaching and developing employees, accountability, empowerment, as well as any specific leadership gaps identified in the all-employee survey results discussed below (22 hours, includes preparation time)

Deliverables:

- Successful completion of 3 leadership development workshops

Objective 2: To align the City's employees within a commonly shared vision and redefine the meaning of the "Model City," in light of the current economic environment (Optimize Organizational Effectiveness)

Activities:

- Facilitate a session with City Councilmembers and the Senior Management Team to develop an updated Vision and redefine the "Model City" tagline (8 hours, including preparation)
- Incorporate the new City Vision into all-employee workshops discussed below in the "Increase Employee Organizational Pride" section (time included below)

Deliverables:

- An updated City of Commerce Vision and a refined definition of the "Model City"
- A City of Commerce Vision training module for all-employee workshops

Objective 3: To coordinate the City of Commerce's Strategic Plan for 2013 (Optimize Organizational Effectiveness)

- Facilitate two workshops with City Councilmembers and the Senior Management Team to develop the City's Strategic Plan for 2013 and ensure coordination between strategic objectives and ongoing Departmental activities (20 hours, including preparation)

Deliverables:

- Successful completion of two Strategic Planning sessions



Phase 3: June 2013 – July 2013

Objective: To increase employees' sense of ownership and pride, thereby improving employee morale (*Increase Employee Organizational Pride*)

Activities:

- Develop and conduct a culture survey of City employees (conducted online for employees with computer access and using a hardcopy format for employees without computer access) to identify real and perceived organizational issues adversely impacting employee morale and engagement (*16 hours*)
- Summarize and analyze survey results and prepare recommendations for Council and Senior Management Team approval (*8 hours*)
- Conduct 3 two-hour workshops with employees (each employee is to attend only one of the identical sessions) to address issues identified in survey and to conduct updated City of Commerce vision (*12 hours, including preparation time*)
- Prepare summary of key insights gained from employees during the 3 workshops and share with City Council and Senior Management (*4 hours*)
- Review and assess employee training and development activities to ensure alignment with updated City and organizational priorities, and recommend appropriate modifications (*40 hours*)

Deliverables:

- Analysis of all-employee survey results
- Specific recommendations to address employee concerns
- Successful completion of 3 all-employee workshops
- Assessment of training and development activities

Timing

The above phases represent the recommended timing of activities. Within 7 business days of project approval, a detailed timeline of activities and deliverables (including any desired modifications to the proposed phases/components described above) will be established and agreed to. Considering this project will require the participation of the City Council, Department Directors, and employees, the detailed timeline will be jointly created in conjunction with these stakeholder group's schedules and other significant events and milestones.



Investment Schedule

Activity	Hrs.	Invmt.
Phase 1: December 2012 – February 2013		
<i>Objective 1</i>		
Identify a clear delineation and coordination of the City Council, Senior Management and employee roles	12	\$2,400.00
Conduct workshop to clarify roles with City Council and Senior Management	6	\$1,200.00
<i>Objective 2</i>		
Facilitate the continuation of the Strategic Planning process for the City through translation of the Policy Goals identified by the City Council into specific measurable Operating Department objectives and actions	16	\$3,200.00
Facilitate Department Directors in the identification of both current ongoing actions in support of the Goals and new initiatives for City Council consideration to fund that support their goals	12	\$2,400.00
Provide a proposed project schedule to produce and develop the updated Strategic Plan	6	\$1,200.00
Develop prioritization process for activities/requests	12	\$2,400.00
Perform organizational workload/resourcing assessment	80	\$16,000.00
Total Phase 1	144	\$28,800.00
Phase 2: February 2013 – May 2013		
<i>Objective 1</i>		
Eight (8) one-hour individual coaching sessions with Department Directors	8	\$1,600.00
Conduct 3 four-hour leadership development workshops for Department Directors encompassing modules on core leadership skills such as communication skills, providing feedback, effective employee evaluations, dealing with poor performers, coaching and developing employees, accountability, empowerment, as well as any specific leadership gaps identified in the all-employee survey results discussed below	22	\$4,400.00
<i>Objective 2</i>		
Facilitate a session with City Councilmembers and the Senior Management Team to develop an updated Vision and redefine the “Model City” tagline (8 hours, including preparation)	8	\$1,600.00
Incorporate the new City Vision into all-employee workshops discussed below in the “Increase Employee Organizational Pride” section	-	



Objective 3

Facilitate two workshops with City Councilmembers and the Senior Management Team to develop the City's Strategic Plan for 2013 and ensure coordination between strategic objectives and ongoing Departmental activities

20 \$4,000.00

Total Phase 2 58 \$11,600.00

Phase 3: June 2013 – July 2013

Develop and conduct a culture survey of City employees (conducted online for employees with computer access and using a hardcopy format for employees without computer access) to identify real and perceived organizational issues adversely impacting employee morale and engagement (16 hours)

16 \$3,200.00

Summarize and analyze survey results and prepare recommendations for Council and Senior Management Team approval (8 hours)

8 \$1,600.00

Conduct 3 two-hour workshops with employees (each employee is to attend only one of the identical sessions) to address issues identified in survey and to conduct updated City of Commerce vision (12 hours, including preparation time)

12 \$2,400.00

Prepare summary of key insights gained from employees during the 3 workshops and share with City Council and Senior Management (4 hours)

4 \$800.00

Review and assess employee training and development activities to ensure alignment with updated City and organizational priorities, and recommend appropriate modifications (40 hours)

40 \$8,000.00

Total Phase 3 80 \$16,000.00

Total Phases 1-3 282 \$56,400.00



Clifton Anderson's Background

A leadership strategist, executive coach, and international speaker, Clifton Anderson is committed to helping leaders create phenomenal results and a lasting legacy. He is a relentless champion for human potential and has been called “one of the most profound thinkers of his generation.” He is the author of the book, *A Year Wiser: 365 Days of Inspiration to Create a Phenomenal Year*. Through his writing, speaking, and coaching, he has inspired countless individuals and organizations to reach new heights of performance.

Clifton's accomplishments are marked by many firsts. His commitment to excellence is evidenced by his accelerated career advancement. With each leadership position of increasing scope and responsibility, he was consistently the youngest person ever to hold each of these roles. In 2008, he was named Chief Financial Officer (CFO) of a \$1.5 billion global corporation headquartered in Los Angeles. He reached this position *17 years faster* than the typical CFO of a major company. As a former senior executive, he now shares the secrets that propelled him to an outstanding record of achievement and success.

Clifton has been retained by such organizations as General Electric, Amgen, Fiji Water, Eli Lilly, BP Amoco, Microsoft, First Solar, Southern California Edison, and the City of Commerce, among others. He has advised more than two-dozen diverse industries in over twenty countries on four continents. He holds an MBA from the Wharton School of the University of Pennsylvania, where he received the prestigious Dean Patrick Harker Leadership Award—the highest honor bestowed upon a graduating student. During his undergraduate studies, he served as Chief Executive Officer (CEO) of WSBI, Inc., a student-run company, which managed a fully operational television studio on campus.

A powerful trainer and speaker with over 30 years of public speaking experience, Clifton has an inspiring message infused with passion, humor, and energy—a compelling message that moves people to action. He has shared the stage with such renowned personalities as Vice President Al Gore, Les Brown, Greg S. Reid, Kevin Harrington, Mark Victor Hansen, Lisa Nichols, and Bob Proctor.



CliftonAnderson™
BE PHENOMENAL...OR BE FORGOTTEN



AGENDA REPORT

Meeting date: November 20, 2012

TO: Honorable City Council

FROM: City Administrator

SUBJECT: Requesting Council Direction - Maintaining Mix Master median located in East Los Angeles.

RECOMMENDATION:

The department is requesting Council direction whether or not to continue to maintain a street median near the Mix Master, located in East Los Angeles. The City has been maintaining this median since the late 1990's.

MOTION:

Move to approve the recommendation.

BACKGROUND:

At the request of Councilmember Robles, the department was asked to research if the Park Maintenance Division has been maintaining any areas that lie beyond the City borders. The department learned that our staff has been maintaining one street median on Atlantic Boulevard that lies just beyond the City border, in East Los Angeles. After consulting with the City Administrator, the department asked staff to stop maintaining this median, until options can be formally presented to Council.

Options for this median include:

- 1) The discontinuation of all maintenance efforts, or;
- 2) The resumption of all maintenance efforts, once the city enters into a formal maintenance agreement with Los Angeles County. A primary purpose of a maintenance agreement would be the complete indemnification of the City of Commerce for any liability issues arising from the city's maintenance of the East Los Angeles median.

ANALYSIS:

The Park Maintenance Division has been maintaining this median since the completion of the "Mix Master" Road Improvement Project, in the late 1990s. Upon the completion of the Mix Master Project, the city's former Public Works Director advised the Parks and Recreation Department that it would be responsible for maintaining this median, even though it is not within the city's boundaries. The Parks and Recreation Department tried unsuccessfully to develop a written agreement with Los Angeles County several years ago, but has continued to maintain this median, until recently.

FISCAL IMPACT:


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

This activity can be carried out without additional impact to the current operating budget. Because the Park Maintenance Division already maintains two greenbelts in the same vicinity, the cost to maintain the East Los Angeles median is minimal, should Council ask the department to continue maintaining the median.

RELATIONSHIP TO STRATEGIC GOALS:

This agenda item relates to Council's Strategic Goal #3: The ongoing improvement and maintenance of infrastructure and the beautification of the community. Although the median in question is located just outside of the city border, motorists do pass the median when entering the city, from East Los Angeles.

Recommended by:


Scott Wasserman
Director of Parks and Recreation


Respectfully submitted,


Jorge Rifa
City Administrator

Fiscal Impact reviewed by:


Vilko Domic
Director of Finance

Approved as to Form:


Eduardo Olivo
City Attorney



AGENDA REPORT

MEETING DATE: November 20, 2012

TO: HONORABLE CITY COUNCIL/SUCCESSOR AGENCY
FROM: CITY ADMINISTRATOR/EXECUTIVE DIRECTOR
SUBJECT: REVIEW OF THE CITY'S FINANCIAL STATUS AS OF JUNE 30, 2012,
APPROVAL OF ADJUSTMENTS TO THE FISCAL YEAR 2012-13 BUDGET

RECOMMENDATION:

Take the appropriate action(s) with respect to the mid-year review of the approved Fiscal Year 2012-13 Budget.

MOTION:

Move to approve the recommendation.

PURPOSE:

The purpose of this report is to provide the City Council with a review of the City's financial status as of September 30, 2012, and to request Council approval of mid-year adjustments to the Fiscal Year (FY) 2012-13 approved Budget using FY 2011-12 surplus funds. The report will also provide relevant detail as it pertains to the development of the City's FY 2012-13 Budget.

Moreover, this report is intended to provide the City Council with an accurate as possible picture of how all City Funds are operating three months into the fiscal year based on the original revenue and expenditure estimates. Although it is the intent of this report to review the status of all Funds, the focus is primarily on the General Fund. The middle of the fiscal year is also a good time to consider whether expenditures, outside the realm of the original approved budget, have surfaced which would potentially jeopardize the current budget authority and thus, require Council action of appropriate budgetary adjustments.

BACKGROUND/ANALYSIS:

Normally, the Finance Department asks each department to review their existing budgetary appropriations to determine whether any changes need to be made as a result of unanticipated costs that may have occurred thus far during the fiscal year thru six months. As a result of that review conducted during the past several weeks, it was determined that although most departments are able to absorb the majority of unanticipated costs through budgetary savings in other areas, there are some expenditures that will cause several departments to be in jeopardy of overspending their budgets by year-end.

GENERAL CITY'S FINANCIAL STATUS:

After a few years of being the conveyor of bad news, I wanted to inform the City Council and the community that Fiscal Year 2011-12 ended off on a positive note for General City Funds, a combined surplus of approximately **\$726,000**. **Note:** depending on the results of the redevelopment due diligence review due to be completed in December and validated sometime in early 2013 by the State Department of Finance, the aforementioned surplus could be higher.

In order to better comprehend what the aforementioned means, it would be beneficial to re-visit a presentation that staff made at the February 1, 2012 meeting. A synopsis of the presentation is highlighted below:

- The General Fund – What has transpired since December 31, 2011? Simply, redevelopment as we have known it for decades was to be dismantled beginning on February 1, 2012
- Projected amount necessary to get us through the current Fiscal Year if the General Fund absorbs staff costs associated to the Commission
- Administrative Allowance Provided the Successor Agency -- By definition in AB1X 26, Administrative Cost Allowance means an amount that, subject to the approval of the Oversight Board, is payable from property tax revenues of up to 5% of the property tax allocated to the Successor Agency for the 2011-12 fiscal year. That amount was verbally conveyed as approximately **\$335,000**
- Projected General Fund Exposure – somewhere between **\$1,164,753 & \$1,456,419**
- Working under the premise of the worst case scenario, staff proceeded with addressing a **\$1.5 million** projected shortfall for the remainder of the fiscal year.

Staff continues to be leery of the entire dissolution process and have set-aside approximately **\$1.225 million** in a holding account to address salary/benefit and operational expenses should the State disallow any of them that were incurred between February 1, 2012 and June 30, 2012.

DISCUSSION / ANALYSIS:

Where The General City Funds Ended the Year

Fund 10 – General	\$ (41,238.59)
Fund 21 -- UDAG	\$ 20,612.80
Fund 26 – Gas Tax	\$ (1,361.20)
Fund 28 – Card Club	\$1,311,034.00
Fund 40 – Capital Projects	\$ (165,787.74)
Fund 50 – Water	<u>\$ (397,124.16)</u>
Year End Surplus / (Deficit)	\$ 726,135.11

Mid-Year Budget Adjustments:

As highlighted above, the General City’s year-end balance is **\$726,135.11**. As a result, each department was asked to identify any areas of deficiencies that needed to be addressed during this fiscal year. These areas of deficiencies should be one-time in nature only (i.e. capital outlay). In summary, the City Administrator is recommending the following items for approval totaling **\$713,276**.

City Council / Administration (\$36,800)

- **\$30,000** City Council Discretionary Funds
- **\$6,800** Funding for the semi-annual magazine to further enhance awareness for our City to present the community to prospective residents and businesses hoping to relocate to Commerce.

Parks & Recreation (\$186,100)

- **\$85,500** Skip Loader Tractor / Backhoe -- The current tractor is a 1997 ford that needs considerable work. Currently it needs over \$17,000 worth of work on just what the repair shop currently sees as a preliminary estimate. Repair costs will be much higher once the repair shop is able to place it in operational condition to evaluate it further.
- **\$14,000** Trailer for the Skip Loader Tractor -- This will be needed to extend the life of a new tractor, to avoid driving it for long distances on the street.
- **\$25,000** As per Council action taken at its November 5, 2012 meeting, the Parks and Recreation Department was allocated said amount related to the addition of 3 new CRUSH volleyball teams
- **\$20,000** Replacement of two gas carts that are deemed non- repairable. One cycle cart is non-repairable with no parts available and has a frozen engine. The other gas cart is 12 years old and needs a new transmission and has other mechanical issues.
- **\$14,000** Replace an 18 year old root cutter (non-operational and critical to the operation). Would need to replace most parts on this unit including the frame. Makes more sense to replace this unit.
- **\$9,600** Reimburse funding for a purchase of replacement fitness equipment for the Brenda Villa Aquatic Center, Senior Center, and the Bristow Park boxing program that has already occurred.
- **\$8,500** These funds would be used to provide an "all staff" summer training for 100 staff. The annual training is needed to reinforce customer service expectations with staff and review important policies and procedures as we enter the busy summer season. It is typical of the summer training all Parks and Recreation departments provide during the summer.
- **\$6,500** Replace existing 8 year old volleyball poles inside the Veteran's Gym due to wear and stress. Over time poles are showing stress and need to be replaced with new units.
- **\$3,000** Replace non-repairable outdoor metal storage container at Bristow Park. It would be less expensive to purchase a new unit as opposed to repairing it.

Finance (\$25,000)

- **\$25,000** Until 2008/09 budget we would normally spend about \$50,000 to \$55,000 per year on new staff computers (about 30 new computers). Over the last three years we have purchased less than a dozen. We are in critical need to start upgrading staff computers. This should allow us to purchase between 15 to 17 computers.

Community Development (\$232,000)

- **\$85,000** One 44-ft aerial boom truck -- Replace old Altec unit which is constantly out of service, parts are difficult to locate & and will likely not pass smog emission this year.
- **\$50,000** Slauson Avenue Environmental Review
- **\$45,000** One Stake-bed truck with tool box, lift and lights (Street Crew) -- Replace old stake-bed truck, which is becoming difficult to service.

- **\$27,000** One ½ ton pick-up with tool box & lights F-150 (Facilities Services).
- **\$25,000** Install new perimeter fence & gate at the old Fire Station 27 -- A perimeter fence is necessary to prevent break-ins, teens/homeless from accessing parking lot during off hours.

Library Services (\$19,300)

- **\$10,000** eReaders and eBooks for library customers to check out at all four libraries -- The library continues to receive requests for ebooks and we know that reading on electronic devices is growing in popularity and the time has come for the Commerce Library to answer this need.
- 1) **\$6,600** Two AWE Early Learning Station Computer for Central Library – In July, we purchased three AWE Early Learning Station computers for the other library branches, with the intention of purchasing one for Central's renovation. However, in October, one of the Homework Center computers at Central with educational computer games for children on it began repeatedly crashing, became non-functional, and had to be removed. The AWE Early Learning Station would replace the removed computer and provide computer-based learning and games for children ages 4 to about 10 years old.
- **\$2,000** DVD Display -- This year the Greenwood Library changed the type of DVD case that the libraries use to a more compact, space-saving sleeve. When the items were purchased, we also purchased one piece of furniture to accommodate the new sleeves and a second piece of furniture was given to the library by the vendor. With the two pieces of furniture, we still do not have enough room for all the DVDs.
- 2) **\$700** Two tables and eight chairs for Central Library Children's Area – Due to the popularity of the Homework Center, in early 2011 we added two tables and several chairs (acquired from the Bristow Library) to the Central Children's Area. However, also in 2011, we had to remove some older wooden tables and chairs because they were coming apart and becoming a safety hazard. This has left us with reduced seating for children and parents, as well as inadequate table space for storytime crafts and class visits.

Human Resources (\$48,400)

- **\$28,400** Organizational Development Consultant
- **\$20,000** Organizational Needs Assessment

Community Services (\$45,676)

- **\$12,676** Emergency Preparedness – To obtain required RS1 Certification for Search & Rescue Team Members (\$6800); to purchase needed pads, including child size for AED's location throughout City facilities (\$2,477); purchase 5 GPS readers to locate victims (\$1921), 10 jackets for team members (\$675), 4 canopies for Triage/Incident Command (IC) Post (\$400), 2 sml tables for IC (\$33), 2 folding chairs for IC (\$22), 2 ice chests for SAR Team (\$44), Misc First Aid Supplies including kit bags for each team (\$300).
- **\$30,000** CSS/CSO -- To add 1 Patrol Car (to supplement fleet of 7 cars used by 12 CSS's/CSO's).
- **\$3,000** To add to the Food Distribution Program (food items for low income City residents).

Transportation (\$120,000)

- **\$120,000** Transportation has received quotes from various vendors to rehab the MCI buses. The price range varies between 60K to 150K per bus, depending upon the amount of work performed. Staff will thoroughly evaluate the quotes; and based on the proposed 120K allocation, prioritize the repairs to extend the useful life of the equipment, until such time the City can purchase the two (2) new MCI buses. Hopefully, with the repairs we can extend the useful life an additional 18-24 month period.

FISCAL IMPACT:

Budget shortfalls have precluded the City Council from allocating funds for one-time items since the recession took place, moreover, were forced to implement mid-year reductions to address projected shortfalls. As mentioned earlier in the report, FY 2011-12 experienced a surplus of approximately **\$726,000**, affording the Council discretion over surplus funds for the first time since FY 2008-09. With that said, it is recommended that council use approximately \$713,000 of it to fund said items mentioned above.

RELATIONSHIP TO 2009 STRATEGIC GOALS:

The proposed Mid-year Budget Review is associated with Council's goal of making financially and economically sound decisions consistent with economic conditions.

Recommended by:


Vilko Domic
Director of Finance/City Treasurer

Respectfully submitted,


Jorge Rifa
City Administrator/
Executive Director

Approved as to Form


Eduardo Olivo
City Attorney/Commission Counsel



AGENDA REPORT

DATE: November 20, 2012

TO: Honorable City Council
FROM: City Administrator
SUBJECT: Commission Appointment

RECOMMENDATION:

Make the appropriate appointment.

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 an appointment be made to the following Commission at this time, with all terms to expire March 19, 2013, unless otherwise indicated:

Planning Commission

Councilmember Altamirano

FISCAL IMPACT:

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

Recommended by:

Linda Kay Olivieri
City Clerk

Respectfully submitted,

Jorge J. Rifá
City Administrator

Prepared By:

Victoria M. Alexander
Deputy City Clerk



AGENDA REPORT

MEETING DATE: November 20, 2012

TO: Honorable City Council
FROM: City Administrator
SUBJECT: City Employee Christmas Holiday Dinner

RECOMMENDATION:

At the request of Council Member Ivan Altamirano, the City Council will consider for approval an appropriation of funds, as deemed appropriate, to hold a City employees Christmas dinner event at Steven's Steak House on Thursday, December 20, 2012.

MOTION:

Council discretion.

BACKGROUND:

Council Member Ivan Altamirano is requesting the City Council's support and consideration to appropriate City funds, as deemed appropriate, in an effort to provide City employees with a Holiday Christmas dinner at Steven's Steak House on Thursday, December 20, 2012.

FISCAL IMPACT:

The cost is directly related to the scope of the event as approved by the City Council.

RELATIONSHIP TO 2012 STRATEGIC GOALS:

This agenda item report is applicable to the following Council strategic goals: "Implement Staff Development".

Respectfully submitted,



Jorge Rifá
City Administrator

Prepared by:



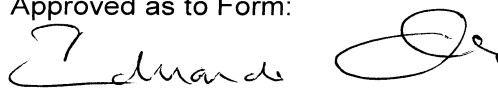
David Hill
Interim Director of Human Resources

Fiscal Impact Reviewed by:



Vilko Domic
Director of Finance

Approved as to Form:



Eduardo Olivo
City Attorney



AGENDA REPORT

DATE: November 20, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AMENDING CHAPTER 5.09 ("MESSAGE ESTABLISHMENTS AND MESSAGE TECHNICIANS") OF THE COMMERCE MUNICIPAL CODE – Second Reading

RECOMMENDATION:

Approve and adopt the Ordinance amending Chapter 5.09 of the Commerce Municipal Code, relating to massage establishments and massage technicians.

MOTION:

- 1) Move to read the Ordinance by title only.
- 2) Move to approve and adopt the Ordinance and assign the number next in order.

ROLL CALL VOTE

ANALYSIS:

In 2004, the City of Commerce adopted Ordinance No. 577, which enacted Chapter 5.09 of the Commerce Municipal Code (CMC). Chapter 5.09 requires permits for massage establishments and technicians and regulates various aspects of the massage business. In 2009, the legislature enacted *Business and Professions Code* ("B&P") Section 4600, *et. seq.*, which established standards of certification and regulation of massage practitioners and massage therapists. [B&P Code §4614] The statute imposes such standards on all cities and counties throughout the State and expressly prohibited cities from enacting or enforcing inconsistent regulations. Cities and counties are still allowed to regulate massage establishments. In order to comply with the provisions of State law, as necessary to amend various sections of Chapter 5.09 of the CMC.

Section 5.09.100 sets forth the City Council's findings and purposes in connection with the enactment of this chapter. That section will be amended to recognize the enactment of B&P Code Section 4600, *et. seq.*

Section 5.09.130 is entitled "Massage technician permit required" and currently requires massage technicians to apply for and obtain a permit from the City. Pursuant to B&P Code Section 4600 *et. seq.*, the permitting process is currently handled by the California Massage Therapy Council. The proposed Ordinance would amend subsection (a) of Section 5.09.130 to require that the technician obtain a permit from the California Massage Therapy Council and not the City. Subsection (b), which sets forth the City's regulations and application process for massage technicians will be deleted in its entirety.

Section 5.09.150 is entitled "Expiration of permit" and currently provides that each permit issued under this chapter shall expire one year from the date of issuance and that an application for renewal of a technician license shall not require the passage of an examination administered by the County of Los Angeles Health Department. This

section needs to be amended to make clear that the City is not attempting to cause the expiration of a permit issued by the California Massage Therapy Council according to the provisions of the B&P. The last sentence in this section is no longer relevant and therefore will be removed.


Sections 5.09.120 (e), 5.09.170 (a), 5.09.180, and 5.09.260 also require minor or additional language to make sure they are consistent with the provisions of the B&P.

The City Council approved the proposed Ordinance for first reading on November 5, 2012.

RELATIONSHIP TO 2012 STRATEGIC GOALS:

This item is not specifically related to any of the 2012 Strategic Goals.

Respectfully submitted,



Jorge J. Rifá
City Administrator

Reviewed by:



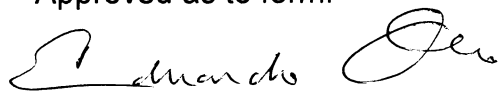
Maria Ibarra-Villaseñor
Business License Officer

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to form:



Eduardo Olivo
City Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
AMENDING CHAPTER 5.09 ("MASSAGE ESTABLISHMENTS AND MASSAGE
TECHNICIANS") OF THE COMMERCE MUNICIPAL CODE

WHEREAS, Chapter 5.09 of the Commerce Municipal Code needs amending in order to update and clarify regulations relating to massage establishments and massage technicians.

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

SECTION 1. Section 5.09.100 of the Commerce Municipal Code, is hereby amended its entirety to read as follows:

- (1) The permit requirements and restrictions imposed by this chapter are reasonably necessary to protect the health, safety and welfare of the citizens of the city.
- (2) The city is authorized, by virtue of the State Constitution, Section 16000 of the Business and Professions Code, and Sections 51030 et seq. of the Government Code, to regulate massage establishments by imposing reasonable standards relative to the skill and experience of massage operators and reasonable conditions on the operation of massage establishments.
- (3) The state legislature enacted Business and Professions Code Section 4600 et. seq., which establishes uniform standards of certification and regulation of massage practitioners and massage therapists that are binding on all cities throughout the state.
- (4) There is significant risk of injury to massage clients by improperly trained and/or educated massage technicians and this chapter provides reasonable safeguards against injury and economic loss.
- (5) There is opportunity for acts of prostitution and other unlawful sexual activity to occur in massage establishments. Courts have long recognized massage as a pervasively regulated activity and that massage establishments are often brothels in disguise. The establishment of reasonable standards for issuance of permits and restrictions on operations would serve to reduce the risk of illegal activity.
- (6) The restrictions and requirements contained in this chapter reduce the burdens on the sheriff's department and permit the deployment of police personnel such that more serious crimes may be prevented and more important laws enforced.
- (7) The regulations and restrictions contained in this chapter tend to discourage massage establishments from degenerating into houses of prostitution and the means utilized in this chapter bear a reasonable and rational relationship to the goals sought to be achieved.

SECTION 2. Subsection (e) (3) of Section 5.09.120 shall be amended in its entirety to read as follows:

- (e) (3) Any applicant (not including a massage technician), agent, partner, director, officer, stockholder or manager of applicant, has had any type of massage establishment permit or massage technician permit denied or revoked for cause by any public entity within eight years of filing the application;

SECTION 3. Subsection (e) (8) of Section 5.09.120 shall be amended in its entirety to read as follows:

(e) (8) The applicant, or any proposed massage technician, employee (not including a massage technician), owner or operator of the massage establishment, including, if the applicant is a corporation, any of its officers or directors, has been convicted of any penal code or municipal code violation, whether a felony or misdemeanor, or lesser offense from the violation originally charged, and, if so, the date, place, nature of each conviction or plea of nolo contendere and the identity of the convicting jurisdiction, or whether the applicant is required to register under the provisions of Section 290 of the Penal Code.

SECTION 4. Section 5.09.130(a) of the Commerce Municipal Code is hereby amended in its entirety to read as follows:

(a) A massage technician shall not engage in or participate in any massage activities in the city unless the massage technician has applied for and been issued a current massage technician permit by the California Massage Therapy Council, pursuant to the provisions of Business and Professions Code Section 4600, et seq.

SECTION 5. Section 5.09.150 of the Commerce Municipal Code is hereby amended in its entirety to read as follows:

Each permit issued by the City under this chapter shall expire one year from the date of issuance and may be renewed only by making an application as provided in this chapter. Application for renewal shall be made at least thirty days before the expiration date, and when made less than thirty days before the expiration date, the expiration of the permit will not be affected. A renewal application shall contain all materials required for an initial permit.

SECTION 6. The first sentence in subsection (a) of Section 5.09.170, is hereby amended to read as follows:

(a) An establishment permit issued pursuant to Section 5.09.120 of this chapter may be suspended or revoked at any time in accordance with the procedures set forth as follows:

SECTION 7. Section 5.09.180 of the Commerce Municipal Code is hereby amended in its entirety to read as follows:

5.09.180 – Nontransferability of a massage establishment permit.

A permittee shall not transfer a massage establishment permit, nor shall a permittee operate a message establishment under the authority of a permit at any place other than the address designated in the application. Any permit that is transferred in violation of this section shall immediately become null and void.

SECTION 8. Section 5.09.260 of the Commerce Municipal Code shall be amended to delete subsection (b) in its entirety.

SECTION 9. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this Chapter is declared by a court of competent jurisdiction to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of this Chapter. The City Council declares that it would have adopted this Chapter, and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, phrases, or portions be declared invalid or unconstitutional.

SECTION 10. Effective Date. This ordinance shall become effective thirty (30) calendar days from and after its adoption.

SECTION 11. The City Clerk shall attest to the adoption of this Ordinance and shall cause this Ordinance to be posted in the manner required by law.

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

Lilia R. Leon
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk



AGENDA REPORT

DATE: November 5, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: (1) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING AN ASSOCIATE MEMBERSHIP AGREEMENT FOR THE CITY OF COMMERCE IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

(2) A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AUTHORIZING THE CITY OF COMMERCE TO JOIN THE FIGTREE PACE PROGRAM, CONSISTENT WITH AB 811 PACE; AUTHORIZING THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TO CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY OF COMMERCE; AND AUTHORIZING RELATED ACTIONS

RECOMMENDATION:

Approve and adopt the Resolutions (1) approving an Associate Membership Agreement in the California Enterprise Development Authority ("CEDA"), and (2) authorizing the City to join the Figtree Pace Program, CEDA to conduct contractual assessment proceedings and levy contractual assessments within the City and related actions, and assign the numbers next in order.

MOTION:

Move to approve the recommendation.

BACKGROUND

On July 21, 2008, the Governor signed into law AB 811, which became effective immediately as an emergency measure. The bill authorizes counties to establish a program to enter into contractual assessment agreements with property owners to finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to real property. Specifically, an AB 811 program allows counties to make assessment financing available to property owners for the purchase and installation of such improvements. Property owners repay the financing through a contractual assessment on their property. The contractual assessments recorded as a lien against the subject property, entered in the County roll and are collected on the property owner's tax bills at the same time and in the same manner as property taxes.

California Enterprise Development Authority ("CEDA"), a joint powers authority formed by the California Association for Local Economic Development ("CALED"), is offering the Figtree Property Assessed Clean Energy ("PACE") and Job Creation Program ("Figtree PACE Program"). CALED was formed in 1980 and has grown to over 700 members, representing cities, counties, state and federal agencies, economic development corporations, and the private sector.

The Figtree PACE Program provides property owners in the City financing for the purchase and installation of energy efficient, distributed renewable energy and water conservation improvements on their properties with no up-front cost. Under the Figtree PACE Program, a property owner may voluntarily commit to the recording of an assessment lien on his/her property which shall be repaid over time on the annual County property tax bill as an assessment lien item. If the City approves the subject resolution and participation in the Figtree PACE Program, the program will provide financing for commercial and residential (on a limited basis) properties at the request of a property owner. The program does not impose any substantial financial or administrative burdens to the City. By participating in the Figtree PACE Program, the City can monitor and support energy efficiency improvements that help meet State mandated greenhouse gas emission reduction standards (AB 32).

DISCUSSION

City staff has determined that participation in the Figtree PACE Program is a cost effective means of offering property owners the opportunity to make energy and water efficiency retrofits to their property. In many cases, the savings realized exceed payment obligations required for the financing. CEDA is expected to issue limited obligation bonds, notes or other forms of indebtedness to fund the Figtree PACE projects. Property owners will repay the financing as a line item charge on their property tax bill over a period of years.

Participation in the Figtree PACE Program is completely voluntary to property owners. The Figtree PACE Program is available to commercial property and available to certain residential properties which are not subject to FHFA guidelines. Examples of energy and water saving property improvements include high efficiency air conditioners, dual-pane windows, renewable energy – such as solar photovoltaic panel systems, insulation, cool roofs, and other such permanently installed energy efficient improvements.

The Figtree PACE Program has funded retrofit projects through the issuance of bonds in other jurisdictions such as the City of Palm Springs and the City of Fresno, and just this past month the City of San Diego approved the PACE program. The indebtedness will be issued by CEDA and secured solely by the assessment revenues from the liens on participating properties. The City's revenues and funds will not be pledged to the payment of the bonds, as there is no cost or administrative burden associated with joining CEDA as an Associate Member. All ongoing administration and coordination will be managed by CEDA.

Highlights of this program include:

- No credit or general obligation risk.
- Immediate job creation.
- Greenhouse gas reductions/energy independence. Assist in meeting action plan goals and AB32 requirements.
- Property owners get access to financing options for energy efficiency, water efficiency and renewable energy improvements through CEDA, thereby helping City meet its local environmental economic development goals without committing staff time to design, implement and administer the program.
-

The City's participation in the Figtree PACE Program will help the City meet its Global Greenhouse Gas (GHG) emissions reduction goals, create jobs in the local economy and make clean energy available to property owners within the jurisdictional limits of the City. Further, this program is not exclusive to FigTree as other PACE providers may be brought on-line to help businesses overcome some of the financial hurdles associated with investing in energy upgrades.

The City must also approve a resolution joining CEDA and the Associate membership Agreement must be approved which would provide for an Associate Member status. This would allow the City to participate in the Figtree PACE Program, and other bonding financings offered through CEDA.


FISCAL IMPACT:

This activity may be carried out without further impact on the current operating budget.

RELATIONSHIP TO 2012 STRATEGIC GOALS:

This agenda report is not identified as a 2012 Strategic Goal; however, it may be relevant to the following strategic goal: *“Develop a tangible environmental mitigation plan”*.

Respectfully submitted,




Jorge J. Rifá
City Administrator

Fiscal impact reviewed by:



Vilko Domic
Director of Finance

Approved as to form:



Eduardo Olivo
City Attorney

Attachments: Resolution – CEDA Associate Membership Agreement
CEDA Associate Membership Agreement
Resolution – Authorizing City to Join Figtree Pace Program
Exhibit A – CEDA Resolution of Intention
Exhibit B – Participation Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA,
APPROVING AN ASSOCIATE MEMBERSHIP AGREEMENT FOR THE CITY OF
COMMERCE IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

WHEREAS, in 2008 and 2009, the California Legislature adopted Assembly Bills 811 ("AB 811") and 474 ("AB 474") (codified in Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code) respectively, which authorize a legislative body to determine, in the public interest, to designate the entire jurisdiction or an area within the jurisdiction as an assessment district for financing of distributed generation renewable energy sources and energy and water efficient projects; and

WHEREAS, the California Enterprise Development Authority (the "CEDA") has adopted the Figtree Property Assessed Clean Energy (PACE) and Job Creation Program (the "Program") under AB 811 and AB 474 which allows all participating CEDA Member Counties and/or Cities to offer the Program to its residential and commercial property owners; and

WHEREAS, in order for the City of Commerce (the "City") to participate in the PACE Program and other bonding financings offered through CEDA, a resolution joining CEDA needs to be adopted and the associate membership agreement must be approved which would provide the City with associate member status; and

WHEREAS, the City, upon authorization of the City Council, may pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, commencing with Section 6500 (the "JPA Law") enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them; and

WHEREAS, the City wishes to jointly participate in the economic development financing programs for the benefit of businesses and nonprofit entities within the City's jurisdiction offered by membership in the CEDA pursuant to an associate membership agreement and Joint Exercise of Powers Agreement Relating to the California Enterprise Development Authority (the "Agreement"); and

WHEREAS, under the JPA Law and the Agreement, the Authority is a public entity separate and apart from the parties to the Agreement and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the City or the other members of the Authority; and

WHEREAS, the form of Associate Membership Agreement (the "Associate Membership Agreement") between the City and the Authority is attached hereto as Exhibit A, and

WHEREAS, the City is willing to become an Associate Member of the Authority subject to the provisions of the Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE
HEREBY RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The Associate Membership Agreement between the City of Commerce and the California Enterprise Development Authority is hereby approved.

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

Section 3. The City Administrator or his designee is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the Associate Membership Agreement.

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

Lilia R. Leon
Mayor

ATTEST:

Linda Kay Olivieri, MMC
City Clerk

ASSOCIATE MEMBERSHIP AGREEMENT

by and between the

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

and the

CITY OF COMMERCE, CALIFORNIA

THIS ASSOCIATE MEMBERSHIP AGREEMENT (this “Associate Membership Agreement”), dated as of November ____, 2012 by and between CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the “Authority”) and the CITY OF COMMERCE, CALIFORNIA, a municipal corporation, duly organized and existing under the laws of the State of California (the “City”);

WITNESSETH:

WHEREAS, the Cities of Selma, Lancaster and Eureka (individually, a “Member” and collectively, the “Members”), have entered into a Joint Powers Agreement, dated as of June 1, 2006 (the “Agreement”), establishing the Authority and prescribing its purposes and powers; and

WHEREAS, the Agreement designates the Executive Committee of the Board of Directors and the President of the California Association for Local Economic Development as the initial Board of Directors of the Authority; and

WHEREAS, the Authority has been formed for the purpose, among others, to assist for profit and nonprofit corporations and other entities to obtain financing for projects and purposes serving the public interest; and

WHEREAS, the Agreement permits any other local agency in the State of California to join the Authority as an associate member (an “Associate Member”); and

WHEREAS, the City desires to become an Associate Member of the Authority; and

WHEREAS, City Council of the City has adopted a resolution approving the Associate Membership Agreement and the execution and delivery thereof;

WHEREAS, the Board of Directors of the Authority has determined that the City should become an Associate Member of the Authority;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the Authority and the City do hereby agree as follows:

Section 1. Associate Member Status. The City is hereby made an Associate Member of the Authority for all purposes of the Agreement and the Bylaws of the Authority, the provisions of which are hereby incorporated herein by reference. From and after the date of execution and delivery of this Associate Membership Agreement by the City and the Authority, the City shall be and remain an Associate Member of the Authority.

Section 2. Restrictions and Rights of Associate Members. The City shall not have the right, as an Associate Member of the Authority, to vote on any action taken by the Board of Directors or by the Voting Members of the Authority. In addition, no officer, employee or representative of the City shall have any right to become an officer or director of the Authority by virtue of the City being an Associate Member of the Authority.

Section 3. Effect of Prior Authority Actions. The City hereby agrees to be subject to and bound by all actions previously taken by the Members and the Board of Directors of the Authority to the same extent as the Members of the Authority are subject to and bound by such actions.

Section 4. No Obligations of Associate Members. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the City.

Section 5. Execution of the Agreement. Execution of this Associate Membership Agreement and the Agreement shall satisfy the requirements of the Agreement and Article XII of the Bylaws of the Authority for participation by the City in all programs and other undertakings of the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Associate Membership Agreement to be executed and attested by their proper officers thereunto duly authorized, on the day and year first set forth above.

**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY**

By: _____
Gurbax Sahota, Chair
Board of Directors

Attest:

Michelle Stephens, Asst. Secretary

CITY OF COMMERCE, CALIFORNIA

By: _____
Lilia R. Leon,
Mayor

Attest:

Linda Kay Olivieri, MMC
City Clerk

APPROVED AS TO FORM

By: Eduardo Olivo
Title: City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AUTHORIZING THE CITY OF COMMERCE TO JOIN THE FIGTREE PACE PROGRAM, CONSISTENT WITH AB 811 PACE; AUTHORIZING THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TO CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY OF COMMERCE; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Enterprise Development Authority ("CEDA") is a joint exercise of powers authority, comprised of cities and counties in the State of California, including the City of Commerce (the "City"); and

WHEREAS, CEDA has established the Figtree Property Assessed Clean Energy (PACE) and Job Creation Program ("Figtree PACE") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29"), and the issuance of improvement bonds or other evidences of indebtedness (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 et seq.) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the City desires to allow the owners of property within its jurisdiction ("Participating Property Owners") to participate in Figtree PACE, and to allow CEDA to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

WHEREAS, CEDA will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements; and

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by CEDA in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, said ROI sets forth the territory within which assessments may be levied for Figtree PACE which territory shall be coterminous with the City's official boundaries of record at the time of adoption of the ROI (the "Boundaries"); and

WHEREAS, pursuant to Chapter 29, the City authorizes CEDA to conduct assessment proceedings, levy assessments, pursue remedies in the event of delinquencies, and issue bonds or other forms of indebtedness to finance the Improvements in connection with Figtree PACE, and

WHEREAS, based upon such authorization as provided in the Participation Agreement, a copy of which is attached hereto as Exhibit B, the City will not be responsible for the conduct of any assessment proceedings, the levy of assessments, any required remedial action in the case of delinquencies, the issuance, sale or administration of the bonds or other indebtedness issued in connection with Figtree PACE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE AS FOLLOWS:

Section 1. On the date hereof, the City Council hereby finds and determines that the issuance of Bonds by CEDA in connection with Figtree PACE will provide significant public benefits, including without limitation, savings in effective interest rates, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the City.

Section 2. In connection with Figtree PACE, the City hereby consents to the special assessment proceedings by CEDA pursuant to Chapter 29 on any property within the Boundaries and the issuance of Bonds under the 1915 Act, provided that:

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- (2) The Participating Property Owners, who shall be the legal owners of such property, voluntarily execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (3) The City will not be responsible for the conduct of any assessment proceedings, the levy of assessments, any required remedial action in the case of delinquencies in such assessment payments, or the issuance, sale or administration of the Bonds in connection with Figtree PACE.

The City Council hereby approves the Participation Agreement between the City and CEDA. The City Council hereby authorizes the Mayor to execute the Participation Agreement with such changes as the City deems appropriate in order to commence the Figtree PACE program within the jurisdiction of the City.

Section 3. Pursuant to the requirements of Chapter 29, CEDA has prepared and will update from time to time the "Program Report" for Figtree PACE (the "Program Report"), and CEDA will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4. The appropriate officials and staff of the City are hereby authorized and directed to make applications for Figtree PACE available to all property owners who wish to finance Improvements. The City Administrator or his designee is hereby designated as the contact person for CEDA in connection with Figtree PACE:

Section 5. The appropriate officials and staff of the City are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by CEDA in accordance with the Program Report to implement Figtree PACE for Participating Property Owners.

Section 6. The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act ("CEQA"), because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4).

Section 7. Services related to the formation and administration of the assessment district will be provided by CEDA at no cost to the City.

Section 8. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this Resolution to Figtree Energy Resource Company.

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

Lilia R. Leon
Mayor

ATTEST:

Linda K. Olivieri, MMC
City Clerk

EXHIBIT A

CEDA Resolution of Intention

RESOLUTION NO. _____

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT
AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION
OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES,
ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS
IN THE CITY OF COMMERCE**

WHEREAS, the California Enterprise Development Authority (“CEDA”) is a joint powers authority organized and existing pursuant to the Joint Powers Act (Government Code Section 6500 et seq.) and that certain Joint Exercise of Powers Agreement (the “Agreement”) dated as of June 1, 2006, among the cities of Eureka, Lancaster and Selma; and

WHEREAS, CEDA is authorized under the Agreement and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

WHEREAS, CEDA has obtained authorization from the City of Commerce (the “City”) located in the County of Los Angeles (the “County”) to conduct assessment proceedings and to enter into contractual assessments to finance the installation of Authorized Improvements within the jurisdictional boundaries of the City pursuant to Chapter 29; and

WHEREAS, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the City, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, AS FOLLOWS:**

Section 1. Findings. The Board of Directors hereby finds and determines the following:

- (a) The above recitals are true and correct and are incorporated herein by this reference.
- (b) Energy and water conservation efforts, including the promotion of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the City.

- (c) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.
- (d) A public purpose will be served by establishing a contractual assessment program, to be known as Figtree PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the City.

Section 2. Determination of Public Interest. The Board of Directors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the City, within which CEDA and property owners within the City may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the City pursuant to Chapter 29.

Section 3. Identification of Authorized Improvements. CEDA hereby declares its intention to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 hereof (the "Report"), as that Report may be amended from time to time.

Section 4. Identification of Boundaries. Contractual assessments may be entered into by property owners located within the entire geographic territory of the City.

Section 5. Proposed Financing Arrangements. Under Chapter 29, CEDA may issue bonds, notes or other forms of indebtedness (the "Bonds") pursuant to Chapter 29 that are payable by contractual assessments. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the "Improvement Bond Act of 1915") shall apply to any indebtedness issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. The creditworthiness of a property owner to participate in the financing of Authorized Improvements will be based on the criteria developed by Figtree Energy Resource Company (the "Program Administrator") upon consultation with Figtree PACE Program underwriters or other financial representatives, CEDA general counsel and bond counsel, and as shall be approved by the Board of Directors of CEDA. In connection with indebtedness issued under the Improvement Bond Act of 1915 that is payable from contractual assessments, serial and/or term improvement bonds or other indebtedness shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date), and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by Board of Directors at the time of the issuance and sale of the indebtedness. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of CEDA to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act

of 1915. Neither CEDA, nor any of its members participating in the Figtree PACE Program, shall advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the indebtedness; provided, however, that this determination shall not prevent CEDA or any of its members from, in their sole discretion, so advancing funds. The Bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and upon determination of CEDA.

CEDA hereby authorizes the Program Administrator, upon consultation with CEDA general counsel, bond counsel and the Figtree PACE underwriter, to commence preparation of documents and take necessary steps to prepare for the issuance of bonds, notes or other forms of indebtedness as authorized by Chapter 29.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

Section 6. Public Hearing. Pursuant to the Act, CEDA hereby orders that a public hearing be held before CEDA Board (the "Board"), at 550 Bercut Drive, Suite G, Sacramento, CA 95811, on _____, _____, at ____ A_, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 hereof shall be summarized, and the Board shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program, the extent of the area proposed to be included within the boundaries of the assessment district, the terms and conditions of the draft assessment contract described in Section 8 hereof (the "Contract"), or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Board hereby orders the publication of a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

Section 7. Notice to Water and Electric Providers. Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the City to all water and electric providers within the boundaries of the City has been provided.

Section 8. Report. The Board hereby directs the Program Administrator to prepare the Report and file said Report with the Board at or before the time of the public hearing described in Section 6 hereof containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.
- b) A draft contractual assessment contract (the "Contract") specifying the terms and conditions of the agreement between CEDA and a property owner within the City.
- c) A statement of CEDA's policies concerning contractual assessments including all of the following:
 - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
 - (2) Identification of the CEDA official authorized to enter into contractual assessments on behalf of CEDA.
 - (3) A maximum aggregate dollar amount of contractual assessments.
 - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment, (ii) shall provide for any reserve fund or funds, and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and CEDA.
- e) A report on the results of the discussions with the County Auditor-Controller described in Section 10 hereof, concerning the additional fees, if any, that will be charged to CEDA for inclusion of the proposed contractual assessments on the general property tax roll of the County, and a plan for financing the payment of those fees.

Section 9. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

Section 10. Consultations with County Auditor-Controller. CEDA hereby directs the Program Administrator to enter into discussions with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

Section 11. Preparation of Current Roll of Assessment. Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

Section 12. Procedures for Responding to Inquiries. The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

Section 13. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this _____ day of _____, 201_.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

Larry Cope, Secretary

EXHIBIT B

Participation Agreement

PARTICIPATION AGREEMENT

by and between the

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

and the

CITY OF COMMERCE

Dated as of November ____, 2012

PARTICIPATION AGREEMENT

This PARTICIPATION AGREEMENT, made and entered into as of November _____, 2012, by and between the CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, a joint powers agency organized and existing under the laws of the State of California (“CEDA”) and the City of Commerce, a City, organized and existing under the laws of the State of California (the “Participating Member”);

WITNESSETH:

In consideration of the mutual covenants herein contained, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree, as follows:

Recitals

- (a) The California Enterprise Development Authority (the “CEDA”) is a joint powers agency organized and existing pursuant to the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California and the Participating Member is either a municipal corporation or other public body and a member of the CEDA in good standing.
- (b) The CEDA has adopted the Figtree Property Assessed Clean Energy (PACE) and Job Creation Program (the “Program” or “Figtree PACE”, also known as the “California PACE”), for the financing of renewable generation and energy efficient and water savings equipment on improved commercial, industrial and residential property within the Participating Member’s jurisdiction.
- (c) The CEDA has retained third party administrator, Figtree, to carry out the implementation of the Program.
- (d) The Participating Member has authorized the CEDA to form an assessment district (the “District”) for the PACE financing of renewable generation and energy efficient and water savings improvements on certain properties owned by property owners who voluntarily agree to participate in the Program (“Program Participant”).
- (e) The CEDA intends to issue bonds, notes or other forms of indebtedness (the “Bonds”) to finance improvements within the District and in consideration therefor, assessments shall be recorded against each parcel prior to the issuance of the Bonds. Installments of principal and interest sufficient to meet annual debt service on the Bonds, and related administration costs and expenses, are to be included on the regular county tax bills sent to each Program Participant.

- (f) The Participating Member desires to authorize the CEDA to (i) record the assessment against the participating property owner's parcels, (ii) administer the District in accordance with the Improvement Act of 1915 (Chapter 29 Part 1 of Division 10 of the California Streets and Highways Code (commencing with Section 8500 et seq.) (the "Law") and (iii) prepare program guidelines for the operations of the Program.
- (g) The Law permits foreclosure in the event that there is a default in the payment of assessments due on a property. Under the Law, the Participating Member must designate the parties who shall be responsible to proceed with collection and foreclosure of the liens on the properties within the District. The Program Report provides for accelerated foreclosure.
- (h) The Participating Member desires to appoint the CEDA as its representative to proceed with any claims, proceedings or legal actions as shall be necessary to collect past due assessments on the properties within the District in accordance with the Law and Section 6509.6 of the Marks Roos Act.

NOW THEREFORE:

Section 1. Recitals. The Recitals contained herein are true and correct and are hereby incorporated herein by reference.

Section 2. Appointment of CEDA. The City is not and will not be deemed to be an agent of Figtree or CEDA as a result of this Agreement. The Participating Member hereby appoints the CEDA as its representative to record the assessment against each Program Participant's parcel and administer the District in accordance with the Law. The Participating Member hereby designates the CEDA as the entity which shall proceed with any claims, proceedings or legal actions as shall be necessary to collect past due assessments on the properties within the District in accordance with the Law and Section 6509.6 of the Marks Roos Act.

Section 3. Indemnification. Figtree has provided the CEDA with an indemnification for negligence or malfeasance of any type as a result of the acts or omissions of Figtree, its officers, employees, subcontractors and agents, arising from or related to negligent performance by Figtree of the work required under the agreement between Figtree and CEDA. Figtree, on behalf of itself and the CEDA, hereby agrees to indemnify, defend and hold harmless the Participating Member, its officers, agents, employees and attorneys from and against any and all liabilities, claims, or demands arising or alleged to arise as a result of the CEDA or Figtree's performance or failure to perform under this Agreement or the Program, except that arising from the sole negligence or willful misconduct of Participating Member.

IN WITNESS WHEREOF, the parties hereto have executed this Participation Agreement by their officers duly authorized as of the day and year first written above.

**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY**

By: _____
Chairman

CITY OF COMMERCE

By: _____
Lilia R. Leon, Mayor

ATTEST:

Linda Kay Olivieri, MMC, City Clerk

FIGTREE

By: _____
Name: _____

APPROVED AS TO FORM

By: Eduardo Olivo
Title: City Attorney



AGENDA REPORT

MEETING DATE: November 20, 2012

TO: HONORABLE CITY COUNCIL

FROM: CITY ADMINISTRATOR

SUBJECT: FISCAL YEAR 2012/13 CAPITAL IMPROVEMENT PROGRAM UPDATE

RECOMMENDATION:

Consider for receipt and filing, and take appropriate action as deemed necessary with respect to the status report on the FY 2012/13 Capital Improvement Program.

MOTION:

Move to approve recommendation.

BACKGROUND/ANALYSIS:

On June 19, 2012, the City Council approved the Fiscal Year 2012/13 Capital Improvement Program Budget. The approved budget includes 4 transportation-related projects and 18 general fund related projects as shown on Table 1 & Table 2.

TABLE 1 – TRANSPORTATION & SPECIAL PROJECT FUNDS APPROVED PROJECTS

Project Consultant (Mobility Advancement)	\$ 45,000
Commerce MetroLink Station Improvement	\$ 250,000
Replace Bus Washer	\$ 317,467
Telegraph Road Street Improvement (MTA Measure R)	\$2,004,000
TOTAL	\$2,616,467

TABLE 2 – GENERAL FUNDS & OTHER SOURCES APPROVED PROJECTS

Street Reconstruction (Rosini Residential)	\$ 2,000,000
Street Reconstruction (Bristow Residential / East of I-710 FWY)	\$ 805,000
Safe Route to School (Cycle 7)	\$ 57,210
Railroad Crossing Improvements (HSIP Cycle 4 Grant)	\$ 56,000
Resident Card System and Services Tracking Program	\$ 113,000
Camp Commerce Water Line Improvements	\$ 130,000
Camp Commerce Driveway Improvements	\$ 40,000
Geotechnical Analysis Camp Commerce Snow Drop	\$ 30,000
Supplemental Filtration and Replastering (Small Pool)	\$ 150,000
Emergency System Upgrade	\$ 30,000
Emergency Dispenser/Fuel Line	\$ 65,000
City Hall Security/Electronic Card System	\$ 100,000
Teen Center Improvements	\$ 100,000
Municipal Code Update	\$ 45,000
Greenwood Library Improvements	\$ 28,300
Construction Management Services (Swinerton)	\$ 146,827
Engineering Services (Transtech)	\$ 63,000
Project Consultant (Tierra West)	\$ 87,000
TOTAL	\$4,046,969

Today's agenda includes City Council action on the following projects:

- 1) New Emergency Operations Center Project
- 2) Washington Blvd Widening and Reconstruction Project

Staff continues to work diligently on the implementation of this year's Capital Improvement Program. Attached is a spreadsheet with updates on all projects.

FISCAL IMPACT:

The proposed activities can be carried out at this time without additional impact on the current operating budget, as funding for this activity has been approved and included in the FY 2012/13 Capital Improvement Program Budget.

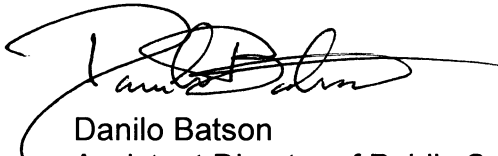
RELATIONSHIP TO 2012 STRATEGIC GOALS:

The issue before the Council is applicable to the following Council's strategic goal: *"Improve and maintain infrastructure and beautify our community"* as identified in the 2012 Strategic Plan.

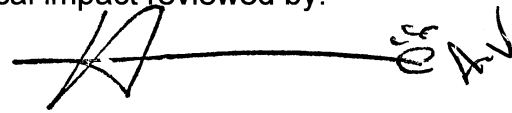
Respectfully submitted,


for Jorge Rifa
City Administrator

Prepared and recommended 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

File: 2012 City Council Agenda Reports
FY 2012/13 Capital Improvement Program – Agenda Reports

FY 2012/13 TRANSPORTATION & SPECIAL PROJECT FUNDS PROJECTS

PROJECT NAME	BUDGET	STATUS
PROJECT CONSULTANT (MOBILITY ADVANCEMENT)	\$ 45,000	Mobility Advancement is providing consultation services and assistance to Transportation on various grants and transit related projects.
COMMERCE METROLINK STATION IMPROVEMENT	\$ 327,792	Staff will meet the Project Engineer within the next 2 weeks to discuss additional work as a result of the Feb. 2012 train derailment.
REPLACE BUS WASHER	\$ 317,467	City Council approved contract with NS Corporation for these improvements on 10/16/12. Work is tentative schedule to begin on 01/7/13, pending approval of insurance, bonds documents, permits and procurement.
TELEGRAPH ROAD STREET IMPROVEMENT (MTA MEASURE R)	\$ 2,004,000	City Council approved RFP for various Professional Services (engineering, construction management, materials testing and public works inspection) on 11/5/12. Actual funds available from I-5 JPA is \$1,800,000 for this project of which 40% soft-cost & 60% construction cost.
PAINT TRANSPORTATION DEPARTMENT BUILDING	\$ 90,000	PHASE I - PAINTING OF INTERIOR OFFICES AND BUILDING EXTERIOR COMPLETED AND WORK ACCEPTED BY CITY COUNCIL ON 8/6/12. City Council to award PHASE II - Painting of Garage Interior on 9/4/12. Garage painting is schedule to begin on 12/03/12.
BUS STOPS -- CITYWIDE	\$ 500,000	IMPROVEMENTS COMPLETED. Council acceptance of work scheduled for 12/04/12.
REPLACE HEAVY VEHICLE LIFT (TRANSPORTATION)	\$ 120,000	IMPROVEMENTS COMPLETED on Sept. 28, 2012. City Council acceptance of work scheduled for 11/20/12.
	\$ 3,404,259	

TIER I - FY 2010/11 CIP APPROVED AND FUNDED PROJECTS (TRANSPORTATION & SPECIAL PROJECTS)

PROJECT NAME	BUDGET	STATUS
STREET RECONSTRUCTION (ROSINI/ROSEWOOD RESIDENTIAL)	\$ 2,000,000	Contractor will begin providing Notice to residents/businesses on the week 11/19/12 in project area. Work is scheduled to begin on 11/26/12, after the Thanksgiving Holidays.
STREET RECONSTRUCTION (BRISTOW RESIDENTIAL)	\$ 805,000	Engineer is finalizing Plans and Specifications and incorporating staff comments. PS&E are scheduled for approval in December 2012.
SAFE ROUTE TO SCHOOL (CYCLE 7)	\$ 57,210	Project delayed due to reconstruction of Harbor Street, Commerce Way, etc. (part of Rosini/Rosewood Street Rehabilitation Project). Project will be completed after the Rosini/Rosewood project.
RAILROAD CROSSING IMPROVEMENTS (HSIP CYCLE 4 GRANT)	\$ 56,000	Awaiting MOU Agreement with Caltrans.

RESIDENT CARD SYSTEM AND SERVICES TRACKING PROGRAM	\$ 113,000	IT is on standby until Parks & Recreation replaces all the resident's old ID cards with the updated version that will work with our tracking software. Parks and Recreation indicated that they were on schedule to complete the change-over by November 2012.
CAMP COMMERCE WATER LINE IMPROVEMENTS	\$ 130,000	Engineer has submitted 90% plans for Water Line Improvements and Driveway Improvements. Staff to review next week and provide comments.
CAMP COMMERCE DRIVEWAY IMPROVEMENTS	\$ 40,000	Approval to performe the required survey needed for the driveway block wall construction has been given.
GEOTECHNICAL ANALYSIS CAMP COMMERCE SNOW DROP	\$ 30,000	
SUPPLEMENTAL FILTRATION AND REPLASTERING (SMALL POOL)	\$ 150,000	City Council awarded a design contract for the supplemental filtration system to Aquatic Design Group. Project kick-off meeting was held on 11/08/12. Preliminary design to be completed by mid-Dec 2012.
EMERGENCY SYSTEM UPGRADE	\$ 30,000	Staff will begin work on this project in January 2013.
EMERGENCY DISPENSER/FUEL LINE	\$ 65,000	Staff will begin work on this project in January 2013.
CITY HALL SECURITY/ELECTRONIC CARD SYSTEM	\$ 100,000	Staff has completed a draft RFP for this project and a preliminary plan showing all the locations of doors to be secured with card system. Staff will bring the RFP for City Council approval and issuance in December 2012.
TEEN CENTER IMPROVEMENTS	\$ 100,000	Staff met on 11/20/12 to dicuss project priorities and scheduling.
MUNICIPAL CODE UPDATE	\$ 45,000	The current Municipal Code is now avaiable online at the City Website. Staff is currently working on text revisions to the Municipal Code.
GREENWOOD LIBRARY IMPROVEMENTS	\$ 28,300	Staff has obtained 3 proposals for this work and will prepare a recommendation for approval by City Council no later than December 2012.
CONSTRUCTION MANAGEMENT SERVICES (SWINERTON)	\$ 146,827	Swinerton is providing construction management and support on various capital improvement projects. On 10/22/12, City Council approved a 60-day contract extension.
ENGINEERING SERVICES (TRANSTECH)	\$ 63,000	Transtech is providing engineering services and support services to the City both on a daily basis and on capital improvement projects.
PROJECT CONSULTANT (TIERRA WEST)	\$ 87,000	Tierra West is providing consultation and support services to Community Development on various projects.

WASHINGTON BLVD MAJOR IMPROVEMENT	\$ 32,000,000	Engineer and staff are currently working on various design aspects of the project, including utility notification & coordination, storm drainage improvements, traffic signal improvements, roadway geometry and overall design. City Council to consider Change Order for additional preliminary engineering work on 11/20/12.
RENOVATION OF THE CENTRAL LIBRARY	\$ 4,837,794	On October 8, 2012, the architect has submitted revised plans (to meet new building code requirements, effective 7/1/12) to the County for plan check approval. First Plan Check review has been completed and architect is working on revisions and will resubmit by first week in Dec. 2012. The PS&E are 90% completed. Final PS&E are scheduled for City Council consideration and approval in January 2013, for release and advertisement. Construction is scheduled to start in April 2013 with completion in January 2014.
EMERGENCY OPERATION CENTER CONSTRUCTION (EOC GRANT)	\$ 1,333,333	City Council awarded construction contract on 11/13/12 to E. Avico, Inc. On 11/20/12, City Council will consider award of inspector and materials testing & acceptance. Tentative construction start date of 1/26/12.
ENERGY EFFICIENT UPGRADES/LIGHTING RETROFIT	\$ 111,988	IMPROVEMENTS COMPLETED, CITY COUNCIL ACCEPTED WORK ON 7/17/12.
	\$ 38,579,942	