

AGENDA OF A REGULAR MEETING - NATIONAL CITY CITY COUNCIL/
COMMUNITY DEVELOPMENT COMMISSION – HOUSING AUTHORITY OF
THE CITY OF NATIONAL CITY



COUNCIL CHAMBERS
CIVIC CENTER
1243 NATIONAL CITY BOULEVARD
NATIONAL CITY, CALIFORNIA
TUESDAY, FEBRUARY 18, 2020 – 6:00 PM

ALEJANDRA SOTELO-SOLIS
Mayor

MONA RIOS
Vice Mayor

JERRY CANO
Councilmember

RON MORRISON
Councilmember

GONZALO QUINTERO
Councilmember

*1243 National City Blvd.
National City, CA 91950
619-336-4240*

*Meeting agendas and
minutes available on web*

WWW.NATIONALCITYCA.GOV

ORDER OF BUSINESS: Public sessions of all Regular Meetings of the City Council / Community Development Commission - Housing Authority (hereafter referred to as Elected Body) begin at 6:00 p.m. on the first and third Tuesday of each month. Public Hearings begin at 6:00 p.m. unless otherwise noted. Closed Meetings begin in Open Session at 5:00 p.m. or such other time as noted, and after announcing closed session items, convenes into a Closed Meeting. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda. The Mayor and Council members also sit as the Chairperson and Members of the Board of the Community Development Commission (CDC).

REPORTS: All open session agenda items and reports as well as all documents and writings distributed to the Elected Body less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Elected Body are webcast and archived on the City's website **www.nationalcityca.gov**.

PUBLIC COMMENTS: Prior to the Business portion of the agenda, the Elected Body will receive public comments regarding any matters within the jurisdiction of the City and/or the Community Development Commission. Members of the public may also address any item on the agenda at the time the item is considered by the Elected Body. Persons who wish to address the Elected Body are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Mayor or Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Mayor or Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or unrelated.

WRITTEN AGENDA: With limited exceptions, the Elected Body may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

CONSENT CALENDAR: Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are

adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of the agenda and separately considered upon request of a Councilmember, a staff member, or a member of the public.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Spanish audio interpretation is provided during Elected Body Meetings. Audio headphones are available in the lobby at the beginning of the meeting.

Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audífonos están disponibles en el pasillo al principio de la junta.

Spanish to English interpretation services are available to members of the public who wish to speak to the City Council during the meeting. "Request to Speak" forms requesting interpretation must be filed within the first two hours of the meeting.

Español a los servicios de interpretación Inglés de audio está disponibles para los miembros del público que desean hablar con el Ayuntamiento durante del Consejo Municipal. "Solicitud para hablar de" formas solicitud de interpretación deben ser presentadas dentro de las dos primeras horas del Consejo Municipal.

COUNCIL REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING CITY COUNCIL MEETINGS.

OPEN TO THE PUBLIC

A. CITY COUNCIL

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE TO THE FLAG

PUBLIC COMMENTS (THREE-MINUTE TIME LIMIT)

PROCLAMATIONS AND CERTIFICATES

1. [National City Recognizes Barbara Chappell-Brown in Celebration of Black History Month](#)

AWARDS AND RECOGNITIONS

PRESENTATIONS

INTERVIEWS / APPOINTMENTS

REGIONAL BOARDS AND COMMITTEE REPORTS (FIVE-MINUTE TIME LIMIT)

CONSENT CALENDAR

2. [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances or Resolutions that are having a Public Hearing considered at this meeting and providing that such Ordinances or Resolutions shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)
3. [Approval of the Minutes of the Regular Meetings of the City Council and Community Development Commission - Housing Authority of the City of National City of October 1, 2019, October 15, 2019, November 5, 2019, November 19, 2019, December 3, 2019, December 17, 2019 and January 21, 2020 and the Special Meetings of the City Council of the City of National City of November 5, 2019, November 19, 2019, December 3, 2019 and January 21, 2020. \(City Clerk\)](#)
4. [Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with West Coast Arborists, Inc. for grant coordination services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City, extending the term of the](#)

- Agreement to March 30, 2021, and authorizing the Mayor to execute the Agreement. (Engineering/Public Works)
5. Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with West Coast Arborists, Inc. for tree planting services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City, extending the term of the Agreement to March 30, 2021, and authorizing the Mayor to execute the Agreement. (Engineering/Public Works)
 6. Resolution of the City Council of the City of National City waiving the formal bid process pursuant to National City Municipal Code Section 2.60.260 regarding cooperative purchasing and authorizing the Mayor to execute an Agreement with West Coast Arborists, Inc. for specialized tree trimming, removal, and planting services, effective November 1, 2019 through January 7, 2022, for an amount not to exceed \$90,000 by piggybacking onto the City of Encinitas' Urban Forestry Maintenance Services Contract. (Engineering/Public Works)
 7. Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with Geosyntec Consultants, Inc. to provide on-call project support services for National City's Capital Improvement Program (CIP), including, but not limited to, environmental engineering, site assessments, characterization and remediation, groundwater monitoring and reporting, and preparation of environmental studies in accordance with the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA), extending the term of the Agreement by one year to December 4, 2020, and authorizing the Mayor to execute the Amendment. (Engineering/Public Works)
 8. Resolution of the City Council of the City of National City: 1) authorizing the Mayor to execute a three-year Agreement with Loma Media, Inc. for a not-to-exceed amount of \$250,000 to provide on-call project support services for National City, including, but not limited to, Graphic Design/Web Design, Community Outreach, Grants Management, Public Relations and Government Affairs and Polling and Analysis; and 2) authorizing the City Manager to execute any project-specific supplemental agreements, as may be required. (City Manager)
 9. Resolution of the City Council of the City of National City adopting Caltrans' Local Assistance Procedures Manual (LAPM), Chapter 10 Consultant Selection to ensure compliance with Federal and State laws and regulations pertaining to use of consultant services on State and Federal funded transportation projects. (Engineering/Public Works)
 10. Resolution of the City Council of the City of National City authorizing the City Manager to execute a Confidentiality and Hold Harmless Agreement

between the California Department of Transportation (Caltrans) and the City of National City for the sharing of electronic files, and designating the City Engineer as the person responsible for the security and confidentiality of the information provided by Caltrans. (Engineering/Public Works)

11. Resolution of the City Council of the City of National City authorizing the installation of "30-minute parking" signs for 12 angle parking spaces located on the west side of "A" Avenue, south of East 7th Street, in front of 726 "A" Avenue (Niederfrank's Ice Cream), 724 "A" Avenue (National Sewing Machines), and 704 "A" Avenue (Vee Parts & Accessories) to increase parking turnover for customers (TSC No. 2019-18). (Engineering/Public Works)
12. Resolution of the City Council of the City of National City authorizing the installation of 36 feet of white curb "3-Minute Passenger Loading" on the east side of "V" Avenue in front of the church "Ni Christo" located at 2201 East 8th Street (TSC No. 2019-19). (Engineering/Public Works)
13. Resolution of the City Council of the City of National City authorizing the donation of a 1991 Chevrolet utility truck and 2004 Pierce fire engine to another public agency, the City of Tecate, in accordance with State Law and Municipal Code Section 2.42.040B. (Fire)
14. Warrant Register #28 for the period of 1/1/20 through 1/7/20 in the amount of \$1,067,876.73. (Finance)
15. Warrant Register #29 for the period of 1/8/20 through 1/14/20 in the amount of \$2,043,400.87. (Finance)

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

16. Public Hearing and Adoption of a Resolution of the City Council of the City of National City adding the property located at 555 East 1st Street to the City's List of Identified Historic Sites. (Applicant: Justin Tjalma) (Case File 2020-01 HL) (Planning) **Companion Item #17**
17. Public Hearing and Adoption of a Resolution of the City Council of the City of National City authorizing the Mayor to execute a Mills Act Historic Preservation Contract for 555 East 1st Street. (Applicant: Justin Tjalma) (Case File 2020-01 M) (Planning) **Companion Item #16**

NON CONSENT RESOLUTIONS

NEW BUSINESS

18. Resolution of the City Council of the City of National City adopting National City's INTRA-Connect Plan (Integrating Neighborhoods with

[Transportation Routes for All\), funded by a \\$330,000 Caltrans Sustainable Transportation Planning Grant. \(Engineering/Public Works\)](#)

19. [Commercial Cannabis fiscal analysis, Outreach October survey results and discussion and seeking direction from the City Council to Staff regarding additions to the proposed Commercial Cannabis ordinance. \(City Manager\)](#)
20. [2019 Housing Element Annual Progress Report pursuant to California Government Code Section 65400. \(Planning\)](#)

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

CONSENT RESOLUTIONS - HOUSING AUTHORITY

PUBLIC HEARINGS: RESOLUTIONS - HOUSING AUTHORITY

NON CONSENT RESOLUTIONS - HOUSING AUTHORITY

NEW BUSINESS - HOUSING AUTHORITY

C. REPORTS

STAFF REPORTS

21. [2020 Housing Road Map. \(Housing Authority\)](#)
22. [March Forward Outreach Efforts. \(City Manager\)](#)

MAYOR AND CITY COUNCIL

CLOSED SESSION REPORT

ADJOURNMENT

Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday - March 17, 2020 - 6:00 p.m. - Council Chambers - National City, California.

The March 3, 2020 Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City will not be held due to the Municipal Election being held on that date.

The following page(s) contain the backup material for Agenda Item: [National City Recognizes Barbara Chappell-Brown in Celebration of Black History Month](#)
Please scroll down to view the backup material.

Item # ____
02/18/20

**National City Recognizes Barbara Chappell-Brown
in Celebration of Black History Month**

The following page(s) contain the backup material for Agenda Item: [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances or Resolutions that are having a Public Hearing considered at this meeting and providing that such Ordinances or Resolutions shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)

Please scroll down to view the backup material.

Item # ____

02/18/20

MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES OR RESOLUTIONS THAT ARE HAVING A PUBLIC HEARING CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES OR RESOLUTIONS SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY.

(City Clerk)

The following page(s) contain the backup material for Agenda Item: [Approval of the Minutes of the Regular Meetings of the City Council and Community Development Commission - Housing Authority of the City of National City of October 1, 2019, October 15, 2019, November 5, 2019, November 19, 2019, December 3, 2019, December 17, 2019 and January 21, 2020 and the Special Meetings of the City Council of the City of National City of November 5, 2019, November 19, 2019, December 3, 2019 and January 21, 2020. \(City Clerk\)](#)

Please scroll down to view the backup material.

Item # ____
02/18/20

**APPROVAL OF THE MINUTES OF THE REGULAR MEETINGS
OF THE CITY COUNCIL AND COMMUNITY DEVELOPMENT
COMMISSION – HOUSING AUTHORITY OF THE CITY OF
NATIONAL CITY OF OCTOBER 1, 2019, OCTOBER 15, 2019,
NOVEMBER 5, 2019, NOVEMBER 19, 2019, DECEMBER 3, 2019
DECEMBER 17, 2019 AND JANUARY 21, 2020 AND THE
SPECIAL MEETINGS OF THE CITY COUNCIL OF THE CITY OF
NATIONAL CITY OF NOVEMBER 5, 2019, NOVEMBER 19, 2019
DECEMBER 3, 2019 AND JANUARY 21, 2020.**

(City Clerk)

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

October 1, 2019

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:06 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Aguirre, Dalla, Denham, Duong, Meteau, Morris-Jones, Olson, Parra, Raulston, Roberts, Tellez, Vergara, Williams, Yano, Ybarra.
Others present: City Treasurer Mitch Beauchamp.

PLEDGE OF ALLEGIANCE TO THE FLAG BY COUNCILMEMBER RIOS

CERTIFICATE OF ADJOURNMENT

Mayor Sotelo-Solis shared highlights of the life of Perla Medina and presented a Certificate of Adjournment to the family members. Mayor Sotelo-Solis announced that the meeting will be adjourned in her memory.

PUBLIC COMMENTS

The following individuals spoke on public health concerns regarding marijuana and/or vaping use: Becky Rapp, Terri-Ann Skelly, Kathleen Lippett, and Scott Chipman.

Laura Wilkinson, South County Economic Development Council (SCEDC) Boardmember, extended an invitation to the Mayor and Council for SCEDC's 30th Anniversary event. She spoke in support of the cannabis industry.

The following individuals spoke on issues occurring at the Senior Nutrition Center and Morgan Kimball Towers: Maria Anaya, Alberto, Pucce, Blanca Juarez, MariaTeresa Molina, and Beatriz Vizcaino.

PROCLAMATIONS AND CERTIFICATES

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

1. SANDAG iCommute's Rideshare Week 2019

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

2. Mexico's General Consulate 19th Binational Health Week

PROCLAMATIONS AND CERTIFICATES (cont.)

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

3. National City Recognizes Latino Heritage Month: (A) Al and Rosie Alvarado, (B) Our Public Safety Leaders Chief of Police Jose Tellez, Chief of Emergency Services Frank Parra, and Director of Community Development Armando Vergara, (C) The Low Rider Community

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

4. Life Saving Recognition - Officer Camilo Gutierrez

Member Cano left the Chamber at 7:29 p.m. and did not return.

PRESENTATIONS

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

5. EXOS Executive Summary for Las Palmas Pool operations during Fiscal Year 2019. (Community Services)

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

6. Community Survey for Strategic Planning. (City Manager)

NOTE: Presentation material for Item No. 5 is available in the Office of the City Clerk.

REGIONAL BOARDS AND COMMITTEE REPORTS

San Diego Association of Governments (SANDAG)

Mayor Sotelo-Solis gave updates on the Regional Transportation Plan (RTIP) and priority projects.

Metropolitan Transit System (MTS)

Member Rios reminded everyone to take advantage of MTS's Free Ride Day and she will provide updates on SD Elevate 2020 next month.

San Diego County Water Authority (SDCWA)

Vice Mayor Morrison gave updates on a number of issues involving two water districts wishing to withdraw from the SDCWA.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 7 (NCCMC), Item No. 8 (Minutes), Item No. 9 (Resolution No. 2019-136), Item No. 10 (Temporary Use Permit), Item Nos. 11 and 12 (Reports), Item Nos. 13 and 14 (Warrant Registers). Motion by Rios, seconded by Morrison, to approve the Consent Calendar. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

CONSENT CALENDAR (cont.)

MUNICIPAL CODE 2019 (506-2-34)

7. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (CITY CLERK)

ACTION: Approved. See above.

GENERAL ADMIN (103-2-1)

8. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY OF JUNE 4, 2019. (City Clerk)

ACTION: Approved. See above.

CONTRACT (C2015-43)

9. Resolution No. 2019-136. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE FIRST AMENDMENT TO THE AGREEMENT BY AND BETWEEN THE CITY OF NATIONAL CITY AND SPACESAVER INTERMOUNTAIN, LLC, TO INCREASE THE NOT-TO-EXCEED AMOUNT BY \$3,500 FOR THE PURCHASE AND INSTALLATION OF USB OUTLETS, INSTEAD OF ELECTRICAL OUTLETS, FOR THE SPACESAVER FREESTYLE LOCKER SYSTEM IN THE LOCKER ROOMS OF THE POLICE DEPARTMENT, FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$231,644.09. (Police)

ACTION: Adopted. See above.

TEMPORARY USE PERMITS 2019 (203-1-35)

10. Temporary Use Permit – Hope Fest hosted by Cornerstone Church of San Diego at 1920 Sweetwater Road on October 31, 2019 from 6 p.m. to 9 p.m. with no waiver of fees. (Neighborhood Services)

ACTION: Filed. See above.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

11. Investment Report for the quarter ended June 30, 2019. (Finance)

ACTION: Filed. See above.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

12. Investment Transactions for the month ended July 31, 2019. (Finance)

ACTION: Filed. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

13. Warrant Register #8 for the period of 8/14/19 through 8/20/19 in the amount of \$135,787.10. (Finance)

ACTION: Ratified. See above.

CONSENT CALENDAR (cont.)

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

14. Warrant Register #9 for the period of 8/21/19 through 8/27/19 in the amount of \$1,713,699.31. (Finance)

ACTION: Ratified. See above.

RECESS

A recess was called at 8:11 p.m.

The meeting reconvened at 8:16 p.m. Member Cano was absent.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

STREET VACATION ADMIN 2019 (902-26-7)

15. Resolution No. 2019-137. PUBLIC HEARING AND ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE EXECUTION OF AN ORDER OF VACATION OF A PORTION OF ALLEY NORTH OF EAST 12TH STREET EAST OF NATIONAL CITY BLVD. FOR INSTALLATION OF UTILITIES RELATED TO AN APPROVED AFFORDABLE HOUSING PROJECT. (APPLICANT: AMG & ASSOCIATES, LLC.) (Case File No. 2019-18 SC) (Planning)

RECOMMENDATION: Approve the alley vacation.

TESTIMONY: Kim Calica, Applicant, answered questions posed by the dais.

CITY ATTORNEY COMMENT: City Attorney Morris-Jones stated for the record that written comments were received from Coast Law Group representing the Property Owner and they've asked for two condition amendments to be added for consideration: No. 4: Reservation of the easement and maintenance of the area after vacation; No. 6: Maintenance of the area of the alley vacated after the project commonly referred to as the "Courtyards at Kimball" has been completed and the alley has been vacated shall be the responsibility of the owners of the property located at 1145 National City Boulevard and that they will be the only users of the property while the Applicant will have right of access to the alley area, it is not expected that regular access will be necessary. Any damage incurred as a result of said access will be repaired with compensation provided to the Maintenance Provider; and continued EDCO access.

ACTION: Motion by Morrison, seconded by Rios, to close the Public Hearing. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

Motion by Morrison, seconded by Rios, to adopt the Resolution with requested changes in the letter. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS (cont.)

CONDITIONAL USE PERMITS 2019 (403-32-3)

16. Resolution No. 2019-138. PUBLIC HEARING AND ADOPTION OF A RESOLUTION APPROVING A CONDITIONAL USE PERMIT (CUP) FOR A BAR (OVER THE TAP) TO BE LOCATED AT 2424 HOOVER AVENUE, SUITE A AND WAIVER OF CITY COUNCIL POLICY #707 CONDITIONS 14 AND 15. (Applicant: Jorge Ramirez) (Case File No. 2019-21 CUP) (Planning)

RECOMMENDATION: Approve the CUP with waiver of City Council Policy No. 707 conditions of approval 8 and 9.

TESTIMONY: Jorge Ramirez, Applicant, responded to questions.

EX PARTE DISCLOSURE: Member Quintero stated for the record that the Applicant is a former student at San Diego State's Continuing Education Center Professional Certificate Program where Member Quintero has served as an Advisory Boardmember and instructor and clarified that he has no affiliation, or vested or financial interest in the Applicant.

Member Rios disclosed for the record that she watched the Planning Commission meeting.

ACTION: Motion by Rios, seconded by Morrison, to close the Public Hearing. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

Motion by Rios, seconded by Morrison, to adopt the Resolution subject to the attached recommended findings and conditions of approval as amended. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

NEW BUSINESS

CONDITIONAL USE PERMITS 2019 (403-32-3)

17. Notice of Decision - Planning Commission approval of a Conditional Use Permit (CUP) to allow CPR classes at 3142 East Plaza Boulevard, Suite N. (Applicant: Ruthy Puzon and Johnny Lytle) (Case File No. 2019-19 CUP) (Planning)

RECOMMENDATION: File the Notice of Decision.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Morrison, to file the Notice of Decision. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

NEW BUSINESS (cont.)

CAMACHO CENTER ADMIN (702-14-1)

18. Facility Use Permit for OneSight Vision Clinic hosted by National City Host Lions Club beginning on Friday, November 1, 2019 through Friday, November 8, 2019 at Camacho Recreation Center located at 1810 East 22nd Street, with a request to add the OneSight Vision Clinic as a co-sponsored event, thus waiving facility rental fees of \$1,200 per day for a total of \$7,200, consistent with City Council Policy #802, City Support for Special Events, Activities, Programs and Services. (Community Services)

RECOMMENDATION: Approve the Facility Use Permit.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Rios, to approve Staff Recommendations. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

MUNICIPAL CODE 2020 (506-2-35)

19. Report and Recommendation that the City Council Direct the City Attorney to prepare a Draft Campaign Contribution Limitation Ordinance for City Council consideration. (City Clerk)

RECOMMENDATION: 1) The City Council direct the City Attorney to prepare a draft Campaign Contribution Limit Ordinance for Council review and possible adoption on or before February 2020, with a recommended effective date of January 2021; 2) That the contribution limit in the Ordinance be established at \$1,000 per individual, business or union and \$2,000 per political party; 3) That the Ordinance include a mechanism for annual automatic adjustments based on changes in the Consumer Price Index (CPI).

TESTIMONY: Joan Rincon, National City, suggested that the City Attorney brief the Council on side issues before drafting an Ordinance.

ACTION: Motion by Sotelo-Solis, seconded by Rios, to approve Staff Recommendation Item Nos. 1, 2, and 3. Carried by the following vote, to-wit: Ayes: Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: Cano.

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

There were no CDC-HA action items.

C. REPORTS

STAFF REPORTS

Police Chief Jose Tellez extended an invitation to the 4th Annual "Coffee with a Cop Day" on October 2nd.

STAFF REPORTS (cont.)

Recreation Superintendent Audrey Denham gave an overview of Community Services events that took place in September.

Finance Director Mark Roberts announced that the City has once again received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting (CAFR) and award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for Fiscal Year 2018. Mr. Roberts credited the awards to having had clean audits for the fourth consecutive year. He acknowledged several Finance Staff members for their work, as well as the support of the City Manager and City Council.

City Manager Brad Raulston thanked everyone for their hard work and support.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

Member Quintero commended City Manager Raulston for the Outreach October calendar.

Vice Mayor Morrison stated that he was disappointed in the HdL report on cannabis and felt that there was not enough information provided.

Member Rios acknowledged Housing Authority Director Carlos Aguirre for his work with the City's senior population; suggested that there should be designated parking pick-up zones at the senior centers; also commended Community Services staff for their work in coordinating "Movies in the Park" events; shared highlights of the Old Town National City Reunion event, and reminded everyone to take advantage of free transit day on October 2nd.

Mayor Sotelo-Solis thanked all those who were recognized for Latino Heritage Month and shared highlights of local clean-up day and the Margaritaville Auction and Gala event that took place over the weekend.

CLOSED SESSION REPORT

There was no Closed Session Report.

ADJOURNMENT

The meeting was adjourned in honor and memory of Ms. Perla Medina.

Motion by Morrison, seconded by Rios, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday – October 15, 2019 - 6:00 p.m. - Council Chambers - National City, California. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

ADJOURNMENT (cont.)

The meeting closed at 9:47 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

DRAFT

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY

**Main Conference Room
Civic Center
1243 National City Boulevard
National City, California**

Special Meeting - Tuesday, October 1, 2019 – 5:30 p.m.

CITY COUNCIL

OPEN SESSION

CALL TO ORDER

ROLL CALL

CLOSED SESSION

PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.

1. Conference with Legal Counsel – Potential Litigation: One Case
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)
2. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
National City Puppy, LLC v. City of National City, et al
Case No. 37-2019-00049045–CU-CR-CTL

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, October 1, 2019, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

October 15, 2019

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:09 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Aguirre, Dalla, Duong, Hernandez, Meteau,
Morris-Jones, Olson, Raulston, Roberts, Tellez, Williams, Yano, Ybarra.
Others present: City Treasurer Mitch Beauchamp.

**PLEDGE OF ALLEGIANCE TO THE FLAG BY CENTRAL ELEMENTARY
SCHOOL STUDENTS**

PUBLIC COMMENTS

Becky Rapp, shared her concerns regarding vaping and Public Health.

C. Marquez, National City, asked for immediate assistance regarding an ongoing family legal matter.

Joan Rincon, National City, suggested that the City cooperate with other municipalities to find a solution regarding the collection of California Redemption Value (CRV) charges.

PROCLAMATIONS AND CERTIFICATES

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

1. National City Recognizes Francine Maigue for Community Leadership

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

2. Life Saving Recognition - Corporal Salvador Gil and Mohammed Farha

PRESENTATIONS

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

3. Community Survey for Cannabis. (City Manager)

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

4. South County Economic Development Council (SCEDC) Business Outreach Update

NOTE: Presentation material is available in the Office of the City Clerk.

REGIONAL BOARDS AND COMMITTEE REPORTS

Mayor Sotelo-Solis made the following appointments to two new ad hoc committees: Mayor Sotelo-Solis and Member Rios to the 801/802 Committee; and Mayor Sotelo-Solis and Member Cano to the Lowrider Community Committee.

Metropolitan Transit System (MTS)

Member Rios reported that the MTS Free Ride Day was a success, announced that San Diego County Supervisor Nathan Fletcher was elected as the new MTS Chair, and shared information regarding the Elevate 2020 survey.

Sweetwater Authority (SWA)

Member Cano announced that the SWA Board voted unanimously to not increasing the water rates in the City and that old water pipelines in National City are being flushed out.

Mayor Sotelo-Solis invited everyone to attend the pipeline “flushing event” at the Garrett site location.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 5 (NCCMC), Item Nos. 6 through 8 (Resolution No. 2019-139 through 2019-141), Item No. 9 (Temporary Use Permit), Item Nos. 10 and 11 (Warrant Registers). Motion by Rios, seconded by Morrison, to approve the Consent Calendar, except for Item No. 8. Carried by unanimous vote.

MUNICIPAL CODE 2019 (506-2-34)

5. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (CITY CLERK)

ACTION: Approved. See above.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

6. Resolution No. 2019-139. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ADJUSTING GAS TAX FUND BUDGET APPROPRIATIONS FOR FISCAL YEAR 2020 TO APPROPRIATE \$140,543.52 IN ADDITIONAL ROAD MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) FUNDS IN ORDER TO REFLECT ACTUAL RMRA FUNDS RECEIVED IN FISCAL YEARS 2018 AND 2019. (Engineering/Public Works)

ACTION: Adopted. See above.

CONSENT CALENDAR (cont.)

**CONTRACT (C2019-40)
DEED (D2019-6)**

7. Resolution No. 2019-140. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING AN AFFORDABLE HOUSING DENSITY BONUS AGREEMENT WITH C AVENUE 8 PLEX LLC, FOR THE DEVELOPMENT OF 10 UNITS LOCATED AT 1821 "C" AVENUE AND RESTRICTING THE RENT AND OCCUPANCY OF ONE (1) UNIT TO A LOW INCOME HOUSEHOLD IN EXCHANGE FOR A DENSITY BONUS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTIONS 65915 - 65918. (Housing Authority)
ACTION: Adopted. See above.

SOLID WASTE / OIL (911-1-2)

8. Resolution No. 2019-141. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY OPPOSING NEW FEDERAL OIL AND GAS LEASING IN ALL U.S. WATERS OFF THE COAST OF CALIFORNIA. (City Manager)
TESTIMONY: The following Central Elementary School students spoke in support of the Resolution: Chloe Krystel Clemente, Emely Carames Cruz and Lance Narvaez.
ACTION: Motion by Quintero, seconded by Rios, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

TEMPORARY USE PERMITS 2019 (203-1-35)

9. Temporary Use Permit - Padres Pedal the Cause Bicycle Ride sponsored by Padres Pedal the Cause on November 16, 2019 from 10:00 a.m. to 2:15 p.m. with no waiver of fees. (Neighborhood Services)
TESTIMONY: Lauren Diaz, Applicant, responded to questions.
ACTION: Filed. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

10. Warrant Register #10 for the period of 8/28/19 through 9/3/19 in the amount of \$2,781,785.62. (Finance)
ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

11. Warrant Register #11 for the period of 9/4/19 through 9/10/19 in the amount of \$2,652,416.39. (Finance)
ACTION: Ratified. See above.

NON CONSENT RESOLUTIONS

HISTORICAL SITES LIST ADMIN (405-10-1)

12. Resolution No. 2019-142. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE DESIGNATION OF HISTORIC PROPERTIES AS RECOMMENDED BY THE NATIONAL CITY HISTORICAL SOCIETY AND BASED ON HISTORIC PROPERTIES SURVEYS. (Planning)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: Sheri Howard and Reverend Rosary Etzel, First Spiritualist Church, spoke in support of the Staff recommendations and shared information regarding beautifications being done at their 132 year-old Church.

City Clerk Michael Dalla stated, for the record, that an e-mail was received from Save Our Heritage Organization (SOHO) detailing their recommendations regarding Historical Property designations (copy on file in the Office of the City Clerk).

ACTION: Motion by Rios, seconded by Sotelo-Solis, to adopt the Resolution as amended to exclude the requested Applicants' two properties, making it twenty-seven (27) properties, instead of twenty-nine (29). Carried by the following vote, to-wit: Ayes: Cano, Rios, Sotelo-Solis. Nays: Morrison. Abstain: Quintero. Absent: None.

NEW BUSINESS

TEMPORARY USE PERMITS 2019 (203-1-35)

13. Temporary Use Permit - Request from the City of National City to conduct the National City Inaugural Dia de Los Muertos Event on "A" Avenue on November 1, 2019 from 12:00 p.m. to 8:00 p.m. with no waiver of fees. (Neighborhood Services)

RECOMMENDATION: Approve the Temporary Use Permit.

TESTIMONY: Joan Rincon, National City, expressed her concerns on transparency and the financial source for the event.

ACTION: Motion by Cano, seconded by Rios, to approve the Temporary Use Permit. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM (505-7-13)

14. Report on the process for the Ballot Measure to have the Elected Offices of City Clerk and City Treasurer to become Appointed Officers and direct the City Attorney as the Council deems appropriate. (City Attorney)

NEW BUSINESS (cont.)

ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM (505-7-13)

14. Report on the process for the Ballot Measure (continued).
RECOMMENDATION: Direct the City Attorney to draft the Resolutions to place one Measure or two separate Measures on the March 2020 Primary Ballot wherein the voters shall decide whether or not to make the Clerk and Treasurer Appointed Offices.
TESTIMONY: None.
ACTION: Motion by Morrison, seconded by Rios, to approve Option No. 1: "The Measure would be one ballot question that covers both offices". Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: Cano. Abstain: None. Absent: None.

CITY ATTORNEY REPORTS (509-1-3)

15. Reconsideration of the City Council's decision to "Opt Out" of Microenterprise Home Kitchen Operations (MEHKO) Program Participation, which allows individuals to operate a food facility out of a private home. (City Attorney).
RECOMMENDATION: Option 1) Do nothing, which would leave Resolution No. 2019-106 ("Resolution") in place; 2) Rescind the Resolution and take no further action, or; 3) Rescind the Resolution and enact a resolution in support of MEHKOs.
TESTIMONY: The following individuals spoke in support of Option No. 3: Tida Infahsaeng, Jacqueline Reynoso, Taylor Brewer, Janice Luna Reynoso, Roya Bagheri, Patty Corona, Rocina Lizarraga, Alicia Sanchez, and Adriana Esquivias.
The following individuals spoke in opposition of rescinding the Resolution: Joan Rincon, National City, and Michael Harwig, Not Your Mommas Restaurant.
ACTION: Motion by Sotelo-Solis, seconded by Rios, to approve Option No. 3.
Substitute Motion by Morrison, seconded by Cano, to approve Option No. 1. Carried by the following vote, to-wit: Ayes: Cano, Morrison, Quintero. Nays: Rios, Sotelo-Solis. Abstain: None. Absent: None.

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

There were no CDC-HA action items.

C. REPORTS

STAFF REPORTS

There were no Staff Reports.

STAFF REPORTS (cont.)

COMMUNITY DEVELOPMENT DEPT ADMIN (1104-1-16)

16. Community Development Department Rollout/Kickoff. (Community Development)

ACTION: This item was deferred to the next City Council meeting.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

City Treasurer Mitch Beauchamp thanked the Council and City Attorney Angil Morris-Jones for coordinating the processing of Agenda Item No. 14 regarding the Elected City Clerk and City Treasurer positions.

Member Cano shared that he read an article addressing the lack of playgrounds for children with special needs and asked to select an area in the City's parks to add accessibility options for children and adults.

Member Quintero stated concerns regarding the lack of sufficient street lights and outdated or broken street lights in the City and requested attention be given to identifying grants or partnerships to address the issue.

Vice Mayor Morrison suggested a survey to identify the location of inoperable street lights and to submit them to San Diego Gas & Electric (SDG&E). He encouraged everyone to attend the La Vista Dia de los Muertos event.

Vice Mayor Morrison offered the following motion for Council consideration:

Motion by Morrison, seconded by Quintero, to request the City Attorney to provide a report back with information on ad hoc/standing committees. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: Cano. Abstain: None. Absent: None.

Member Rios acknowledged Staff and recent events and programs that took place.

Mayor Sotelo-Solis commended Outreach October; extended an invitation to walk Member Quintero's neighborhood to assess the street light issue; thanked Public Safety Staff for recognizing Breast Cancer Awareness Month; shared her personal experience with skin cancer and encouraged everyone to get cancer screenings.

CLOSED SESSION REPORT

There was no Closed Session Report.

ADJOURNMENT

Motion by Morrison, seconded by Cano, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday – November 5, 2019 - 6:00 p.m. - Council Chambers - National City, California. Carried by unanimous vote.

The meeting closed at 9:32 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY

**Main Conference Room
Civic Center
1243 National City Boulevard
National City, California**

Special Meeting - Tuesday, October 15, 2019 – 5:00 p.m.

CITY COUNCIL

OPEN SESSION

CALL TO ORDER

ROLL CALL

CLOSED SESSION

PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.

1. Conference with Legal Counsel – Potential Litigation: Two Cases
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, October 15, 2019, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

DRAFT DRAFT DRAFT
**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF NATIONAL CITY**
STRATEGIC PLANNING WORKSHOP

November 5, 2019

The Special Meeting of the City Council of the City of National City was called to order at 4:03 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Morrison, Quintero, Rios, Sotelo-Solis.

Council / Board members absent: Cano.

Administrative Officials present: Aguirre, Dalla, Denham, Duong, Manganiello, Meteau, Morris-Jones, Raulston, Roberts, Tellez, Vergara, Williams.

Others present: City Treasurer Mitch Beauchamp.

INTRODUCTION

City Manager Brad Raulston gave opening remarks and an overview of the presentation and introduced guest presenter, John Gavares from The Gavares Group.

PRESENTATION

Mr. Gavares provided a thorough open-ended discussion on the Strategic Planning presentation, survey results, and focus area goals.

NOTE: All presentation materials are attached as Exhibit "A".

CITY COUNCIL AND STAFF COMMENTS AND DIRECTION

Mayor Sotelo-Solis said that out of the 7 Strategic Focus Areas, she specifically likes the "Balanced Budget and Economic Development" and "Community and Outreach" areas.

Member Rios expressed her thoughts on "Debate v. Dialogue" and said that the Community Survey captured a lot of what she was hearing from the public and stated that there needs to be more community engagement. She also likes the "Transportation Choices and Infrastructure" focus area and said that it is a key issue in the community. Member Rios said that Customer Service is also important to recognize and improve on. As for the Public Safety survey, she said it reinforces those things that still need to be improved.

Member Quintero looks forward to seeing the continuation of the Strategic Plan process.

Vice Mayor Morrison said that he appreciates Dialogue and Debate being divided. He spoke on barriers with getting communication out there, but said that the survey gave a starting point to address issues.

CITY COUNCIL AND STAFF COMMENTS AND DIRECTION (cont.)

Vice Mayor Morrison said that without a Balanced Budget, you don't have Public Safety. He said he would've liked to see Housing and Homelessness differentiated.

Member Rios said that the top three focus areas: Public Safety (Police and Fire); Housing and Homelessness; and Health and Environment, reflects quality of life and stands out for people in their neighborhoods. She said that Balanced Budget goes hand in hand with the services that are provided in the City. Member Rios is interested to know specifically how Balanced Budget got to the top five focus areas because she feels people interpret questions differently.

City Manager Raulston said that part of the reason Balanced Budget was combined with Economic Development is because it was clear that the community wants Economic Development to balance the budget. He stressed the importance of focusing most on the four Goals: 1) Maximize Economic Development Strategies; 2) Partner with Other Public Agencies and Non-Profits to Increase Revenue and Augment Services; 3) Manage Pension and Other Employee Expenses; and 4) Optimize City Assets and Lease Property when Appropriate.

Vice Mayor Morrison said he was surprised at the low number of empty lots there are in comparison to other cities. He doesn't think the public has a good awareness of the pension crisis confronting the City. He thinks that Goal No. 4 sounds great but isn't sure how much more can be done on that one.

City Manager Raulston said that he was surprised to see the Empty Lot Activation on the survey and said it probably would've been better worded as Underutilized Lots. He thinks that property use should be approached as a ground lease versus a sale so that it is an ongoing revenue source.

Mayor Sotelo-Solis said that the community is excited about the possibilities of what can be done with the empty lots. She said that our public is aware of the pension concerns and it is a big issue. Mayor Sotelo-Solis stressed the importance of committing to the pension fund.

Director of Finance Mark Roberts said that things like Economic Development are more difficult to quantify.

Member Rios said that it is important to get information out to create more community engagement.

City Manager Raulston said that the job of staff is to provide services and the job of the City Council is to provide input by going out into the community and listening to the constituents and providing that input to staff.

Mayor Sotelo-Solis said that the goal to Increase Meaningful Outreach through Quality Engagement) is a feel-good term and needs measurable outcomes.

CITY COUNCIL AND STAFF COMMENTS AND DIRECTION (cont.)

For Goal No. 3 (Improve Emergency Preparedness and Public Noticing) she said that it is important for training within the City and with other agencies such as school districts and the Port.

Member Quintero said that all of the Communication and Outreach Goals are rooted in marketing and said that events should be thoughtfully produced in a timely manner if you want to create a quality event.

Mayor Sotelo-Solis is glad to see the Climate Action Plan as one priority for Health, Environment & Sustainability.

Member Rios wants to know more of what the goal might look like to Support a Healthy Community through Active Living and Healthy Eating. She would like to see exercise stations at City parks and Health and Education Hubs at some transit stops.

City Manager Raulston explained what it means by Age-Friendly Community. He said that exercise stations have already been implemented at El Toyon Park.

Director of Finance Mark Roberts said that it requires a lot of discussion on how to create Health and Education Hubs.

Mayor Sotelo-Solis said that project ideas are already out there but it's about finding being very selective.

Member Rios would like to see more policy that makes property owners take more responsibility for properties being rented out to keep them affordable. She said that there is conflict with preserving historical homes and making homes available and affordable; that there has to be work in balancing this out.

Member Quintero addressed concerns with practicality in regards to housing and community development goals; he feels that the Strategic Planning Workshop will be more of a historic document in the future.

Mayor Sotelo-Solis said that it's about revitalization without gentrification or displacement and to be obligated to all income levels; new residents means new demand on services.

Director of Housing Authority Carlos Aguirre spoke on the importance of taking into consideration the residents that may be impacted when it comes to property rehabilitation and affordability with increasing rents; the housing and security problem needs to be looked at as a spectrum.

Member Rios said that we should make sure that other entities are engaged in the City's community programs and events.

CITY COUNCIL AND STAFF COMMENTS AND DIRECTION (cont.)

Member Quintero said that it is a good opportunity to partner with existing businesses and mega corporations that call National City home and moving forward to get engaged with the community outside of the government and provide funding in a reliable way.

Mayor Sotelo-Solis spoke on leveraging regional support and thinking outside of the box in terms of smart technology, etc., within the City and other municipalities.

Member Rios spoke on the importance of all Public Safety Goals.

Mayor Sotelo-Solis said that there should be more Community Emergency Response Team (CERT) ready members in regards to Public Safety and spoke on community engagement and pipeline programs for ex-prisoners.

Member Quintero said that the Public Safety goals are responsive and the strategies are somewhat preventative; he suggested to look more towards prevention and control rather than police outcomes.

Chief of Emergency Services Frank Parra announced the following: a new CERT class offered in January 2020; Listos (Spanish Emergency Preparedness Class); a Stop the Bleed campaign which correlates with the (Automated External Defibrillators) AED Program; a new campaign for 4th grade elementary school students; and a new 2019 partnership with Point Loma Nazarene University to offer flu vaccinations (the County of San Diego supported the City with flu vaccines) and diabetes screenings.

Chief of Police Jose Tellez stated that the City has reduced crime by 26% since 2015; but that involved a lot of prevention pieces. He stated the importance of extending knowledge to the community and how to help churches by reviewing their safety plans and provide active shooter training to their staff. Chief Tellez said that there are still areas of improvement to work on in regards of developing something for the teenagers and young adults in the community.

Member Rios said that transportation is really an important subject and that the community needs to be a part of it or the decisions will be made without the community's input. She praised the Engineering Department for their role in traffic calming improvements in the City and piggybacking on other agencies or Cities with purchases and projects.

Vice Mayor Morrison suggested looking into other available options in regards to traffic and road improvements.

Mayor Sotelo-Solis said that the City is one of the highest dollar receiving agencies in the State of California for the "Safe Routes to School" grants and said that, in regards to transportation, it's about changing mindsets and thinking about the narrative.

City Manager Raulston said in regards to infrastructure, that measurable targets will be set aside and brought to the Council on an annual basis.

CITY COUNCIL AND STAFF COMMENTS AND DIRECTION (cont.)

Director of Engineering/Public Works Steve Manganiello said that there were a lot of good points made by the Council and supports their feedback and the transportation goals. He said that there is money in active transportation and that money is leveraged for repairing streets, etc.

City Manager Raulston summarized by stating that the intent is to adopt the Strategic Plan by the end of the year through a resolution which starts the budget process and the budget is the policy document to have a work plan that connects to the Strategic Plan to efficiently and effectively manage City resources.

PUBLIC COMMENTS

Joan Rincon, National City, suggested that the City focus on preventing additional homelessness issues.

Jacqueline Reynoso, National City Chamber of Commerce, encouraged the City to participate in a Comprehensive Marketing Plan, formalize community partnerships; to consider incentive programs in partnership with regional partners; to invest more time into the Climate Action Plan, and to look into other opportunities to tie into Business Licenses for economic development.

Christine Stein, National City, suggested that recreation areas for teenagers be included as part of residential development plans and she shared her concerns regarding street safety issues.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, November 5, 2019 - 6:00 p.m., City Council Chambers, Civic Center – National City, California.

The meeting closed at 6:04 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

November 5, 2019

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:13 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Morrison, Quintero, Rios, Sotelo-Solis.

Council / Board members absent: Cano.

Administrative Officials present: Aguirre, Dalla, Duong, Galeana, Manganiello, Meteau, Morris-Jones, Parra, Raulston, Tellez, Vergara, Williams, Ybarra.

Others present: City Treasurer Mitch Beauchamp.

PLEDGE OF ALLEGIANCE TO THE FLAG BY MEMBER QUINTERO

CERTIFICATE OF ADJOURNMENT

Mayor Sotelo-Solis shared highlights of the life of Fahari Jeffers who was the wife of former Community and Police Relations Commission Member Ken Seaton-Msemaji. She presented a Certificate of Adjournment to the family member and announced that the meeting will be adjourned in memory of Ms. Jeffers.

PUBLIC COMMENTS

The following residents expressed their concerns and issues with management at Morgan and Kimball Towers and submitted a signed petition seeking resolution of the issues brought forth: Florfina Arce, Victoria Beltran, and Joseph Crawford.

Becky Rapp shared statistics in regards to illegal marijuana growth; provided the Council with handouts and requested that a financial analysis be completed by a for the cost and impact of marijuana businesses in the City.

PROCLAMATIONS AND CERTIFICATES

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

1. National City Recognizes Environmental Health Coalition's 40th Anniversary

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

2. National City Recognizes National City Chamber of Commerce for Platinum LEED Certification

AWARDS AND RECOGNITIONS

COUNCIL MEETING AWARDS & RECOGNITIONS 2019 (102-10-14)

3. Circulate San Diego "2019 Momentum Awards: Innovation Award" - National City Engineering & Public Works Department. (Engineering/Public Works)

COUNCIL MEETING AWARDS & RECOGNITIONS 2019 (102-10-14)

4. Women's Transportation Seminar (WTS) San Diego Chapter "2019 Alternative Modes & Active Transportation Award" - 18th Street "Complete Street" Project. (Engineering/Public Works)

COUNCIL MEETING AWARDS & RECOGNITIONS 2019 (102-10-14)

5. 2019 Beacon Spotlight Award Winner. (Engineering/Public Works)

PRESENTATIONS

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

6. Community Development Intro and Rollout. (Community Development)

NOTE: Presentation material is available in the Office of the City Clerk.

INTERVIEWS / APPOINTMENTS

BOARDS & COMMISSIONS ADMIN (101-1-1)

7. Appointment of the National City representatives to the Metropolitan Transit System (MTS) Board and Interviews and Appointments to Various City Boards and Commissions. (City Clerk)

RECOMMENDATION: Appoint as desired.

TESTIMONY: Jacqueline Schliapnik and Joseph Crawford appeared for interview. No appointments were made.

ACTION: Motion by Sotelo-Solis, seconded by Rios, to appoint Mayor Sotelo-Solis as Primary and Member Quintero as Alternate to the MTS Board. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

REGIONAL BOARDS AND COMMITTEE REPORTS

San Diego County Water Authority (SDCWA)

Vice Mayor Morrison reported that there is a continuing saga with two North County Water Boards wishing to withdraw from SDCWA and that interviews will soon be held for a new director.

REGIONAL BOARDS AND COMMITTEE REPORTS (cont.)

Metropolitan Transit System (MTS)

Member Rios announced that MTS launched the first Zero-Emissions Bus Pilot Program on six lime green battery-electric buses that are now in operation for the next eighteen months. She encouraged everyone to participate in the ElevateSD 2020 Survey before the December 2nd deadline.

Sweetwater Water Authority (SWA)

Mayor Sotelo-Solis announced that SWA pipes are being flushed out and there may be taste and odor changes to the water while the sediment is being cleared. She thanked the Sweetwater Authority for their help with the Kimball Holiday ice skating rink.

San Diego Association of Governments (SANDAG)

Mayor Sotelo-Solis stated that SANDAG will be discussing the Regional Housing Needs Assessment (RHNA) and announced that the City has been allocated with 5,408 units.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 8 (NCCMC), Item No. 9 (Minutes), Item Nos. 10 through 16 (Resolution No. 2019-143 through 2019-149), Item No. 17 (Report), Item Nos. 18 and 19 (Warrant Registers). Motion by Rios, seconded by Quintero, to approve the Consent Calendar. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

MUNICIPAL CODE 2019 (506-2-34)

8. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (CITY CLERK)

ACTION: Approved. See above.

GENERAL ADMIN (103-2-1)

9. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY OF APRIL 16, 2019 AND THE SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY OF APRIL 24, 2019. (City Clerk)

ACTION: Approved. See above.

CONSENT CALENDAR (cont.)

CONTRACT (C2018-38)

10. Resolution No. 2019-143. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) ACCEPTING THE WORK PERFORMED BY PREMAN ROOFING, INC., FOR THE CITY HALL ROOF REPLACEMENT PROJECT, CIP NO. 18-08; 2) APPROVING THE FINAL CONTRACT AMOUNT OF \$325,555.00; 3) RATIFYING THE RELEASE OF RETENTION IN THE AMOUNT OF \$16,277.75; AND 4) AUTHORIZING THE MAYOR TO SIGN THE COMPLETION FOR THE PROJECT. (Engineering/Public Works)

ACTION: Adopted. See above.

CONTRACT (C2019-4)

11. Resolution No. 2019-144. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) ACCEPTING THE WORK PERFORMED BY PORTILLO CONCRETE, INC. FOR THE HARBISON AVENUE ROAD DIET PROJECT, CIP NO. 18-17; 2) APPROVING THE FINAL CONTRACT AMOUNT OF \$362,715.92; 3) AUTHORIZING THE RELEASE OF RETENTION IN THE AMOUNT OF \$18,135.80; AND 4) AUTHORIZING THE MAYOR TO SIGN THE NOTICE OF COMPLETION FOR THE PROJECT. (Engineering/Public Works)

ACTION: Adopted. See above.

CONTRACT (C2019-41)

12. Resolution No. 2019-145. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE THE COOPERATIVE AGREEMENT BETWEEN THE CITY OF NATIONAL CITY AND SAN DIEGO PORT TENANTS ASSOCIATION, STC TRAFFIC, INC. AND DENSO INTERNATIONAL AMERICA (FSM TEAM) FOR ACCESS TO CITY OF NATIONAL CITY TRAFFIC SIGNAL DATA FOR FREIGHT SIGNAL PRIORITY PILOT PROJECT DEMONSTRATION. (Engineering/Public Works)

ACTION: Adopted. See above.

PARKING & TRAFFIC CONTROL ADMIN 2019 (801-2-41)

13. Resolution No. 2019-146. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF A BLUE CURB DISABLED PERSONS PARKING SPACE WITH SIGN IN FRONT OF THE RESIDENCE LOCATED AT 42 E. 5TH STREET (TSC No. 2019-10). (Engineering/Public Works)

ACTION: Adopted. See above.

CONSENT CALENDAR (cont.)

PARKING & TRAFFIC CONTROL ADMIN 2019 (801-2-41)

14. Resolution No. 2019-147. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF "KEEP CLEAR" PAVEMENT MARKINGS ON THE WESTBOUND AND EASTBOUND TRAVEL LANES OF W. 8TH STREET, IN FRONT OF THE INGRESS AND EGRESS DRIVEWAY OF THE 8TH STREET TRANSIT CENTER LOCATED ON THE NORTH SIDE OF 8TH STREET, EAST OF HARBOR DRIVE (TSC No. 2019-11). (Engineering/Public Works)

ACTION: Adopted. See above.

CONTRACT (C2019-42)

15. Resolution No. 2019-148. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO ENTER INTO AN AGE FRIENDLY COMMUNITIES INITIATIVE GRANT AGREEMENT WITH THE SAN DIEGO FOUNDATION FOR \$50,000 TO DEVELOP A NATIONAL CITY AGE-FRIENDLY ACTION PLAN AND AUTHORIZING THE ESTABLISHMENT OF A GRANT APPROPRIATION AND CORRESPONDING REVENUE ACCOUNT. (Engineering/Public Works)

ACTION: Adopted. See above.

DONATIONS RECEIVED (209-1-4)

16. Resolution No. 2019-149. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ACCEPTING MONETARY DONATIONS TO PURCHASE TURKEYS TO PROVIDE FOR THE NATIONAL CITY COMMUNITY DURING THANKSGIVING SEASON 2019 AND RECOGNIZING THE DONORS OF SUCH GIFT. (City Manager and City Attorney)

ACTION: Adopted. See above.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

17. Investment Report for the quarter ended August 31, 2019. (Finance)

ACTION: Filed. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

18. Warrant Register #12 for the period of 9/11/19 through 9/17/19 in the amount of \$687,040.03. (Finance)

ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

19. Warrant Register #13 for the period of 9/18/19 through 9/24/19 in the amount of \$1,911,165.10. (Finance)

ACTION: Ratified. See above.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

MUNICIPAL CODE 2019 (506-2-34)

20. PUBLIC HEARING AND INTRODUCTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING NATIONAL CITY CHAPTER 13.18 OF THE NATIONAL CITY MUNICIPAL CODE REGARDING TREE PRESERVATION OF CITY-OWNED TREES AND PARKWAY LANDSCAPING AS THE CITY'S URBAN FOREST MANAGEMENT PLAN. (Engineering/Public Works)

RECOMMENDATION: Introduce the Ordinance.

TESTIMONY: Michael Huff and Chris Carlstrom, Dudek Consultants, provided the presentation and responded to questions.

ACTION: Motion by Rios, seconded by Morrison, to close the Public Hearing. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

Motion by Rios, seconded by Morrison, to introduce the Ordinance. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

MUNICIPAL CODE 2019 (506-2-34)

21. PUBLIC HEARING AND INTRODUCTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING SECTION 18.12.160 (HISTORIC PROPERTIES) OF TITLE 18 (ZONING) OF THE NATIONAL CITY MUNICIPAL CODE. (Applicant: City-Initiated) (Case File 2019-23 A) (Planning)

RECOMMENDATION: Introduce the Ordinance.

TESTIMONY: Micaela Polanco, Nancy Estolano, and Fred Puhn, National City, spoke in opposition.

EX PARTE DISCLOSURE: Member Rios stated for the record that she viewed the Planning Commission meeting.

ACTION: Motion by Morrison, seconded by Rios, to close the Public Hearing. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

Motion by Morrison, seconded by Sotelo-Solis, that the Ordinance not be introduced. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

MUNICIPAL CODE 2019 (506-2-34)

22. Ordinance No. 2019-2464. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING SECTIONS 18.21.020 (ALLOWED USES RESIDENTIAL ZONE AND 18.30.080 (FAMILY DAY CARE HOMES) OF TITLE 18

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS (cont.)

MUNICIPAL CODE 2019 (506-2-34)

22. Ordinance No. 2019-2464 (continued). (ZONING) OF THE NATIONAL CITY MUNICIPAL CODE. (Applicant: City-Initiated) (Case File 2019-27 A) (Planning)

RECOMMENDATION: Adopt the Ordinance.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Rios, to close the Public Hearing. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

Motion by Rios, seconded by Quintero, to adopt the Ordinance. Carried by the following vote, to-wit: Ayes: Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: Cano.

MUNICIPAL CODE 2019 (506-2-34)

23. Ordinance No. 2019-2465. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING SECTION 18.29.070 (FLOODWAY (-FW), FLOODWAY FRINGE (-FF-1), AND FLOODWAY FRINGE-SHALLOW FLOODING (-FF-2) ZONES) OF TITLE 18 (ZONING) OF THE NATIONAL CITY MUNICIPAL CODE (Applicant: City-Initiated) (Case File 2019-24 A) (Planning)

RECOMMENDATION: Adopt the Ordinance.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Rios, to close the Public Hearing. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

Motion by Morrison, seconded by Quintero, to adopt the Ordinance. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

CITY COUNCIL COMMENT: Member Rios asked Staff to forward copies of the flood maps to the Mayor and Council.

CONTRACT (C2019-43)

24. Resolution No. 2019-150. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH DHS CONSULTING, LLC. FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO,

NON CONSENT RESOLUTIONS (cont.)

CONTRACT (C2019-43)

24. Resolution No. 2019-150 (continued). PROJECT MANAGEMENT; ENGINEERING; CONSTRUCTION MANAGEMENT, INSPECTIONS AND CERTIFIED PAYROLL; PLAN REVIEWS; CONSTRUCTABILITY REVIEWS; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Rios, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

CONTRACT (C2014-14)

25. Resolution No. 2019-151. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH INNOVATIVE CONSTRUCTION CONSULTING SERVICES (ICCS) FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; ENGINEERING; CONSTRUCTION MANAGEMENT, INSPECTIONS AND CERTIFIED PAYROLL; PLAN REVIEWS; CONSTRUCTABILITY REVIEWS; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Morrison, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

CONTRACT (C2010-68)

26. Resolution No. 2019-152. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH PROJECT PROFESSIONALS CORPORATION (PPC) FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP),

NON CONSENT RESOLUTIONS (cont.)

CONTRACT (C2010-68)

26. Resolution No. 2019-152 (continued). INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; ENGINEERING; CONSTRUCTION MANAGEMENT, INSPECTIONS AND CERTIFIED PAYROLL; PLAN REVIEWS; CONSTRUCTABILITY REVIEWS; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Quintero, seconded by Morrison, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

NEW BUSINESS

TEMPORARY USE PERMITS 2019 (203-1-35)

27. Temporary Use Permit - Soldier Ride San Diego sponsored by Wounded Warrior Project on November 22, 2019 from 9 a.m. to 12 p.m. with no waiver of fees. (Neighborhood Services)

RECOMMENDATION: Approve the Temporary Use Permit.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Morrison, to approve the Temporary Use Permit. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

COUNCIL MEETINGS REGS / SCHEDULE ADMIN (102-7-1)

28. City Council Meeting Schedule for January 2020. (City Clerk)

RECOMMENDATION: Adopt a motion dispensing with the January 7, 2020 Regular Meetings of the City Council and Successor Agency and adjourn the Regular Meetings of December 17, 2019 to the next Regular Meeting to be held on January 21, 2020.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Quintero, to approve staff recommendation. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

There were no CDC-HA action items.

C. REPORTS

STAFF REPORTS

There were no Staff Reports.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

Mitch Beauchamp spoke in opposition to the action taken on the MTS appointment.

Vice Mayor Morrison extended an invitation to the Maytime Band Review event; spoke about visiting the Sister Cities International headquarters (SCI) in Washington D.C. and information he learned about the status of National City's Sister Cities and provided materials needed to start the process to officially add Olongapo as a Sister City.

Member Rios congratulated Mayor Sotelo-Solis and Member Quintero for their appointment to MTS; thanked Community Development Director Armando Vergara and City Manager Brad Raulston for their presentation on the Community Development rollout; congratulated the Engineering/Public Works Departments on their achievement awards and commended Staff who participated on putting together the City Guide.

Mayor Sotelo-Solis offered the following motions for Council consideration:

Motion by Mayor Sotelo-Solis, seconded by Morrison, to receive an update on Morgan and Kimball Towers' staffing and items that have come before the Council. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

Mayor Sotelo-Solis encouraged everyone to participate in "Movember" to bring awareness to men's health and thanked everyone who attended the City's inaugural Dia de los Muertos celebration.

CLOSED SESSION REPORT

There was no Closed Session Meeting.

ADJOURNMENT

The meeting was adjourned in honor and memory of Ms. Fahari Jeffers.

Motion by Morrison, seconded by Rios, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday – November 19, 2019 - 6:00 p.m. - Council Chambers - National City, California. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

ADJOURNMENT (cont.)

The meeting closed at 8:47 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

DRAFT

DRAFT DRAFT DRAFT
**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF NATIONAL CITY**

November 19, 2019

The Special Meeting of the City Council of the City of National City was called to order at 5:01 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Dalla, Morris-Jones, Raulston, Vergara, Ybarra.

CITY COUNCIL

OPEN SESSION

PUBLIC COMMENTS – None.

Members retired into Closed Session at 5:01 p.m.

CLOSED SESSION

1. Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Eddie Kreisberg, Mark Roberts, Robert Hernandez, Robert Meteau, and Lilia Muñoz
Employee Organization: Firefighters' Association
2. Conference with Legal Counsel – Potential Litigation: Five Cases
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, November 19, 2019 - 6:00 p.m., City Council Chambers, Civic Center – National City, California.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

November 19, 2019

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:04 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Aguirre, Dalla, Duong, Manganiello, Meteau, Morris-Jones, Olson, Parra, Raulston, Roberts, Tellez, Vergara, Williams, Ybarra.
Others present: City Treasurer Mitch Beauchamp and Student Representative Paulette Nungaray.

**PLEDGE OF ALLEGIANCE TO THE FLAG BY THE 2020 STORM WATER
CALENDAR PRESENTATION WINNERS**

PUBLIC COMMENTS

Dukie Valderrama, National City, spoke on cancer awareness and provided information regarding an upcoming bone marrow drive.

Becky Rapp, spoke on public health concerns regarding marijuana and youth; spoke against bringing retail marijuana businesses in the City; and provided informational handouts.

Brian Clapper, National City, thanked the City, the Lions Club, and the National School District for continuing to support the One Sight program and announced that the National City Police Department and Fire Foundation has partnered with the Lions Club; Mr. Clapper provided event information.

Kathleen Lippitt, read information from articles regarding cannabis control and regulations and provided copies of the articles.

Camilo (no last name provided), National City, spoke on an ongoing personal family issue that has not been resolved.

PRESENTATIONS

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

1. 2020 Storm Water Calendar Presentation - Kathy Masters, Sr. Office Assistant. (Engineering/Public Works)

PRESENTATIONS (cont.)

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

2. San Diego County Regional Airport Authority - Airport Development Plan Update. (Mark West, Board Member, SDCRAA and Brendan Reed, Director, Planning and Environmental Affairs, SDCRAA)

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

3. Kimball and Morgan Towers-Property Management Update. (Suzanna Velazquez, Regional Vice President, Mercy Housing Management Group)

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

4. Recap on Family Tennis Day held on Saturday, October 12, 2019 at El Toyon Park Tennis Courts. (Community Services)

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

5. Update on Small Cells. (City Attorney)

NOTE: All presentation material is available in the Office of the City Clerk for Item Nos. 2 through 4.

REGIONAL BOARDS AND COMMITTEE REPORTS

San Diego County Water Authority (SDCWA)

Vice Mayor Morrison stated that interviews for a new General Manager interviews took place and that the new General Manager will be announced during a Closed Session meeting.

San Diego Bayshore Bikeway (SDBB)

Member Rios said that she will be attending and upcoming quarterly Bayshore Bikeway Committee meeting and urged the Council to approve the Memorandum of Understanding (MOU) for Agenda Item No. 10 in order to move forward with the \$9,000 that the Port of San Diego will contribute to the project.

Metropolitan Transit System (MTS)

Mayor Sotelo-Solis provided information regarding Blue Line connectivity (Tijuana to Downtown) and that 24-hour service is currently being proposed.

Sweetwater Authority (SWA)

Member Cano said that stormwater pipes are currently being cleaned and infrastructure upgrades are being done.

San Diego Association of Governments (SANDAG)

Mayor Sotelo-Solis reported that the Regional Transportation Plan and the Regional Housing Needs Allocation (RHNA) will be discussed at the next SANDAG meeting.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 6 (NCCMC), Item No. 7 (Minutes), Item Nos. 8 through 16 (Resolution No. 2019-153 through 2019-161), Item Nos. 17 through 19 (Warrant Registers). Motion by Cano, seconded by Quintero, to approve the Consent Calendar, except for Item No. 13. Carried by unanimous vote.

MUNICIPAL CODE 2019 (506-2-34)

6. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (CITY CLERK)

ACTION: Approved. See above.

GENERAL ADMIN (103-2-1)

7. APPROVAL OF THE MINUTES OF THE SPECIAL MEETINGS OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY OF OCTOBER 1, 2019 AND OCTOBER 15, 2019. (City Clerk)

ACTION: Approved. See above.

CONTRACT (C2019-44)

8. Resolution No. 2019-153. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE CHIEF OF POLICE TO ENTER INTO AN AGREEMENT WITH VIGILANT SOLUTIONS, LLC. TO ACCESS LAW ENFORCEMENT LICENSE PLATE DATA STORED ON THEIR SYSTEMS. THIS AGREEMENT ALLOWS THE POLICE DEPARTMENT ACCESS TO THE LAW ENFORCEMENT LPR DATA BASE AND IT CONTAINS AN INDEMNIFICATION AGREEMENT THAT REQUIRES CITY COUNCIL APPROVAL. (Police)

ACTION: Adopted. See above.

CONTRACT (C2012-56)

9. Resolution No. 2019-154. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE THE THIRD AMENDMENT TO THE HOME COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) FUNDING AGREEMENT DATED JUNE 30, 2017 BETWEEN THE CITY OF NATIONAL CITY AND SAN DIEGO HABITAT FOR HUMANITY COMMUNITY HOUSING CORPORATION, INC. TO UNDERGROUND THE UTILITIES ON A NEW DEVELOPMENT PROJECT LOCATED AT 405-418 WEST 18TH ST.; TO APPROPRIATE \$101,310.45 OF

CONSENT CALENDAR (cont.)

CONTRACT (C2012-56)

9. Resolution No. 2019-154 (continued). PREVIOUSLY AWARDED 2019-2020 HOME PROGRAM FUNDS; PROPOSE TO ALLOCATE AN ADDITIONAL \$88,600.00 IN 2020-2021 HOME PROGRAM FUNDS; AND EXTEND THE TERM OF THE AGREEMENT TO JUNE 30, 2023. (Housing Authority)

ACTION: Adopted. See above.

CONTRACT (C2019-45)

10. Resolution No. 2019-155. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE SAN DIEGO UNIFIED PORT DISTRICT (PORT) AND THE CITY OF NATIONAL CITY FOR FUNDING FOR DESIGN AND ENTITLEMENTS FOR THE BAYSHORE BIKEWAY SEGMENT FIVE. (Engineering/Public Works)

ACTION: Adopted. See above.

CONTRACT (C2019-46)

11. Resolution No. 2019-156. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AWARDED A CONTRACT TO BAKER ELECTRIC, INC. IN THE AMOUNT OF \$336,104.36 FOR THE LAS PALMAS POOL ELECTRICAL SYSTEM REPLACEMENT, CIP NO. 19-46; 2) AUTHORIZING A 15% CONTINGENCY IN THE AMOUNT OF \$50,415.65 FOR ANY UNFORESEEN CHANGES; AND 3) AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT. (Engineering/Public Works)

ACTION: Adopted. See above.

DEED (D2019-7)

CITY - OWNED LAND / SALE – LEASE (1001-1-1)

12. Resolution No. 2019-157. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY GRANTING A QUITCLAIM DEED FOR AN EASEMENT ACROSS THE PARCEL OF LAND LOCATED AT 405 W. 18TH STREET (A.P.N. 559 085 08 00) TO SAN DIEGO HABITAT FOR HUMANITY. (Engineering/Public Works)

ACTION: Adopted. See above.

ENCROACHMENT AGREEMENT ADMIN 2016-2020 (903-14-10)

13. Resolution No. 2019-158. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ACCEPTING AND AUTHORIZING THE MAYOR TO SIGN AN ENCROACHMENT AND REMOVAL AGREEMENT WITH KARIM MANSOUR TO INSTALL 3 CANOPIES TO OVERHANG THE PUBLIC RIGHT OF WAY AT 322 THROUGH 330 HIGHLAND AVENUE. (Engineering/Public Works)

CONSENT CALENDAR (cont.)

ENCROACHMENT AGREEMENT ADMIN 2016-2020 (903-14-10)

13. Resolution No. 2019-158 (continued).

ACTION: Motion by Cano, seconded by Rios, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

LABOR RELATIONS CONFIDENTIAL EMPLOYEES 2018-2020 (605-5-1)

14. Resolution No. 2019-159. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING CHANGES IN COMPENSATION AND OTHER BENEFITS FOR THE CONFIDENTIAL EMPLOYEE GROUP FOR THE REMAINDER OF THE FISCAL YEAR 2019-20 (THROUGH JUNE 30, 2020). (Human Resources)

ACTION: Adopted. See above.

GRANT / PUBLIC SAFETY (206-4-27)

15. Resolution No. 2019-160. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE ACCEPTANCE OF THE NATIONAL CITY POLICE DEPARTMENT'S GRANT APPLICATION IN THE AMOUNT OF \$20,847 TO THE 2019 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM TO PURCHASE MOTOROLA HANDHELD POLICE RADIOS, MOTOROLA HANDHELD RADIOS BATTERIES, AND SET ASIDE 3% OF THE AWARDED GRANT FOR NIBRS COMPLIANCE AS DICTATED WITHIN THE GRANT, AND AUTHORIZING THE ACCEPTANCE OF THE GRANT AWARD, AND AUTHORIZING THE ESTABLISHMENT OF AN APPROPRIATION AND CORRESPONDING REVENUE BUDGET. (Police)

ACTION: Adopted. See above.

CONTRACT (C2017-5)

16. Resolution No. 2019-161. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A FIRST AMENDMENT TO THE TELECOM LAW FIRM RETAINER AGREEMENT INCREASING THE NOT-TO-EXCEED AMOUNT BY \$50,000, FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$75,000, MAKING THE RETAINER AGREEMENT CONSISTENT WITH THE FEBRUARY 19, 2019 APPROPRIATION OF \$50,000 FOR PROFESSIONAL SMALL CELL-RELATED SERVICES. (City Attorney)

ACTION: Adopted. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

17. Warrant Register #14 for the period of 9/25/19 through 10/01/19 in the amount of \$1,367,847.83. (Finance)

ACTION: Ratified. See above.

CONSENT CALENDAR (cont.)

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

18. Warrant Register #15 for the period of 10/2/19 through 10/8/19 in the amount of \$2,256,127.48. (Finance)

ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

19. Warrant Register #16 for the period of 10/9/19 through 10/15/19 in the amount of \$550,379.09. (Finance)

ACTION: Ratified. See above.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

MUNICIPAL CODE 2019 (506-2-34)

20. Ordinance No. 2019-2466. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING CHAPTER 13.18 OF THE NATIONAL CITY MUNICIPAL CODE REGARDING TREE PRESERVATION OF THE CITY-OWNED TREES AND PARKWAY LANDSCAPING AS THE CITY'S URBAN FOREST MANAGEMENT PLAN. (Engineering/Public Works)

RECOMMENDATION: Adopt the Ordinance.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Rios, to close the Public Hearing. Carried by unanimous vote.

Motion by Cano, seconded by Morrison, to adopt the Ordinance. Carried by unanimous vote.

PARKING DISTRICT ADMIN (801-1-1)

21. Resolution No. 2019-162. PUBLIC HEARING AND ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ESTABLISHING RESIDENTIAL PERMIT PARKING DISTRICT "M" ON BOTH SIDES OF SHERYL LANE (TSC 2019-09). (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: R. Mitchel Beauchamp, speaking as a private citizen, spoke in support of the permit parking district and spoke on the importance of accommodating residents.

ACTION: Motion by Morrison, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Cano, seconded by Morrison, to adopt the Resolution. Carried by unanimous vote.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS (cont.)

MUNICIPAL CODE 2019 (506-2-34)

22. PUBLIC HEARING AND INTRODUCTION OF ORDINANCES FOR THE 2019 CALIFORNIA FIRE CODE AND THE NATIONAL FIRE PROTECTION ASSOCIATION STANDARDS; THE 2019 CALIFORNIA BUILDING CODE AND AMENDING CHAPTER 15.08.075 OF NATIONAL CITY MUNICIPAL CODE PERTAINING TO CITY COUNCIL AUTHORITY UNDER TITLE 15; THE 2019 CALIFORNIA ELECTRICAL CODE AND 2017 NATIONAL ELECTRICAL CODE; THE 2019 CALIFORNIA ENERGY CODE; APPENDIX J OF THE 2019 CALIFORNIA BUILDING CODE, AND AMENDING CHAPTER 15.70 (GRADING) OF THE NATIONAL CITY MUNICIPAL CODE; THE 2019 CALIFORNIA GREEN CODE; THE 2019 CALIFORNIA MECHANICAL CODE; THE 2019 CALIFORNIA PLUMBING CODE; AND THE 2019 CALIFORNIA RESIDENTIAL CODE; AND ALL APPENDICES RELATED TO THESE CODES. (Building, Engineering/Public Works and Fire)

RECOMMENDATION: Introduce the Ordinances.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Cano, seconded Morrison, to introduce the Ordinances. Carried by unanimous vote.

MUNICIPAL CODE 2019 (506-2-34)

23. PUBLIC HEARING AND INTRODUCTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING SECTION 16.06.060 (FUNCTIONS AND AUTHORITY - PLANNING COMMISSION TO FUNCTION AS COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT - EX OFFICIO MEMBERS) OF TITLE 16 (CITY BOARDS, COMMISSIONS, AND COMMITTEES) OF THE NATIONAL CITY MUNICIPAL CODE. (Housing Authority)

RECOMMENDATION: Introduce the Ordinance.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Rios, to close the Public Hearing. Carried by unanimous vote.

Motion by Rios, seconded by Morrison, to introduce the Ordinance. Carried by unanimous vote.

RECESS

A recess was called at 8:05 p.m.

The meeting reconvened at 8:11 p.m. All Members were present.

NON CONSENT RESOLUTIONS

CONTRACT (C2017-64)

24. Resolution No. 2019-163. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH CHEN RYAN ASSOCIATES, INC. FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; CIVIL ENGINEERING; TRAFFIC ENGINEERING; TRANSPORTATION PLANNING; PLAN REVIEWS; CONSTRUCTABILITY REVIEWS; LONG-RANGE PLANNING; GRANTS MANAGEMENT; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

CONTRACT (C2014-15)

25. Resolution No. 2019-164. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH STC TRAFFIC, INC. FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; TRAFFIC ENGINEERING; TRANSPORTATION PLANNING; TRAFFIC SIGNAL COMMUNICATIONS INFRASTRUCTURE AND SYSTEMS INTEGRATION; PLAN REVIEWS; CONSTRUCTABILITY REVIEWS; CONSTRUCTION SUPPORT; GRANTS MANAGEMENT; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

NON CONSENT RESOLUTIONS (cont.)

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

26. Resolution No. 2019-165. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 3, 2020 FOR THE PURPOSE OF SUBMISSION OF A BALLOT MEASURE TO THE VOTERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES. (City Attorney)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: Brian Clapper, National City, spoke in favor of the March Special Election.

ACTION: Motion by Morrison, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

27. Resolution No. 2019-166. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ORDERING THE SUBMISSION OF A MEASURE TO THE QUALIFIED VOTERS OF THE CITY OF NATIONAL CITY AT THE SPECIAL MUNICIPAL ELECTION TO BE HELD ON MARCH 3, 2020, TO MAKE THE OFFICES OF CITY CLERK AND CITY TREASURER APPOINTIVE. (City Attorney)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Morrison, to adopt the Resolution. Carried by unanimous vote.

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

28. Resolution No. 2019-167. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON MARCH 3, 2020 WITH THE STATEWIDE PRESIDENTIAL PRIMARY ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE. (City Attorney)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Morrison, to adopt the Resolution. Carried by unanimous vote.

NON CONSENT RESOLUTIONS (cont.)

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

29. Resolution No. 2019-168. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE FILING OF AN IMPARTIAL ANALYSIS AND WRITTEN ARGUMENTS, AND DIRECTING THE CITY ATTORNEY TO PREPARE AN ORDINANCE VESTING THE APPOINTING AUTHORITY IN THE CITY MANAGER, RELATING TO A MEASURE TO MAKE THE OFFICES OF CITY CLERK AND CITY TREASURER APPOINTIVE. (City Attorney)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Morrison, to adopt the Resolution. Carried by unanimous vote.

NEW BUSINESS

CONDITIONAL USE PERMITS 2019 (403-32-3)

30. Notice of Decision - Planning Commission approval of a Conditional Use Permit (CUP) for the on-site sale of beer and wine at a new restaurant (Funky Fries and Burgers) located at 3030 Plaza Bonita Road, Suite 1108. (Applicant: Sebastian Hallak) (Case File No. 2019-25 CUP) (Planning)

RECOMMENDATION: File the Notice of Decision.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Morrison, to file the Notice of Decision. Carried by unanimous vote.

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

31. Report to the City Council on the Certification of Sufficiency of Signatures on a Voter Referendum to repeal Ordinance No. 2019-2463. (City Clerk)

RECOMMENDATION: Direct the City Attorney to prepare for City Council action at their next meeting all resolutions necessary to place the Voter Referendum on the March 3, 2020 Ballot.

TESTIMONY: The following individuals spoke in support of repealing Ordinance No. 2019-2463: Bailey Schenk, Poway, Taylor Lang, Escondido, Gabriella Lopez, San Diego, Richard Pena, San Diego, Brenda Pamaro, Katya Best, Jocelyn Torres, Keela Penny, and Trent Swiser, Corona.

The following individuals spoke in opposition to repealing Ordinance No. 2019-2463: Leslie Davies, Oceanside, Liz Ramos, National City, Bryan Pease, San Diego Environmental Attorney, Stacy Parmer, El Cajon Barking Lot Rescue Organization, Dr. Lacey Levitt, and Karen Clayton, Spring Valley.

NEW BUSINESS

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

31. Report to the City Council on the Certification of Sufficiency of Signatures on a Voter Referendum to repeal Ordinance No. 2019-2463 (continued).
(City Clerk)

TESTIMONY (cont.): The following individuals were neutral on the issues: Brian Clapper, National City, and Alberto Paramo, San Diego.

ACTION: Motion by Morrison, to rescind Ordinance No. 2019-2463 and avoid lawsuits, taxpayer money, and an election and let the State deal with it. Motion died for lack of a second.

Motion by Rios, seconded by Sotelo-Solis, to direct the City Attorney to prepare the Election Resolutions. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

NON CONSENT RESOLUTIONS - HOUSING AUTHORITY

CONTRACT (C2019-47)

HOUSING AUTHORITY 2019 (404-1-8)

32. Resolution No. 2019-74. RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN EXCLUSIVE NEGOTIATION AGREEMENT BY AND BETWEEN THE COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY, COMMUNITY HOUSINGWORKS, AND CENTRO DE LA SALUD DE LA COMUNIDAD DE SAN YSIDRO, INC. (SAN YSIDRO HEALTH) FOR THE DEVELOPMENT OF THE KIMBALL HIGHLAND MASTER PLAN THAT INCLUDES UP TO 90 AFFORDABLE HOUSING UNITS AND A NEW KIMBALL SENIOR CENTER ON A HOUSING AUTHORITY PARCEL LOCATED AT 1221 "D" AVENUE; UP TO 115 AFFORDABLE HOUSING UNITS AND A PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE) CENTER ON A PRIVATELY OWNED PARCEL LOCATED AT 1320 HIGHLAND AVENUE; AND OTHER PUBLIC IMPROVEMENTS. (Housing Authority)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: Mary Jane Jagodzinski and Kelly Moden, Community HousingWorks, gave a presentation on the proposed Kimball Highland Master Plan and answered questions.

ACTION: Motion by Cano, seconded by Morrison, to adopt the Resolution. Carried unanimous vote.

C. REPORTS

STAFF REPORTS

Chief of Emergency Services Frank Parra announced that through collaborative efforts with the City Manager's Office, Fire, Public Works, and other City staff, the City is "winter weather ready" and stated that detailed information regarding sandbags and other information has been posted to the City's website.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

Member Cano inquired if the new Advisory Housing Committee will be provided training and resources.

Member Cano left the Chamber at 9:46 p.m.

Member Rios offered the following motion for Council consideration:

Motion by Rios, seconded by Morrison, to bring forward a support resolution on December 3rd for a bone marrow registry event on December 15th and to promote these efforts on the City's website. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

Mayor Sotelo-Solis offered the following motion for Council consideration:

Motion by Sotelo-Solis, seconded by Morrison, to agendize Interviews and Appointments for December 17th to interview and appoint candidates to the two ex-officio Advisory Housing Committee vacancies and to advertise the vacancies before December 17th. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

CLOSED SESSION REPORT

City Attorney Angil Morris-Jones reported that in regards to Items Nos. 1 and 2, direction was given by a 5-0 vote. (See attached Exhibit 'L')

ADJOURNMENT

Motion by Morrison, seconded by Rios, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday – December 3, 2019 - 6:00 p.m. - Council Chambers - National City, California. Carried by the following vote, to-wit: Ayes: Morrison, Quintero, Rios, Sotelo-Solis. Nays: None. Abstain: None. Absent: Cano.

ADJOURNMENT (cont.)

The meeting closed at 10:01 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

City Council and Community Development Commission - Housing Authority of the City of National City Meeting Schedule for the Period January 7, 2020 through January 21, 2020:

January 07 - Dispense with Meeting - 6:00 p.m.

January 21 - Regular Meeting - 6:00 p.m.

In observance of the Employee Work Furlough, City Offices will be closed from Monday, December 23, 2019 through Friday, January 3, 2020. City Offices will reopen on Monday, January 6, 2020.

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY

**Main Conference Room
Civic Center
1243 National City Boulevard
National City, California**

Special Meeting - Tuesday, November 19, 2019 – 5:00 p.m.

CITY COUNCIL

OPEN SESSION

CALL TO ORDER

ROLL CALL

CLOSED SESSION

PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.

1. Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Eddie Kreisberg, Mark Roberts, Robert Hernandez, Robert Meteau, and Lilia Muñoz
Employee Organization: Firefighters' Association
2. Conference with Legal Counsel – Potential Litigation: Five Cases
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, November 19, 2019, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

DRAFT DRAFT DRAFT
**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF NATIONAL CITY**

December 3, 2019

The Special Meeting of the City Council of the City of National City was called to order at 5:02 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Sotelo-Solis.

Council / Board members absent: Rios.

Administrative Officials present: Aguirre, Dalla, Meteau, Morris-Jones, Raulston, Vergara, Ybarra.

CITY COUNCIL

OPEN SESSION

PUBLIC COMMENTS – None.

Members retired into Closed Session at 5:02 p.m.

CLOSED SESSION

1. Conference with Legal Counsel – Potential Litigation: One Case
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)
2. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
Carlsbad Police Officers Association et. al. v. City of Carlsbad, et al.
SDSC Case No. 37-2019-00005450-CU-WM-CTL
3. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
National City Puppy, LLC v. City of National City, et al
Case No. 37-2019-00049045–CU-CR-CTL
4. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
National City Puppy, LLC v. City of National City, et al
Case No. 37-2019-00061517–CU-WM-CTL
5. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
Tammy Davis v. City of National City, et al
Case No. 19-CV-534-BEN-BGS
6. Conference with Legal Counsel – Pending Litigation; One Claim
Existing Litigation under Government Code Section 54956.9(d)(1)
Claim of Eugene Ray Hawkinson

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, December 3, 2019 - 6:00 p.m., City Council Chambers, Civic Center – National City, California.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

DRAFT

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

December 3, 2019

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:02 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Dalla, Denham, Meteau, Morris-Jones, Parra, Raulston, Roberts, Tellez, Vergara, Williams, Yano, Ybarra.
Others present: City Treasurer Mitch Beauchamp and Student Representative Paulette Nungaray.

PLEDGE OF ALLEGIANCE TO THE FLAG

PUBLIC COMMENTS

Jody Murphy, National City, asked for street lights and police presence in his neighborhood due to health and safety concerns regarding homeless activity.

Ted Godshalk, Paradise Creek Educational Park, Inc., shared recent environmental efforts that were made by volunteers for trash cleanup, plant removal, and boardwalk cleanup at camp areas at local creeks and parks. He asked staff to clean the amphitheater due to sediment left by the rain events.

Ron Powell, Port of San Diego, shared information regarding the free Holiday Open House at the National City Aquatic Center at Pepper Park and asked to get the word out regarding the event.

Bradley Bang, National City citizen representing Alliance of Californians for Community Empowerment (ACCE), spoke in opposition to Agenda Item No. 21 and offered his suggestions and concerns regarding the proposed changes.

Rosemary Vasquez and the National City South Bay Diablos cheerleaders extended an invitation to upcoming fundraising events.

AWARDS AND RECOGNITIONS

COUNCIL MEETING AWARDS & RECOGNITIONS 2019 (102-10-14)

1. Introduction of New Employee - Paul Valadez, Budget Manager. (Finance)

PRESENTATIONS

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

2. Quarterly Report by 'A Reason to Survive' (ARTS). (Community Services)

NOTE: Presentation material is available in the Office of the City Clerk.

REGIONAL BOARDS AND COMMITTEE REPORTS

San Diego County Water Authority (SDCWA)

Vice Mayor Morrison announced that former Acting Manager Sandy Kerl has been selected as the new General Manager.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 3 (NCCMC), Item Nos. 4 through 8 (Resolution No. 2019-169 through 2019-173), Item No. 9 (Report), Item Nos. 10 and 11 (Warrant Registers). Motion by Rios, seconded by Cano, to approve the Consent Calendar, except for Item Nos. 5, 6, 7 and 8. Carried by unanimous vote.

MUNICIPAL CODE 2019 (506-2-34)

3. Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances considered at this meeting and providing that such Ordinances shall be introduced and/or adopted after a reading of the title only. (City Clerk)

ACTION: Approved. See above.

CONTRACT (C2019-49)

4. Resolution No. 2019-169. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE PROGRAM SUPPLEMENT AGREEMENT (PSA) NO. F21 WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR THE CITYWIDE PROTECTED LEFT-TURN ENHANCEMENTS PROJECT TO ALLOW FOR REIMBURSEMENT OF UP TO \$189,000 IN ELIGIBLE PROJECT EXPENDITURES THROUGH THE HIGHWAY SAFETY IMPROVEMENTS PROGRAM (HSIP); AND 2) AUTHORIZING THE ESTABLISHMENT OF AN ENGINEERING GRANTS FUND APPROPRIATION OF \$189,000 AND CORRESPONDING REVENUE BUDGET. (Engineering/Public Works)

ACTION: Adopted. See above.

CONSENT CALENDAR (cont.)

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

5. Resolution No. 2019-170. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ORDERING THE SUBMISSION OF ORDINANCE NO. 2019-2463, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ADDING CHAPTER 8.38 TO THE NATIONAL CITY MUNICIPAL CODE PROHIBITING THE RETAIL SALE OF DOGS, CATS AND RABBITS" TO THE QUALIFIED VOTERS OF THE CITY OF NATIONAL CITY AT THE SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 3, 2020. (City Attorney)

TESTIMONY: David Salinas, National City Puppy, said that he is willing to negotiate and is in opposition to rescinding Ordinance No. 2019-2463 due to a change of heart and avoiding unnecessary election costs and complications.

Leslie Davies said that the Ordinance should be rescinded so that voters are allowed to vote and be heard.

Coyote Moon, National City, said that the Measure should be tabled until the District Attorney's investigation is completed and suggested to move the election to the November 2020 ballot.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

6. Resolution No. 2019-171. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 3, 2020 FOR THE PURPOSE OF SUBMISSION OF A BALLOT MEASURE TO THE VOTERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES. (City Attorney)

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

7. Resolution No. 2019-172. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 3, 2020 WITH THE STATEWIDE PRESIDENTIAL PRIMARY ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE. (City Attorney)

CONSENT CALENDAR (cont.)

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

7. Resolution No. 2019-172 (continued)

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

8. Resolution No. 2019-173. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE FILING OF AN IMPARTIAL ANALYSIS AND WRITTEN ARGUMENTS, RELATING TO A MEASURE TO REPEAL ORDINANCE NO. 2019-2463, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ADDING CHAPTER 8.38 TO THE NATIONAL CITY MUNICIPAL CODE PROHIBITING THE RETAIL SALE OF DOGS, CATS AND RABBITS". (City Attorney)

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

9. Investment Report for the quarter ended September 30, 2019. (Finance)

ACTION: Filed. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

10. Warrant Register #17 for the period of 10/16/19 through 10/22/19 in the amount of \$1,705,094.38. (Finance)

ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

11. Warrant Register #18 for the period of 10/23/19 through 10/29/19 in the amount of \$1,318,833.17. (Finance)

ACTION: Ratified. See above.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

MUNICIPAL CODE 2019 (506-2-34)

12. Ordinance Nos. 2019-2467 through 2019-2475. PUBLIC HEARING AND ADOPTION OF ORDINANCES FOR THE 2019 CALIFORNIA FIRE CODE AND THE NATIONAL FIRE PROTECTION ASSOCIATION STANDARDS; THE 2019 CALIFORNIA BUILDING CODE AND AMENDING CHAPTER 15.08.075 OF NATIONAL CITY MUNICIPAL CODE PERTAINING TO CITY

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS (cont.)

MUNICIPAL CODE 2019 (506-2-34)

12. Ordinance Nos. 2019-2467 through 2019-2475 (continued). COUNCIL AUTHORITY UNDER TITLE 15; THE 2019 CALIFORNIA ELECTRICAL CODE AND 2017 NATIONAL ELECTRICAL CODE; THE 2019 CALIFORNIA ENERGY CODE; APPENDIX J OF THE 2019 CALIFORNIA BUILDING CODE, AND AMENDING CHAPTER 15.70 (GRADING) OF THE NATIONAL CITY MUNICIPAL CODE; THE 2019 CALIFORNIA GREEN CODE; THE 2019 CALIFORNIA MECHANICAL CODE; THE 2019 CALIFORNIA PLUMBING CODE; AND THE 2019 CALIFORNIA RESIDENTIAL CODE; AND ALL APPENDICES RELATED TO THESE CODES. (Building, Engineering/Public Works and Fire)

RECOMMENDATION: Adopt the Ordinances.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Morrison, to close the Public Hearing. Carried by unanimous vote.

Motion by Cano, seconded by Morrison, to adopt the Ordinances. Carried by unanimous vote.

GENERAL PLAN 2019-2023 (405-8-8)

13. Resolution No. 2019-174. PUBLIC HEARING AND ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, APPROVING A GENERAL PLAN AMENDMENT FOR THE REZONING OF PROPERTY LOCATED AT 2443 "N" AVENUE FROM LARGE LOT RESIDENTIAL (RS-1) TO INSTITUTIONAL (I). (Applicant: International Community Foundation) (Case File No. 2019-04 GPA) (Planning)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: Jen Nation, Olivewood Gardens, shared background information on the organization which promotes community wellness, environmental justice, and health equity.

Claire Groebner, Olivewood Gardens, shared positive changes occurring within the organization.

EX PARTE DISCLOSURE: Member Rios stated for the record that she viewed the Planning Commission meeting.

ACTION: Motion by Rios, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS (cont.)

MUNICIPAL CODE 2019 (506-2-34)

14. Ordinance No. 2019-2476. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, APPROVING A ZONE CHANGE FOR PROPERTY LOCATED AT 2443 "N" AVENUE CHANGING THE ZONE FROM LARGE LOT RESIDENTIAL (RS-1) TO INSTITUTIONAL (I). (Applicant: International Community Foundation) (Case File No. 2019-04 GPA) (Planning)

RECOMMENDATION: Adopt the Ordinance.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Rios, to close the Public Hearing. Carried by unanimous vote.

Motion by Rios, seconded Cano, to adopt the Ordinance. Carried by unanimous vote.

MUNICIPAL CODE 2019 (506-2-34)

15. Ordinance No. 2019-2477. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING SECTION 16.06.060 (FUNCTIONS AND AUTHORITY - PLANNING COMMISSION TO FUNCTION AS COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT - EX OFFICIO MEMBERS) OF TITLE 16 (CITY BOARDS, COMMISSIONS, AND COMMITTEES) OF THE NATIONAL CITY MUNICIPAL CODE. (Housing Authority)

RECOMMENDATION: Adopt the Ordinance.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Cano, seconded by Morrison, to adopt the Ordinance. Carried by unanimous vote.

NON CONSENT RESOLUTIONS

CONTRACT (C2019-50)

16. Resolution No. 2019-175. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH HDR, INC. FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; CIVIL ENGINEERING; TRAFFIC ENGINEERING; TRANSPORTATION PLANNING; PLAN REVIEWS; CONSTRUCTION SUPPORT; CONSTRUCTABILITY REVIEWS; LONG-RANGE PLANNING; GRANTS MANAGEMENT; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS (Engineering/Public Works)

NON CONSENT RESOLUTIONS (cont.)

CONTRACT (C2019-50)

16. Resolution No. 2019-175 (continued).

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

CONTRACT (C2014-54)

17. Resolution No. 2019-176. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH KTU&A FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; CIVIL ENGINEERING; TRAFFIC ENGINEERING; TRANSPORTATION PLANNING; LANDSCAPE ARCHITECTURAL AND URBAN DESIGN; GEOGRAPHIC INFORMATION SYSTEMS; PLAN REVIEWS; CONSTRUCTABILITY REVIEWS; LONG-RANGE PLANNING; GRANTS MANAGEMENT; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

CONTRACT (C2017-34)

18. Resolution No. 2019-177. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH NV5, INC. FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; CIVIL ENGINEERING; TRAFFIC ENGINEERING; CONSTRUCTION MANAGEMENT; INSPECTIONS AND CERTIFIED PAYROLL; TRANSPORTATION PLANNING; LAND SURVEYING; ENVIRONMENTAL ASSESSMENT; GEOTECHNICAL; CONSTRUCTION SUPPORT; PLAN REVIEWS; CONSTRUCTABILITY REVIEWS; LONG-RANGE PLANNING; GRANTS MANAGEMENT; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

NON CONSENT RESOLUTIONS (cont.)

CONTRACT (C2017-34)

18. Resolution No. 2019-177 (continued).

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

CONTRACT (C2019-51)

19. Resolution No. 2019-178. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH WSP USA, INC. FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; CIVIL ENGINEERING; TRAFFIC ENGINEERING; TRANSPORTATION PLANNING; PLAN REVIEWS; CONSTRUCTABILITY REVIEWS; LONG-RANGE PLANNING; GRANTS MANAGEMENT; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

CITY STRATEGIC PLANNING (102-16-2)

20. Resolution No. 2019-179. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ADOPTING THE 2020-2025 STRATEGIC PLAN. (City Manager)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

NEW BUSINESS

NEIGHBORHOOD COUNCIL MEETING ADMIN (102-3-1)

21. Seeking City Council direction on restructuring the Neighborhood Council Program as part of the Work Plan associated with 2020-2025 Strategic Focus Area on Communication and Outreach. (City Manager)

RECOMMENDATION: Approve the restructuring of the Neighborhood Council Program.

NEW BUSINESS

NEIGHBORHOOD COUNCIL MEETING ADMIN (102-3-1)

21. Seeking City Council direction (continued).

TESTIMONY: Bradley Bang, National City, spoke during Public Comment regarding this item as he was unable to stay for the duration of the meeting.

Ted Godshalk, National City, offered suggestions regarding restructuring of the Neighborhood Council program urging the Council to double down on the work needed to make the program work without relying on technology and quarterly breakfasts.

Dukie Valderrama, National City, spoke on the importance of being data-driven by getting community input and communicating what has been accomplished/providing feedback on the public's input.

ACTION: Motion by Rios, seconded by Sotelo-Solis, to accept the recommendations as presented by Staff to restructure the Neighborhood Council program. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

BUDGET FY 2020-2021 (206-1-36)

22. Approval of Fiscal Year 2020-2021 Budget Workshop dates. (Finance)

RECOMMENDATION: Approve the recommended workshop dates.

TESTIMONY: None.

STAFF COMMENT: Director of Finance Mark Roberts stated for the record that the date noted as the Budget adoption date of Wednesday, June 3, 2020, should be Tuesday, June 2, 2020.

ACTION: Motion by Rios, seconded by Cano, to approve the 2020-2021 Budget Workshop dates. Carried by unanimous vote.

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

There were no CDC-HA items.

C. REPORTS

STAFF REPORTS

CITY ATTORNEY REPORTS (509-1-3)

23. Legal Opinion Memo explaining the difference between a Standing Committee and an Ad Hoc Committee of the National City Council. (City Attorney)

FIRE DEPT ADMIN (305-1-1)

24. Support for bone marrow donor registration. (Chief Parra)

TESTIMONY: Dukie Valderrama, National City, spoke in support of the bone marrow donor registration event.

STAFF REPORTS (cont.)

FIRE DEPT ADMIN (305-1-1)

24. Support for bone marrow donor registration (continued).

ACTION: Motion by Morrison, seconded by Cano, to support the bone marrow donor registration. Carried by unanimous vote.

Chief of Emergency Services Frank Parra reported on the flood event that occurred during the Thanksgiving holiday and thanked City Street and Wastewater crews, and Police and Fire staff who helped in the emergency efforts.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

City Treasurer Mitch Beauchamp encouraged Council members to attend DHL sales tax meetings so they are informed on revenue updates; extended an invitation to a movie screening at the Chula Vista Public Library; and shared his concerns regarding graffiti and tree/planting maintenance.

Student Council Representative Paulette Nungaray extended an invitation to Sweetwater High School's advanced dance team showcase events; announced that soccer season has started; the varsity cheer team has a competition in Carlsbad; and the winter assembly/spirit week has begun.

Member Cano applauded all emergency responsive efforts made by City staff during the storms.

Member Quintero addressed "seasonal affective disorder" and encouraged a dialogue on mental health resources in the near future.

Vice Mayor Morrison extended an invitation to the Community 24th Annual Community Christmas Party hosted at his home.

Mayor Sotelo-Solis said that she is pleased with the Strategic Plan and looks forward to more community engagement.

Member Rios offered the following motion for Council consideration:

Motion by Rios, seconded by Cano, to adjourn the meeting in memory of former Kimball Senior Center employee Louis Hernandez. Carried by unanimous vote.

CLOSED SESSION REPORT

City Attorney Angil Morris-Jones reported that in regards to Item Nos. 1 and 2, in the Closed Session, there was nothing to report; in regards to Item Nos. 3 and 4, there was a settlement offer the Council voted to reject by a 4-1 vote, with Vice Mayor Morrison voting to accept; in regards to Item No. 5, there was an offer to settle with a 5-0 vote to reject; in regards to Item No. 6, was a claim that was rejected by a 5-0 vote. (See attached Exhibit 'L')

ADJOURNMENT

The meeting was adjourned in memory of Louis Hernandez.

Motion by Morrison, seconded by Quintero, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday – December 17, 2019 - 6:00 p.m. - Council Chambers - National City, California. Carried by unanimous vote.

The meeting closed at 8:38 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

City Council and Community Development Commission - Housing Authority of the City of National City Meeting Schedule for the Period January 7, 2020 through January 21, 2020:

January 07 - Dispense with Meeting - 6:00 p.m.

January 21 - Regular Meeting - 6:00 p.m.

In observance of the Employee Work Furlough, City Offices will be closed from Monday, December 23, 2019 through Friday, January 3, 2020. City Offices will reopen on Monday, January 6, 2020.

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING CITY COUNCIL OF THE CITY OF NATIONAL CITY

Main Conference Room
Civic Center
1243 National City Boulevard
National City, California

Special Meeting - Tuesday, December 3, 2019 – 5:00 p.m.

CITY COUNCIL

OPEN SESSION

CALL TO ORDER

ROLL CALL

CLOSED SESSION

PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.

1. Conference with Legal Counsel – Potential Litigation: One Case
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)
2. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
Carlsbad Police Officers Association et. al. v. City of Carlsbad, et al.
SDSC Case No. 37-2019-00005450-CU-WM-CTL
3. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
National City Puppy, LLC v. City of National City, et al
Case No. 37-2019-00049045-CU-CR-CTL
4. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
National City Puppy, LLC v. City of National City, et al
Case No. 37-2019-00061517-CU-WM-CTL
5. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
Tammy Davis v. City of National City, et al
Case No. 19-CV-534-BEN-BGS
6. Conference with Legal Counsel – Pending Litigation; One Claim
Existing Litigation under Government Code Section 54956.9(d)(1)
Claim of Eugene Ray Hawkinson

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, December 3, 2019, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

December 17, 2019

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:10 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Aguirre, Dalla, Duong, Meteau, Morris-Jones, Parra, Raulston, Roberts, Tellez, Vergara, Williams, Yano, Ybarra.
Others present: City Treasurer Mitch Beauchamp.

PLEDGE OF ALLEGIANCE TO THE FLAG BY VICE MAYOR MORRISON

PUBLIC COMMENTS

Florina Arce, National City Kimball Morgan Tower resident, presented an appreciation card signed by the Kimball Morgan Tower residents.

Marisa Ugarte, Anti-Trafficking Advocate, extended an invitation to attend the Annual Freedom Breakfast–Angels of Trafficking Awards event; recognized Member Quintero as one of her first employees at the Bilateral Safety Corridor Coalition; Ms. Ugarte said that there is still an ongoing partnership with the City and stressed the importance of addressing trafficking issues.

JenMichel Marquez, National City, gave thanks and asked that the indigenous Kumeyaay people of the land are acknowledged.

PROCLAMATIONS AND CERTIFICATES

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

1. National City Recognizes 'Be the Match Bone Marrow Drive'.

AWARDS AND RECOGNITIONS

COUNCIL MEETING AWARDS & RECOGNITIONS 2019 (102-10-14)

2. Employee of the Quarter 2019 - Scott Robinson, Fire Captain. (Fire)

PRESENTATIONS

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

3. California's 2020 Housing Laws. (Carlos Aguirre, Director of the National City Housing Authority and Myra Martinez, San Diego State University Master's Program Intern)

PRESENTATIONS (cont.)

COUNCIL MEETING PRESENTATIONS 2019 (102-10-14)

4. Community HousingWorks Request for Proposals Selection For Funding Paradise Creek Community Garden Operator
Presentation material is on file in the Office of the City Clerk.

INTERVIEWS / APPOINTMENTS

VICE MAYOR APPOINTMENT ADMIN (101-20-1)

5. Selection of Vice Mayor. (City Attorney)
ACTION: Motion by Sotelo-Solis, seconded by Morrison, to appoint Councilmember Rios as Vice Mayor. Carried by unanimous vote.

BOARDS & COMMISSIONS ADMIN (101-1-1)

6. Interviews and Appointments: Various Boards and Commissions. (City Clerk)

RECOMMENDATION: Interview and appoint as desired.

TESTIMONY: Denisse Newell, Marcus Bush, and Coyote Moon appeared for interview.

ACTION: Motion by Rios, seconded by Cano, to appoint Denisse Newell to the Advisory Housing Committee. Carried by unanimous vote.

Motion by Rios, seconded by Cano, to appoint Marcus Bush to the Advisory Housing Committee. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

Motion by Sotelo-Solis, seconded by Cano, to reappoint Leslie Coyote to the Civil Service Commission. Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to appoint Cheryl Howrey-Colmenero to the Library Board of Trustees. Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to appoint Coyote Moon as Alternate on the Library Board of Trustees. Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to reappoint Nora McMains to the Park, Recreation and Senior Citizen Advisory Committee. Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to appoint Joseph Crawford to the Park, Recreation and Senior Citizen Advisory Committee. Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to reappoint William Virchis to the Public Art Committee. Carried by unanimous vote.

INTERVIEWS / APPOINTMENTS (cont.)

BOARDS & COMMISSIONS ADMIN (101-1-1)

6. Interviews and Appointments: Various Boards and Commissions
Motion by Sotelo-Solis, seconded by Cano, to appoint Jacqueline Schliapnik as Alternate on the Public Art Committee. Carried by unanimous vote.
Motion by Sotelo-Solis, seconded by Cano, to reappoint Christopher Coyote to the Traffic Safety Committee. Carried by unanimous vote.

REGIONAL BOARDS AND COMMITTEE REPORTS

Metropolitan Transit System (MTS)

Mayor Sotelo-Solis provided updates on the Blue Line late night mass transit services; funding was allocated and the conversation continues on Elevate2020; members of MTS, Consultants, and Staff will provide a presentation to the Council in the near future to potentially take a position on the proposed ½ cent sales tax next year; Mayor Sotelo-Solis mentioned the importance of going electric.

Member Quintero (Alternate) shared his experience observing an MTS meeting for the first time and strongly encouraged others to attend as an opportunity to voice an opinion to the decisions being proposed.

Member Rios announced that Route 13 has released electric buses in the City as part of MTS's pilot program; she encouraged all to try it.

Sweetwater Authority

Member Cano announced that there was a 6-1 vote to keep Steve Castaneda as Chairman and Hector Martinez as Vice Chair; the 2020 calendar was approved with a 6-1 vote; and sand mining at both district dams will move forward.

San Diego County Water Authority (SDCWA)

Vice Mayor Morrison said that there is still ongoing discussion with the two North County water districts wishing to withdraw from the SCWA; there will be a meeting with the Executive Director of Metropolitan Water District for a presentation and proposal to discuss lawsuits; and said that several December meetings have been cancelled.

San Diego Association of Governments (SANDAG)

Mayor Sotelo-Solis spoke on the possibility of SANDAG partnering with MTS; she said that meetings are available for viewing online for audio purposes and encourage everyone to listen or attend meetings.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 7 (NCCMC), Item Nos. 8 through 14 (Resolution No. 2019-181 through 2019-187), Item Nos. 15 and 16 (Reports), Item Nos. 17 and 18 (Warrant Registers). Motion by Cano, seconded by Morrison, to approve the Consent Calendar. Carried by unanimous vote.

MUNICIPAL CODE 2019 (506-2-34)

7. Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances considered at this meeting and providing that such Ordinances shall be introduced and/or adopted after a reading of the title only. (City Clerk)

ACTION: Approved. See above.

CONTRACT (C2019-55)

8. Resolution No. 2019-181. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE PROGRAM SUPPLEMENT AGREEMENT (PSA) NO. F18 WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR THE PALM AVENUE ROAD REHABILITATION PROJECT TO ALLOW FOR REIMBURSEMENT OF UP TO \$611,932 IN ELIGIBLE PROJECT EXPENDITURES THROUGH THE FEDERAL REPURPOSED EARMARK PROJECT FUND; AND 2) AUTHORIZING THE ESTABLISHMENT OF AN ENGINEERING GRANTS FUND APPROPRIATION OF \$611,932 AND CORRESPONDING REVENUE BUDGET. (Engineering/Public Works)

ACTION: Adopted. See above.

ENGINEERING / PUBLIC WORKS DEPT - GRANTS / REPORTS ADMIN (1104-1-1)

9. Resolution No. 2019-182. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE ESTABLISHMENT OF AN ENGINEERING GRANTS FUND APPROPRIATION OF \$914,300 AND CORRESPONDING REVENUE BUDGET TO ALLOW FOR REIMBURSEMENT OF ELIGIBLE PROJECT EXPENDITURES THROUGH THE CALIFORNIA RIVER PARKWAYS GRANT PROGRAM, ADMINISTERED BY THE CALIFORNIA NATURAL RESOURCES AGENCY FOR THE PARADISE CREEK PEDESTRIAN AND BICYCLE PATHWAY PHASE I PROJECT. (Engineering/Public Works)

ACTION: Adopted. See above.

CONSENT CALENDAR (cont.)

PARKING & TRAFFIC CONTROL ADMIN 2019 (801-2-41)

10. Resolution No. 2019-183. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF RED CURB "NO PARKING" AT VARIOUS INTERSECTIONS ALONG "D" AVENUE, BETWEEN E. 1ST STREET AND E. 7TH STREET TO ENHANCE VISIBILITY AND ACCESS TO THE INTERSECTIONS (TSC No. 2019-12). (Engineering/Public Works)

ACTION: Adopted. See above.

PARKING & TRAFFIC CONTROL ADMIN 2019 (801-2-41)

11. Resolution No. 2019-184. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF RED CURB "NO PARKING" AT THE INTERSECTION OF E. 5TH STREET AND S. "V" AVENUE TO ENHANCE VISIBILITY AT THE INTERSECTION (TSC No. 2019-13). (Engineering/Public Works)

ACTION: Adopted. See above.

PARKING & TRAFFIC CONTROL ADMIN 2019 (801-2-41)

12. Resolution No. 2019-185. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF RED CURB "NO PARKING" AT THE INTERSECTION OF E. PLAZA BLVD AND THE ALLEY LOCATED BETWEEN "C" AVENUE AND "D" AVENUE TO ENHANCE VISIBILITY AND ACCESS FROM THE ALLEY ONTO E. PLAZA BLVD (TSC No. 2019-14). (Engineering/Public Works)

ACTION: Adopted. See above.

LABOR RELATIONS MEA (605-4-00)

13. Resolution No. 2019-186. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING EFFECTIVE JANUARY 1, 2020, THE SALARY SCHEDULE FOR THE PART-TIME AND SEASONAL EMPLOYEE CLASSIFICATIONS AND NCMEA SALARY SCHEDULE, AS AMENDED AND ADJUSTING UPWARD CLASSIFICATIONS WITH SALARY RANGES BELOW THE 2020 STATE OF CALIFORNIA MINIMUM WAGE. (Human Resources)

ACTION: Adopted. See above.

CONTRACT (C2016-30)

14. Resolution No. 2019-187. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE FIRST AMENDMENT TO THE AGREEMENT BY AND BETWEEN THE CITY OF NATIONAL CITY AND TASER INTERNATIONAL INC., TO INCREASE THE NUMBER OF BODY WORN CAMERA LICENSES AND STORAGE SPACE FOR THE FOOTAGE CAPTURED BY BODY WORN CAMERAS FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$24,977.28 COVERING THE DURATION OF THE AGREEMENT. (Police)

ACTION: Adopted. See above.

CONSENT CALENDAR (cont.)

NOTICES OF COMPLETION / CIP PROJECTS (910-1-4)

15. Report regarding Capital Improvement Projects completed under the limits set forth by the Uniform Public Construction Cost Accounting Act ("Act").

ACTION: Filed. See above.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

16. National City Sales Tax Update - Second Quarter 2019. (Finance)

ACTION: Filed. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

17. Warrant Register #19 for the period of 10/30/19 through 11/5/19 in the amount of \$3,338,691.23. (Finance)

ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

18. Warrant Register #20 for the period of 11/6/19 through 11/12/19 in the amount of \$352,354.81. (Finance)

ACTION: Ratified. See above.

NON CONSENT RESOLUTIONS

FIRE DEPT ADMIN (305-1-1)

19. Resolution No. 2019-188. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ACKNOWLEDGING RECEIPT OF A REPORT MADE BY THE CHIEF OF EMERGENCY SERVICES OF THE NATIONAL CITY FIRE DEPARTMENT REGARDING THE INSPECTION OF CERTAIN OCCUPANCIES REQUIRED TO PERFORM ANNUAL INSPECTIONS IN SUCH OCCUPANCIES PURSUANT TO SECTIONS 13146.2 AND 13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE. (Fire)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

LAND USE PLANNING / MITIGATION (405-10-04)

20. Resolution No. 2019-189. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY IN COLLABORATION WITH THE COUNTY OF SAN DIEGO, THE CITY OF CHULA VISTA, THE CITY OF CORONADO, THE CITY OF IMPERIAL BEACH, THE CITY OF SAN DIEGO, THE REGIONAL WATER QUALITY CONTROL BOARD AND THE UNIFIED PORT OF SAN DIEGO IDENTIFYING IMPROVEMENT PROJECTS IN THE TIJUANA RIVER VALLEY TO CAPTURE TRANSBOUNDARY FLOWS OF SEWAGE AND SEDIMENT. (City Manager)

NON CONSENT RESOLUTIONS (cont.)

LAND USE PLANNING / MITIGATION (405-10-04)

20. Resolution No. 2019-189 (continued).

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Quintero, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

CONTRACT (C2010-73)

21. Resolution No. 2019-190. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A TWO YEAR AGREEMENT BETWEEN THE CITY OF NATIONAL CITY AND BUREAU VERITAS FOR A NOT-TO-EXCEED AMOUNT OF \$800,000 TO PROVIDE ON-CALL PLAN REVIEWS, PERMIT PROCESSING, CONSTRUCTION INSPECTIONS, CODE ENFORCEMENT SERVICES AND RELATED SERVICES FOR VARIOUS CITY DEPARTMENTS INCLUDING BUT NOT LIMITED TO BUILDING, FIRE AND ENGINEERING. (Building)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Quintero, to adopt the Resolution. Carried by unanimous vote.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

22. Resolution No. 2019-191. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY EXTENDING THE DATE ON WHICH RESIDENTIAL RENTAL FEES OR TAXES DUE AND PAYABLE TO THE CITY FOR THE YEAR 2020, THEREFORE DEFERRING DELINQUENCY BY SIXTY-ONE DAYS, TO MAY 1, 2020, DUE TO THE IMPACT OF THE TEMPORARY RELOCATION OF DEPARTMENT OF FINANCE STAFF UPON THE PROVISION OF SERVICES AND PROCESSING TIMES OF APPLICATIONS. (Finance)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Morrison, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

23. Resolution No. 2019-192. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY EXTENDING THE DATE ON WHICH BUSINESS TAXES DUE AND PAYABLE TO THE CITY FOR THE YEAR 2020, THEREFORE DEFERRING DELINQUENCY BY THIRTY-ONE DAYS, TO APRIL 1, 2020, DUE TO THE IMPACT OF THE TEMPORARY RELOCATION OF DEPARTMENT OF FINANCE STAFF UPON THE PROVISION OF SERVICES AND PROCESSING TIMES OF APPLICATIONS. (Finance)

NON CONSENT RESOLUTIONS (cont.)

FINANCIAL MANAGEMENT 2019-2020 (204-1-34)

23. Resolution No. 2019-192 (continued).

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

NEW BUSINESS

CONDITIONAL USE PERMITS 2019 (403-32-3)

24. Notice of Decision - Planning Commission approval of a Conditional Use Permit (CUP) for the on-site sale of distilled spirits, extension of operating hours, and addition of a bar at an existing restaurant (Slappy's Burgers and Brews) located at 1105 E. Plaza Blvd., Suite D. (Applicant: Rafael Vasquez) (Case File No. 2019-28 CUP) (Planning)

RECOMMENDATION: File the Notice of Decision.

TESTIMONY: R. Mitchel Beauchamp, speaking as a private citizen, spoke in support of the Applicant.

ACTION: Motion by Morrison, seconded by Cano, to approve the CUP and file the Notice of Decision. Carried by unanimous vote.

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

There were no CDC-HA items.

C. REPORTS

STAFF REPORTS

BUDGET ADMIN (103-2-6)

25. Fiscal Year 2019 and 1st Quarter Fiscal Year 2020 Budget Review. (Finance)

ACTION: Motion by Cano, seconded by Rios, to accept and file the Report. Carried by unanimous vote.

CITY MANAGER / REPORTS ADMIN (1104-1-12)

26. Furlough Update. (City Manager)

Community Services Recreation Superintendent Audrey Denham provided a recap on the Kimball Holiday event and thanked the City Council, City Staff, and Sponsors for their support.

City Manager Brad Raulston thanked Assistant City Manager Alfredo Ybarra for his service and announced that it was his last Council meeting before he moves forward with his retirement; Mr. Ybarra was presented with a Certificate of Recognition for 12 years of service with the City of National City.

STAFF REPORTS (cont.)

Assistant City Manager Ybarra expressed his thanks to City staff for all the years of support that was provided on projects and programs that he has been involved with.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

City Treasurer Mitch Beauchamp commented on the MTS Blue Line; limitation of sand in the County; relocation of a large historic bronze plaque from the National City transit office to the Library's History Room; electric buses on Route 13; and expressed his sentiments for Assistant City Manager Ybarra's retirement.

Member Cano extended his condolences to Mayor Sotelo-Solis for the loss of her family member; wished everyone a Merry Christmas; thanked City staff for a year of blessings; and bid a farewell to Assistant City Manager Ybarra.

Member Quintero recognized Member Morrison for his service in the past year as Vice Mayor and his many years of service to the City; congratulated new Vice Mayor Mona Rios; congratulated Mayor Sotelo-Solis for her first year leading the Council; he thanked all City staff who have helped him in his time serving on the City Council; and he shared his sentiments on Public Speaker Ms. Marisa Ugarte's comments regarding his previous employment with the Bilateral Safety Corridor Coalition.

Member Morrison said to be careful with the "5-Big-Moves" regarding SANDAG and MTS by taking some real care because there is no specificity yet; spoke on the distilled alcohol license that was approved and said that it is a good thing for business; he wished everyone a Merry Christmas and a Happy New Year.

Vice Mayor Rios commented on Item No. 20 in regards to partnership on the Tijuana River improvements by stating for the record that a letter was received from the United States Section of the International Boundary and Water Commission (USIBWC) in regards to applications being accepted for a citizen form the area and encouraged people to apply and be part of these groups.

Vice Mayor Rios made the following motion for Council consideration:

Motion by Rios, seconded by Quintero, to come back and revisit the discussion on volunteer badges and identification. Carried by the following vote, to-wit: Ayes: Quintero, Rios, Sotelo-Solis. Nays: Cano. Abstain: None. Absent: None.

Mayor Sotelo-Solis shared news regarding family members who have recently passed away and said that she appreciates Member Quintero's comments made at the previous Council Meeting regarding "seasonal affective disorder" and spoke on the importance of self-care.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS (cont.)

Mayor Sotelo-Solis thanked City Manager Brad Raulston for coordinating the employee holiday event and announced that tomorrow is her one-year anniversary as Mayor and expressed her gratitude to staff and members of the Council and spoke on the upcoming year. Mayor Sotelo-Solis wished everyone Happy Holidays.

CLOSED SESSION REPORT

City Attorney Angil Morris-Jones reported that in regards to Item No. 2 on the Special Meeting Agenda, there was a 4-0 vote, with Member Cano absent; staff was given direction and authority. There was nothing to report on the remaining items. (See attached Exhibit 'L')

ADJOURNMENT

Motion by Morrison, seconded by Rios, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday – January 21, 2020 - 6:00 p.m. - Council Chambers - National City, California. Carried by unanimous vote.

The meeting closed at 8:34 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

City Council and Community Development Commission - Housing Authority of the City of National City Meeting Schedule for the Period January 7, 2020 through January 21, 2020:

January 07 - Dispense with Meeting - 6:00 p.m.

January 21 - Regular Meeting - 6:00 p.m.

In observance of the Employee Work Furlough, City Offices will be closed from Monday, December 23, 2019 through Friday, January 3, 2020. City Offices will reopen on Monday, January 6, 2020.

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY

Main Conference Room
Civic Center
1243 National City Boulevard
National City, California

Special Meeting - Tuesday, December 17, 2019 – 5:00 p.m.

CITY COUNCIL

OPEN SESSION

CALL TO ORDER

ROLL CALL

1. Resolution of the City Council of the City of National City: (1) Finding a Public Works Emergency that occurred on December 11, 2019 at Rachael Avenue resulting in a sink hole; (2) ratifying the declaration, contracting per the emergency contracting procedure, and appropriations of a not to exceed amount of \$100,000 for emergency work to repair the Racheal Avenue sink hole; and (3) ratifying the waiving of competitive bidding procedures under emergency conditions consistent with Section 22050 "Emergency Contracting Procedures" of the California Public Contract Code and Chapter 2.62 "Alternative Bid Procedures for Public Projects," Section 2.62.070 "Emergencies" of the National City Municipal Code. (Engineering/Public Works)

CLOSED SESSION

PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.

2. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
Carlsbad Police Officers Association et. al. v. City of Carlsbad, et al.
SDSC Case No. 37-2019-00005450-CU-WM-CTL
3. Conference with Legal Counsel – Potential Litigation: Four Cases
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)
4. Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Eddie Kreisberg, Mark Roberts, Robert Hernandez, Alfredo Ybarra, Robert Meteau and Lilia Munoz
Employee Organization: Firefighters' Association and Municipal Employee Association.

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, December 17, 2019, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

DRAFT DRAFT DRAFT
**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF NATIONAL CITY**

January 21, 2020

The Special Meeting of the City Council of the City of National City was called to order at 5:04 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Dalla, Meteau, Morris-Jones, Raulston, Winney.

CITY COUNCIL

OPEN SESSION

PUBLIC COMMENTS – None.

Members retired into Closed Session at 5:05 p.m.

CLOSED SESSION

1. Conference with Legal Counsel – Potential Litigation: Two Cases
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)
2. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
Carlsbad Police Officers Association et. al. v. City of Carlsbad, et al.
SDSC Case No. 37-2019-00005450-CU-WM-CTL
3. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
National City Puppy, LLC v. City of National City, et al
Case No. 37-2019-00049045-CU-CR-CTL

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, January 21, 2020 - 6:00 p.m., City Council Chambers, Civic Center – National City, California.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

DRAFT DRAFT DRAFT
**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

January 21, 2020

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:04 p.m. by Mayor / Chairwoman Alejandra Sotelo-Solis.

ROLL CALL

Council / Board members present: Cano, Morrison, Quintero, Rios, Sotelo-Solis.
Administrative Officials present: Aguirre, Dalla, Denham, Duong, Hernandez, Meteau, Morris-Jones, Olson, Raulston, Roberts, Tellez, Vergara, Williams, Winney, Yano.
Others present: City Treasurer Mitch Beauchamp.

PLEDGE OF ALLEGIANCE TO THE FLAG BY VICE MAYOR RIOS

ADJOURNMENT ANNOUNCEMENT

Mayor Sotelo-Solis read a short biography of Mr. John Baldessari, a National City born artist of international fame and stature who recently passed away; introduced Ms. Mary L. Beebe, a close friend of Mr. Baldessari who highlighted his many accomplishments and recognitions in the world of art. Mr. Charles Reilly also shared his sentiments in regards to Mr. Baldessari. A Certificate in Memory was presented and the Mayor announced that the meeting would be adjourned in his honor.

PUBLIC COMMENTS

Danny Serrano, Environmental Health Coalition (EHC) Campaign Director, introduced himself and extended an invitation to meet with staff.

Kathleen Lippitt spoke on behalf of sound public health policies; asked that consideration be given for a ban against flavored tobacco vape products and shared excerpts from articles regarding vaping use and health risks.

Sunshine Horton shared news of family members who have recently passed away and shared her health problems. She spoke on the importance of treating people equally and learning to getting along.

Brian Clapper, National City, clarified for the record that he signed the arguments against Ballot Measure “J”, regarding pet sales as a community member only and not in any other capacity.

PROCLAMATIONS AND CERTIFICATES

PROCLAMATION AND CERTIFICATE ADMIN (102-2-1)

1. National City Recognizes Robert Hernandez Sr.

PROCLAMATIONS AND CERTIFICATES (cont.)

AWARDS AND RECOGNITIONS

AWARDS & RECOGNITIONS 2020 (102-10-15)

2. Introduction of New Employee - Tony Winney, Assistant City Manager. (City Manager)

AWARDS & RECOGNITIONS 2020 (102-10-15)

3. National City Congratulates 2018 Student Council Representative Danielle Cruz.

ACTION: In recognition of her service as Student Council Representative, and to assist in achieving her educational goals, Ms. Cruz was presented with a check for the purchase of a computer, by Christine Moore - Executive Director, External Affairs, AT&T.

AWARDS & RECOGNITIONS 2020 (102-10-15)

4. Institute of Transportation Engineers (ITE) San Diego Chapter "2019 Public Agency of the Year Award". (Engineering/Public Works)

PRESENTATIONS

COUNCIL MEETING PRESENTATIONS 2020 (102-10-15)

5. California's 2020 Housing Laws. (Carlos Aguirre, Director of the National City Housing Authority and Myra Martinez, San Diego State University Master's Program Intern) Presentation material is on file in the Office of the City Clerk.

INTERVIEWS / APPOINTMENTS

BOARDS & COMMISSIONS ADMIN (101-1-1)

6. Interviews and Appointments: Various City Boards and Commissions and Regional Boards and Committees. (City Clerk)

RECOMMENDATION: Interview and appoint as desired.

TESTIMONY: Ricardo Sanchez and Christine Stein appeared for interview.

ACTION: Motion by Sotelo-Solis, seconded by Cano, to appoint Ricardo Sanchez to the Traffic Safety Committee. Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to appoint Christine Stein to the Community and Police Relations Commission (CPRC). Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to appoint Member Morrison as Primary, and Member Cano as Alternate, to the Metro Wastewater JPA. Carried by unanimous vote.

INTERVIEWS / APPOINTMENTS (cont.)

BOARDS & COMMISSIONS ADMIN (101-1-1)

6. Interviews and Appointments (continued).

ACTION (cont.): Motion by Sotelo-Solis, seconded by Cano, to appoint Member Morrison as Primary, and Member Quintero as Alternate, to the Shoreline Preservation Working Group. Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to appoint Member Morrison as Primary, and Member Cano as Alternate, to the Regional Solid Waste Authority. Carried by unanimous vote.

Motion by Sotelo-Solis, seconded by Cano, to appoint Vice Mayor Rios to the San Diego County Water Authority. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

REGIONAL BOARDS AND COMMITTEE REPORTS

There were no reports.

CITY COUNCIL

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 7 (NCCMC), Item No. 8 (Minutes), Item Nos. 9 through 16 (Resolution No. 2020-1 through 2020-8), Item Nos. 17 and 20 (Warrant Registers). Motion by Cano, seconded by Rios, to approve the Consent Calendar. Carried by unanimous vote.

MUNICIPAL CODE 2020 (506-2-35)

7. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (City Clerk)

ACTION: Approved. See above.

GENERAL ADMIN (103-2-1)

8. APPROVAL OF THE MINUTES OF THE REGULAR MEETINGS OF THE CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY OF MAY 21, 2019, JUNE 18, 2019, AUGUST 20, 2019 AND THE ADJOURNED REGULAR MEETING OF THE CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY OF AUGUST 6, 2019 AND THE SPECIAL MEETINGS OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY OF AUGUST 6, 2019, AUGUST 20, 2019 AND DECEMBER 17, 2019. (City Clerk)

ACTION: Approved. See above.

CONSENT CALENDAR (cont.)

GRANT / LIBRARY (206-4-10)

BLOCK GRANT PROGRAM ADMIN 2019-2020 (406-1-34)

9. Resolution No. 2020-1. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY RATIFYING THE ACCEPTANCE OF AN AUGMENTATION TO THE CALIFORNIA LIBRARY LITERACY SERVICES (CLLS) GRANT IN THE AMOUNT OF \$28,880 FOR THE NATIONAL CITY LIBRARY'S FISCAL YEAR 2019-2020 LITERACY PROGRAM, INCREASING THE TOTAL GRANT AMOUNT FROM \$18,000 TO \$46,880; AND AUTHORIZING THE ESTABLISHMENT OF LIBRARY GRANTS FUND APPROPRIATIONS AND A CORRESPONDING REVENUE BUDGET. (Library)

ACTION: Adopted. See above.

CONTRACT (C2020-2)

10. Resolution No. 2020-2. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) APPROVING THE AGREEMENT BETWEEN THE NATIONAL CITY PUBLIC LIBRARY AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA ON BEHALF OF CALIFORNIA RIVERSIDE CENTER FOR BIBLIOGRAPHIC STUDIES, UNIVERSITY OF CALIFORNIA RIVERSIDE TO DIGITIZE 209 REELS OF NEWSPAPERS ON MICROFILM IN THE AMOUNT NOT-TO-EXCEED \$59,468; 2) AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; 3) ACCEPTING A DONATION FROM THE FRIENDS OF THE NATIONAL CITY PUBLIC LIBRARY IN THE AMOUNT OF \$59,468 TO DEFRAY THE COST OF DIGITIZATION; AND 4) AUTHORIZING THE ESTABLISHMENT OF A LIBRARY DONATION FUND APPROPRIATION OF \$59,468 AND CORRESPONDING REVENUE ACCOUNT. (Library)

ACTION: Adopted. See above.

PARKING & TRAFFIC CONTROL ADMIN 2020 (801-2-42)

11. Resolution No. 2020-3. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF 20 FEET OF PARALLEL 15-MINUTE PARKING LOCATED ADJACENT TO 811 "K" AVENUE, IN FRONT OF THE FUTURE VONS CHICKEN TO INCREASE PARKING TURNOVER FOR CUSTOMERS (TSC No. 2019-16). (Engineering/Public Works)

ACTION: Adopted. See above.

CONTRACT (C2020-3)

12. Resolution No. 2020-4. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AWARDING A CONTRACT TO NEXT STAGE ENGINEERING IN THE NOT-TO-EXCEED AMOUNT OF \$401,800 FOR THE CITY HALL CEILING REPLACEMENT PROJECT, CIP NO. 19-53; 2) AUTHORIZING A 15% CONTINGENCY IN THE AMOUNT OF \$60,270 FOR ANY UNFORESEEN CHANGES; AND 3) AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT. (Engineering/Public Works)

ACTION: Adopted. See above.

CONSENT CALENDAR (cont.)

CONTRACT (C2016-58)

13. Resolution No. 2020-5. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO THE AGREEMENT BY AND BETWEEN THE CITY OF NATIONAL CITY AND FINANCIAL CREDIT NETWORK, INC. FOR COLLECTION SERVICES, EXTENDING THE AGREEMENT TO JUNE 30, 2020. (Finance)

ACTION: Adopted. See above.

CONTRACT (C2011-56)

14. Resolution No. 2020-6. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO THE AGREEMENT BY AND BETWEEN THE CITY OF NATIONAL CITY AND CHANDLER ASSET MANAGEMENT, INC. FOR INVESTMENT MANAGEMENT AND INVESTMENT ADVISORY SERVICES, EXTENDING THE AGREEMENT TO NOVEMBER 15, 2020. (Finance)

ACTION: Adopted. See above.

CONTRACT (C2017-4)

15. Resolution No. 2020-7. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO THE AGREEMENT BY AND BETWEEN THE CITY OF NATIONAL CITY AND NHA ADVISORS, LLC FOR MUNICIPAL ADVISORY SERVICES, EXTENDING THE AGREEMENT TO DECEMBER 31, 2020. (Finance)

ACTION: Adopted. See above.

CONTRACT (C2018-15)

16. Resolution No. 2020-8. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY FOR APPROVING THE AGREEMENT BETWEEN THE CITY OF NATIONAL CITY AND MEYERS NAVE, RIBACK, SILVER & WILSON, A PROFESSIONAL LAW CORPORATION FOR LEGAL SERVICES IN THE SPECIALIZED AREA OF LABOR LAW FOR THE NOT TO EXCEED AMOUNT OF A TOTAL OF \$75,000. (Human Resources)

ACTION: Adopted. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

17. Warrant Register #21 for the period of 11/13/19 through 11/19/19 in the amount of \$1,892,398.29. (Finance)

ACTION: Ratified. See above.

CONSENT CALENDAR (cont.)

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

18. Warrant Register #22 for the period of 11/20/19 through 11/26/19 in the amount of \$1,320,908.45. (Finance)

ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

19. Warrant Register #23 for the period of 11/27/19 through 12/03/19 in the amount of \$4,742,397.26. (Finance)

ACTION: Ratified. See above.

WARRANT REGISTER JULY 2019 - JUNE 2020 (202-1-34)

20. Warrant Register #24 for the period of 12/04/19 through 12/10/19 in the amount of \$600,218.10. (Finance)

ACTION: Ratified. See above.

PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS

MUNICIPAL CODE 2020 (506-2-35)

21. Ordinance No. 2020-2478. PUBLIC HEARING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING SECTION 18.29.070 (FLOODWAY (-FW), FLOODWAY FRINGE (-FF-1), AND FLOODWAY FRINGE-SHALLOW FLOODING (-FF-2) ZONES) OF TITLE 18 (ZONING) OF THE NATIONAL CITY MUNICIPAL CODE. (Applicant: City-Initiated) (Case File 2019-24 A) (Planning)

RECOMMENDATION: Adopt the Ordinance.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Rios, seconded by Cano, to adopt the Ordinance. Carried by unanimous vote.

NON CONSENT RESOLUTIONS

ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM (505-7-13)

22. Resolution No. 2020-9. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING AN APPROPRIATION IN THE AMOUNT OF \$90,000 TO THE GENERAL FUND CITY CLERK ELECTIONS ACCOUNT FROM THE GENERAL FUND FUND BALANCE FOR ELECTION COSTS ASSOCIATED WITH THE CITY COUNCIL INITIATED BALLOT MEASURE REGARDING APPOINTMENT OF THE CITY CLERK AND CITY TREASURER, AND THE VOTER REFERENDUM MEASURE REGARDING PET STORE SALES WHICH ARE BOTH GOING BEFORE THE VOTERS AT THE MARCH 3, 2020 SPECIAL ELECTION. (City Clerk)

NON CONSENT RESOLUTIONS (cont.)

**ELECTION MAR 2020 CLERK AND TREASURER / PET SALES REFERENDUM
(505-7-13)**

22. Resolution No. 2020-9 (continued).

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Rios, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

CONTRACT (C2020-4)

23. Resolution No. 2020-10. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AWARDING A CONTRACT TO PORTILLO CONCRETE INC. IN THE NOT-TO-EXCEED AMOUNT OF \$1,040,000.00 FOR THE PALM AVENUE ROAD REHABILITATION PROJECT, CIP NO. 19-05; 2) AUTHORIZING A 15% CONTINGENCY IN THE AMOUNT OF \$156,000.00 FOR ANY UNFORESEEN CHANGES; AND 3) AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

CONTRACT (C2010-69)

24. Resolution No. 2020-11. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY: 1) AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR A NOT-TO-EXCEED AMOUNT OF \$2,000,000 TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, PROJECT MANAGEMENT; CIVIL ENGINEERING; TRAFFIC ENGINEERING; TRANSPORTATION PLANNING; PLAN REVIEWS; CONSTRUCTION SUPPORT, CONSTRUCTABILITY REVIEWS; LONG-RANGE PLANNING; GRANTS MANAGEMENT; COMMUNITY OUTREACH AND COMMUNICATIONS; AND 2) AUTHORIZING THE CITY MANAGER TO EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS, AS MAY BE REQUIRED FOR GRANT FUNDED PROJECTS. (Engineering/Public Works)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Cano, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

NON CONSENT RESOLUTIONS (cont.)

CONTRACT (C2020-5)

25. Resolution No. 2020-12. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE MAYOR TO EXECUTE A NON-BINDING LETTER OF INTENT (LOI) BETWEEN THE CITY OF NATIONAL CITY AND UC SAN DIEGO EXTENSION EDUCATIONAL AND COMMUNITY OUTREACH DEPARTMENT TO PROMOTE ACCESS TO EDUCATIONAL AND CAREER DEVELOPMENT OPPORTUNITIES THROUGH A HEALTH, EDUCATION, AND WORKPLACE DEVELOPMENT HUB. (City Manager)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Sotelo-Solis, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

COUNCIL POLICY ADMIN (102-13-1)

26. City Council Policy #802 City Support for Special Events for review and discussion of proposed Policy update to the City Council Policy Manual. (Chapter 800) (Neighborhood Services)

RECOMMENDATION: Review proposed policy revisions for Policy #802. A supporting Resolution will be brought forward to Council at a subsequent Council meeting for adoption of said chapter with final revisions.

TESTIMONY: Joan Rincon, National City, spoke in opposition to the Brew and Spirits Festival and issues with other City sponsored events.

ACTION: Motion by Rios, seconded by Quintero, to approve Staff Recommendations and bring back a Resolution. Carried by the following vote, to-wit: Ayes: Cano, Quintero, Rios, Sotelo-Solis. Nays: Morrison. Abstain: None. Absent: None.

B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY

There were no CDC-HA items.

C. REPORTS

STAFF REPORTS

ENGINEERING / PUBLIC WORKS DEPT - GRANTS / REPORTS ADMIN (1104-1-1)

27. On-Call Contract Awards Summary. (Engineering/Public Works)

BUDGET FY 2020-2021 (206-1-36)

28. City of National City's Fiscal Year 2021 budget priorities. (Finance)

STAFF REPORTS (cont.)

City Manager Brad Raulston said that the Fire and Police promotional ceremony was a success; he acknowledged Police Chief Tellez's birthday and spoke in appreciation of his service and work ethic.

MAYOR, CITY COUNCIL, AND OTHER ELECTED OFFICIALS

CITY COUNCIL ADMIN (102-16-1)

29. Discussion on use of volunteers by City Council. (City Manager)

TESTIMONY: Zachary Gomez, National City, suggested implementing apprenticeship or internship volunteer positions.

ACTION: Motion by Rios, seconded by Quintero, to come back with draft Policy No. 603 reinstating Item No. 3 under the Volunteers section to add language regarding name tags. Carried by the following vote, to-wit: Ayes: Quintero, Rios, Sotelo-Solis. Nays: Cano, Morrison. Abstain: None. Absent: None.

City Treasurer Mitch Beauchamp acknowledged Mayor Sotelo-Solis on how she handled her personal experience with skin cancer and thanked her as he shared that he had a similar experience.

Member Morrison (mic was not on for first part of comments) thanked staff who worked during the holiday break.

Member Quintero said that it would be wise not to get politically fatigued and caught up in national political agendas and realize what's important on the local level.

Member Cano thanked staff for their work and welcomed Assistant City Manager Tony Winney. He extended a challenge to Mayor Sotelo-Solis to conduct an event at Kimball Park in conjunction with Sweetwater High School's 100-year anniversary.

Vice Mayor Rios applauded Mayor Sotelo-Solis for her role as Vice Chair for MTS; and she shared highlights of events she attended.

Mayor Sotelo-Solis announced that it is youth sport recruiting season and it is the time to register; she thanked Police Chief Tellez and Fire Chief Parra for their work and spoke on the success of the joint promotional ceremony. Mayor Sotelo-Solis addressed the importance of networking, diversity, and educational opportunities. She announced that March 5th will be the State of the City Address for her 1-year, 100-days in office.

CLOSED SESSION REPORT

30. Closed Session Agenda held at a Special Meeting at 5:00 pm. (City Attorney)
REPORT: City Attorney Angil Morris-Jones reported that Item Nos. 1 and 3 were information only. In regards to Item No. 2, staff was given direction and authority, with a 5-0 vote. (See attached Exhibit 'L')

ADJOURNMENT

The meeting was adjourned in honor and memory of Mr. John Baldessari.

Motion by Rios, seconded by Morrison, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday – February 4, 2020 - 6:00 p.m. - Council Chambers - National City, California. Carried by unanimous vote.

The meeting closed at 8:12 p.m.

City Clerk

The foregoing minutes were approved at the Regular Meeting of February 18, 2020.

Mayor

EXHIBIT 'L'



AGENDA OF A SPECIAL MEETING

CITY COUNCIL OF THE CITY OF NATIONAL CITY

Main Conference Room
Civic Center
1243 National City Boulevard
National City, California

Special Meeting - Tuesday, January 21, 2020 – 5:00 p.m.

CITY COUNCIL

OPEN SESSION

CALL TO ORDER

CLOSED SESSION

PUBLIC MAY COMMENT ON CLOSED SESSION AGENDA ITEMS.

1. Conference with Legal Counsel – Potential Litigation: Two Cases
Potential Litigation Pursuant to Governmental Code Section 54956.9(d)(2)
2. Conference with Legal Counsel – Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
Carlsbad Police Officers Association et. al. v. City of Carlsbad, et. al.
SDSC Case No. 37-2019-00005450-CU-WM-CTL
3. Conference with Legal Counsel– Pending Litigation
Existing Litigation under Government Code Section 54956.9(d)(1)
National City Puppy, LLC v. City of National City, et al
Case No. 37-2019-00049045-CU-CR-CTL

CLOSED SESSION REPORT: AT THE END OF REGULAR COUNCIL MEETING.

ADJOURNMENT

Next Regular City Council Meeting: Tuesday, January 21, 2020, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with West Coast Arborists, Inc. for grant coordination services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City, extending the term of the Agreement to March 30, 2021, and authorizing the Mayor to execute the Agreement. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with West Coast Arborists, Inc. for grant coordination services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City, extending the term of the Agreement to March 30, 2021, and authorizing the Mayor to execute the Agreement.

PREPARED BY: Carla Hutchinson, Assistant Engineer - Civil *C.H.* **DEPARTMENT:** Engineering/Public Works

PHONE: 619-336-4388

APPROVED BY: 

EXPLANATION:

On April 16, 2019, per City Council Resolution No. 2019-40, the City of National City entered into an Agreement with West Coast Arborists, Inc. (WCA) to provide grant coordination services in an amount not to exceed \$196,000, funded by a CAL FIRE Urban and Community Forestry Grant. The Agreement with WCA is set to expire on March 1, 2020. Since CAL FIRE recently granted the City a one-year grant extension to March 30, 2021, staff desires to extend the term of the Agreement with WCA to allow them to continue providing grant coordination services to support City staff with project delivery.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

N/A

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: **INTRODUCTION:** **FINAL ADOPTION:**

STAFF RECOMMENDATION:

Adopt resolution approving a First Amendment to the Agreement with West Coast Arborists, Inc. for grant coordination services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City and authorizing the Mayor to execute the Agreement.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. First Amendment to Agreement
2. Resolution

**FIRST AMENDMENT TO THE AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
WEST COAST ARBORISTS, INC.**

THIS FIRST AMENDMENT TO THE AGREEMENT, is entered into this 18th day of February, 2020, by and between the CITY OF NATIONAL CITY, a municipal corporation (“CITY”), and WEST COAST ARBORISTS, INC., a California corporation (the “CONSULTANT”).

RECITALS

WHEREAS, on April 16, 2019, the City Council adopted Resolution No. 2019-40 and entered into an Agreement with WEST COAST ARBORISTS, INC. (“the Agreement”), wherein the CONSULTANT agreed to provide grant coordination services, including providing volunteer group workshop training, tree and site selection processing, and matched funds collections to meet the requirements of a grant from the California Department of Forestry and Fire Protection.

WHEREAS, the original term of the Agreement expired on March 1, 2020.

WHEREAS, the parties desire to amend the Agreement to extend the term of the Agreement for one year, expiring March 30, 2021.

NOW, THEREFORE, the parties hereto agree:

1. The Agreement entered into on April 16, 2019 shall be amended to extend the term of the Agreement for one year, expiring March 30, 2021.
2. The parties further agree that with the foregoing exception, each and every term and provision of the Agreement dated April 16, 2019, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first above written.

[Signature Page to Follow]

CITY OF NATIONAL CITY

By: _____
Alejandra Sotelo-Solis, Mayor

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

By: _____
Roberto M. Contreras
Deputy City Attorney

WEST COAST ARBORISTS, INC., A CALIFORNIA CORPORATION

(Corporation – signatures of two corporate officers)

By: 

(Name)

Patrick Mahoney

(Print)

President

(Title)

By: 

(Name)

Richard Mahoney

(Print)

Secretary

(Title)

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
APPROVING A FIRST AMENDMENT TO THE AGREEMENT WITH WEST COAST
ARBORISTS, INC. FOR GRANT COORDINATION SERVICES FOR A CAL FIRE
URBAN AND COMMUNITY FORESTRY GRANT AWARDED TO THE CITY OF
NATIONAL CITY, EXTENDING THE TERM OF THE AGREEMENT TO
MARCH 30, 2021, AND AUTHORIZING THE MAYOR TO EXECUTE THE
AMENDMENT**

WHEREAS, in 2015, the City of National City was awarded an Urban & Community Forestry Greenhouse Gas Reduction Fund grant in the amount of \$276,685 through the California Department of Forestry and Fire Protection (CAL FIRE) to develop an Urban Forest Management Plan for National City which included conducting a Geographic Information System (GIS)-based City tree inventory estimated at 10,000 trees, developing a long-range Urban Forestry Management Plan, updating corresponding City Council policies and ordinances, creating a National City Urban Forest webpage, and providing a web-based tree maintenance scheduling interface for residents; and

WHEREAS, in 2015, the City contracted with West Coast Arborist, Inc. (WCA), a highly qualified and reputable contractor in the field of urban forestry, to assist the City's park maintenance staff with addressing the growing backlog of tree trimming requests for service and through implementation of a grid-based tree trimming program, WCA proved to be effective in assisting City crews with clearing the backlog, which allowed City crews to focus on maintaining their tree trimming schedule; and

WHEREAS, on May 22, 2017, the City of National City was awarded an Urban and Community Forestry Grant in the amount of \$650,800 through CAL FIRE to fund the purchase, planting and initial maintenance of 1,700 trees, to be performed by a contractor and completed by March 2020; and

WHEREAS, an additional requirement of the Urban and Community Forestry Grant is to involve the community in tree planting, care, and foster stewardship while educating residents about the importance of an urban forest and greenhouse gas reduction, therefore, the City desired to employ a contractor to provide grant coordination services which included providing volunteer group workshop trainings, tree and site selection processing, and matched funds collections to meet the requirements of the grant; and

WHEREAS, on May 15, 2018, per Resolution No. 2018-72, City Council awarded a contract to West Coast Arborist, Inc. (WCA) for the planting of 1,700 trees citywide to be completed by March 30, 2020; and

WHEREAS, the Agreement with WCA is set to expire on March 1, 2020; and

WHEREAS, since CAL FIRE recently granted the City a one-year grant extension to March 30, 2021, staff desires to extend the term of the Agreement with WCA to allow them to continue providing grant coordination services to support City staff with project delivery.

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**Resolution No. 2020 –
Page Two**

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the Mayor to execute a First Amendment to the Agreement with West Coast Arborists, Inc. for grant coordination services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City, extending the term of the Agreement to March 30, 2021.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with West Coast Arborists, Inc. for tree planting services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City, extending the term of the Agreement to March 30, 2021, and authorizing the Mayor to execute the Agreement. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with West Coast Arborists, Inc. for tree planting services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City, extending the term of the Agreement to March 30, 2021, and authorizing the Mayor to execute the Agreement.

PREPARED BY: Carla Hutchinson, Assistant Engineer - Civil *C.A.*, **DEPARTMENT:** Engineering/Public Works

PHONE: 619-336-4388

APPROVED BY: 

EXPLANATION:

On May 15, 2018, per City Council Resolution No. 2018-72, the City of National City entered into an Agreement with West Coast Arborists, Inc. (WCA) to provide tree planting services in an amount not to exceed \$297,500, funded by a CAL FIRE Urban and Community Forestry Grant. The Agreement with WCA is set to expire on March 1, 2020. Since CAL FIRE recently granted the City a one-year grant extension to March 30, 2021, staff desires to extend the term of the Agreement with WCA to allow them to continue providing tree planting services to support City staff with project delivery.

FINANCIAL STATEMENT:

ACCOUNT NO.
N/A

APPROVED: _____ **Finance**
APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt resolution approving a First Amendment to the Agreement with West Coast Arborists, Inc. for tree planting services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City and authorizing the Mayor to execute the Agreement.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. First Amendment to Agreement
2. Resolution

**FIRST AMENDMENT TO THE AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
WEST COAST ARBORISTS, INC.**

THIS FIRST AMENDMENT TO THE AGREEMENT, is entered into this 18th day of February, 2020, by and between the CITY OF NATIONAL CITY, a municipal corporation (“CITY”), and WEST COAST ARBORISTS, INC., a California corporation (the “CONSULTANT”).

RECITALS

WHEREAS, on May 15, 2018, the City Council adopted Resolution No. 2018-72 and entered into an Agreement with WEST COAST ARBORISTS, INC. (“the Agreement”), wherein the CONSULTANT agreed to plant 1,700 trees in the City of National City in an effort to help reduce greenhouse gas emissions.

WHEREAS, the original term of the Agreement expired on March 1, 2020.

WHEREAS, the parties desire to amend the Agreement to extend the term of the Agreement for one year, expiring March 30, 2021.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Agreement entered into on May 15, 2018 shall be amended to extend the term of the Agreement for one year, expiring March 30, 2021.
2. The parties further agree that with the foregoing exception, each and every term and provision of the Agreement dated May 15, 2018, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first above written.

[Signature Page to Follow]

CITY OF NATIONAL CITY

By: _____
Alejandra Sotelo-Solis, Mayor

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

By: _____
Roberto M. Contreras
Deputy City Attorney

**WEST COAST ARBORISTS, INC., A
CALIFORNIA CORPORATION**

(Corporation – signatures of two corporate officers)

By: _____
(Signature)
(Name)

Patrick Mahoney
(Print)

President
(Title)

By: _____
(Signature)
(Name)

Richard Mahoney
(Print)

Secretary
(Title)

RESOLUTION NO. 2020 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING A FIRST AMENDMENT TO THE AGREEMENT WITH WEST COAST ARBORISTS, INC. FOR TREE PLANTING SERVICES FOR A CAL FIRE URBAN AND COMMUNITY FORESTRY GRANT AWARDED TO THE CITY OF NATIONAL CITY, EXTENDING THE TERM OF THE AGREEMENT TO MARCH 30, 2021, AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT

WHEREAS, on May 22, 2017, the City of National City was awarded the Urban and Community Forestry Grant in the amount of \$650,800 through the California Department of Forestry and Fire Protection (CAL FIRE) to fund the purchase, planting, and initial maintenance of 1,700 trees, to be performed by a contractor, over a three-year period; and

WHEREAS, there was an opportunity for the City to piggyback onto the City of Poway's Urban Forestry Maintenance Services Contract with West Coast Arborist, Inc., (WCA) for the purchase of 1,700 trees and to provide planting and initial maintenance services by utilizing a portion of the \$650,800 grant funds in an amount not to exceed \$297,500, consistent with Section 2.60.260 of the National City Municipal Code regarding cooperative purchasing; and

WHEREAS, on August 1, 2017, the City Council adopted Resolution No. 2017-138, accepting the grant and authorizing the City Manager to execute the grant Agreement; and

WHEREAS, the Agreement with WCA is set to expire on March 1, 2020; and

WHEREAS, since CAL FIRE recently granted the City a one-year grant extension to March 30, 2021, staff desires to extend the term of the Agreement with WCA to allow them to continue providing tree planting services to support City staff with project delivery.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the Mayor to execute a First Amendment to the Agreement with West Coast Arborists, Inc. for tree planting services for a CAL FIRE Urban and Community Forestry Grant awarded to the City of National City, extending the term of the Agreement to March 30, 2021.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City waiving the formal bid process pursuant to National City Municipal Code Section 2.60.260 regarding cooperative purchasing and authorizing the Mayor to execute an Agreement with West Coast Arborists, Inc. for specialized tree trimming, removal, and planting services, effective November 1, 2019 through January 7, 2022, for an amount not to exceed \\$90,000 by piggybacking onto the City of Encinitas' Urban Forestry Maintenance Services Contract. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Resolution of the City Council of the City of National City waiving the formal bid process pursuant to National City Municipal Code Section 2.60.260 regarding cooperative purchasing and authorizing the Mayor to execute an Agreement with West Coast Arborists, Inc. for specialized tree trimming, removal, and planting services, effective November 1, 2019 through January 7, 2022, for an amount not to exceed \$90,000 by piggybacking onto the City of Encinitas' Urban Forestry Maintenance Services Contract.

PREPARED BY: Tirza Gonzales, Executive Secretary

PHONE: 619-336-4318

DEPARTMENT: Engineering and Public Works

APPROVED BY: _____

EXPLANATION:

See attached.



FINANCIAL STATEMENT:

ACCOUNT NO.

105-416-227-299-0000 (Parks Maintenance Contract Services) - \$90,000

Funds previously appropriated by City Council through adoption of the FY 2020 annual budget.

APPROVED: _____

APPROVED: _____

FINANCE

MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION** **FINAL ADOPTION**

STAFF RECOMMENDATION:

Adopt Resolution authorizing the Mayor to execute an Agreement with West Coast Arborists, Inc., for specialized tree trimming, removal, and planting services for an amount not to exceed \$90,000 by piggybacking onto the City of Encinitas' Urban Forestry Maintenance Services Contract.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Explanation
2. Service Agreement
3. City of Encinitas Urban Forestry Maintenance Services contract
4. Resolution

EXPLANATION

On December 19, 2017, per City Council Resolution No. 2017-239, the City of National City entered into an Agreement with West Coast Arborists, Inc. (WCA), a highly qualified and reputable contractor in the field of urban forestry, to provide assistance to the City's Park Maintenance staff with addressing the growing backlog of tree trimming requests for service. In conjunction with implementation of a grid-based tree trimming program, WCA proved to be effective in assisting City crews with clearing the backlog, which allowed City crews to focus on maintaining their tree trimming schedule.

The grid program provides a systematic approach to ensuring that trees citywide receive regular maintenance in a manner that maximizes staff efficiency, while providing a consistent schedule for the general public. While the grid program has proven to be effective, emergency and specialized work (i.e. stump grinding, tree removals, trimming large palm trees, etc.) continues to place high demands on staff and often involves specialized skills and equipment beyond the City's resources. WCA has proven to be a valuable asset by providing specialized services in a timely manner. As part of the FY 2020 annual budget, City Council adopted the maintenance and operating budget for Public Works Parks Division, which includes \$90,000 for contract tree trimming support services.

National City Municipal Code (NCMC) Section 2.60.260 provides authority to the purchasing agent to join with other public jurisdictions to take advantage of cooperative purchasing opportunities, including but not limited to any federal, state or local agency pricing program or structure that is determined by the purchasing agent to allow a procurement that is in the best interests of the City. The purchasing agent may buy directly from a vendor at a price established through competitive bidding by another public agency whose procedures have been determined by the purchasing agent to be in substantial compliance with the City's procurement procedures, irrespective of the contracting limits of that jurisdiction or agency, even if the City had not initially joined with that public agency in the cooperative purchase.

National City's Purchasing staff has confirmed that the City of Encinitas' Urban Forestry Maintenance Services contract with WCA was competitively bid through an RFP process, and that the City of Encinitas' procurement procedures are in substantial compliance with those of the City of National City. On January 1, 2018, the City of Encinitas entered into a four year agreement with WCA for Urban Forest Maintenance Services, which expires on January 7, 2022. The contract may be extended with a total of two separate, three-year options.

Services rendered between the City of National City and WCA began on November 1, 2019 and due to staff turnover, a renewal of the previous agreement was delayed. Staff requests that City Council waive the formal bid process pursuant to National City Municipal Code Section 2.60.260 regarding cooperative purchasing and authorize the Mayor to execute a new Agreement between the City of National City and West Coast Arborists, Inc., for specialized tree trimming, removal, and planting services, effective November 1, 2019 through January 7, 2022, for an amount not to exceed \$90,000 by piggybacking onto the City of Encinitas' Urban Forestry Maintenance Services Contract.

**AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
WEST COAST ARBORISTS, INC.**

THIS AGREEMENT is entered into on this 18th day of February, 2020, by and between the CITY OF NATIONAL CITY, a municipal corporation (the "CITY"), and WEST COAST ARBORISTS, INC., a California corporation (the "CONSULTANT").

R E C I T A L S

WHEREAS, the CITY desires to employ a CONSULTANT to provide Urban Forestry Maintenance Services to assist the City's Park Maintenance staff with ongoing tree trimming needs and demands.

WHEREAS, the CITY has determined that the CONSULTANT is a certified forestry professional and is qualified by experience and ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY agrees to engage the CONSULTANT to tree pruning, trimming, and planting services, and the CONSULTANT agrees to perform the services set forth here in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services shall be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **EFFECTIVE DATE AND LENGTH OF AGREEMENT.** This Agreement will become effective on February 18, 2020. The duration of this Agreement is for the period of November 1, 2019 through January 7, 2022. Completion dates or time durations for specific portions of the project are set forth in Exhibit "B". This Agreement may be extended by mutual agreement upon the same terms and conditions for an additional one (1) year term. The Parties may exercise up to two one-year extensions. Any extension of this Agreement must be approved in writing by the City Council.

3. **SCOPE OF SERVICES.** The CONSULTANT will perform tree pruning, trimming, removal, and planting services as set forth in the attached Exhibit "A" following the fee schedule as set forth in the attached Exhibit "B" (the "Project").

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on personnel of the CITY for such services, except as authorized in advance by the CITY. The CONSULTANT shall appear at meetings, as required, to keep staff and City Council advised of the progress on the project.

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

4. **PROJECT COORDINATION AND SUPERVISION.** Victor Uribe, Park Superintendent, hereby is designated as the Project Coordinator for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Michael Palat thereby is designated as the Project Director for the CONSULTANT.

5. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The total cost for all work described in Exhibit "A" shall not exceed \$90,000. The compensation for the CONSULTANT'S work shall not exceed the rates set forth in Exhibit "A". Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit "A", as determined by the CITY.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred, and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY, and for furnishing of copies to the CITY, if requested.

6. **ACCEPTABILITY OF WORK.** The CITY shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement, and the amount of compensation due. In the event the CONSULTANT and the CITY cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT in this Agreement, the CITY or the CONSULTANT shall give to the other written notice. Within ten (10) business days, the CONSULTANT and the CITY shall each prepare a report which supports their position and file the same with the other party. The CITY shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT.

7. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications, and other documents prepared by the CONSULTANT for this project, whether paper or electronic, shall: (1) be free from defects; (2) become the property of the CITY for use with respect to this project; and (3) shall be turned over to the CITY upon completion of the project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY, and CONSULTANT thereby expressly waives and disclaims any copyright in, and the right to reproduce, all written material, drawings, plans, specifications, or other work prepared under this Agreement, except upon the CITY'S prior authorization regarding

reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium, or method utilize the CONSULTANT'S written work product for the CITY'S purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings, or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14, but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of Services of this project, unless otherwise mutually agreed.

8. **INDEPENDENT CONTRACTOR.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY, and are not entitled to any of the rights, benefits, or privileges of the CITY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT'S employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement, nor any interest herein, may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or SUBCONSULTANTS, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its SUBCONSULTANT(S) shall require the SUBCONSULTANT(S) to adhere to the applicable terms of this Agreement.

9. **CONTROL.** Neither the CITY, nor its officers, agents, or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT'S employees, except as set forth in this Agreement. The CONSULTANT, or the CONSULTANT'S agents, servants, or employees are not in any manner agents, servants, or employees of the CITY. The CONSULTANT and its agents, servants, and employees are wholly independent from the CITY and CONSULTANT'S obligations to the CITY are solely prescribed by this Agreement.

10. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable state and federal statutes and regulations, and all applicable ordinances, rules, and regulations of the City of National City, whether now in force or subsequently enacted. The CONSULTANT and each of its SUBCONSULTANT(S), shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.

11. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. CONSULTANT must promptly produce a copy of any such license, permit, or approval to CITY upon request. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

12. **STANDARD OF CARE.**

A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT'S employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT'S professional performance or the furnishing of materials or services relating thereto.

C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-section will render the CONSULTANT liable to the CITY for any increased costs that result from the CITY'S later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

13. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

14. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT

shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 14, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 15.

15. **INDEMNIFICATION AND HOLD HARMLESS.** To the maximum extent provided by law, The CONSULTANT agrees to defend, indemnify and hold harmless the City of National City, its officers, officials, agents, employees, and volunteers against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the CONSULTANT'S performance or other obligations under this Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the CITY, its agents, officers, employees or volunteers. CITY will cooperate reasonably in the defense of any action, and CONSULTANT shall employ competent counsel, reasonably acceptable to the City Attorney.

The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the term of this Agreement.

16. **EMPLOYEE PAYMENTS AND INDEMNIFICATION.**

16.1 **PERS Eligibility Indemnification.** If CONTRACTOR's employee(s) providing services under this Agreement claims, or is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS of the CITY, CONTRACTOR shall indemnify, defend, and hold harmless CITY for the payment of any employer and employee contributions for PERS benefits on behalf of the employee as well as for payment of any penalties and interest on such contributions which would otherwise be the responsibility of the CITY.

CONTRACTOR'S employees providing service under this Agreement shall not: (1) qualify for any compensation and benefit under PERS; (2) be entitled to any benefits under PERS; (3) enroll in PERS as an employee of CITY; (4) receive any employer contributions paid

by CITY for PERS benefits; or (5) be entitled to any other PERS-related benefit that would accrue to a CITY employee. CONTRACTOR's employees hereby waive any claims to benefits or compensation described in this Section 16. This Section 16 applies to CONTRACTOR notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary.

16.2 Limitation of CITY Liability. The payment made to CONTRACTOR under this Agreement shall be the full and complete compensation to which CONTRACTOR and CONTRACTOR's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither CONTRACTOR nor CONTRACTOR's officers, employees, agents, and subcontractors are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to CITY employees. The CITY will not make any federal or state tax withholdings on behalf of CONTRACTOR. The CITY shall not be required to pay any workers' compensation insurance on behalf of CONTRACTOR.

16.3 Indemnification for Employee Payments. CONTRACTOR agrees to defend and indemnify the CITY for any obligation, claim, suit, or demand for tax, retirement contribution including any contribution to PERS, social security, salary or wages, overtime payment, or workers' compensation payment which the CITY may be required to make on behalf of (1) CONTRACTOR, (2) any employee of CONTRACTOR, or (3) any employee of CONTRACTOR construed to be an employee of the CITY, for work performed under this Agreement. This is a continuing obligation that survives the termination of this Agreement.

17. WORKERS' COMPENSATION. The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Labor Code and all amendments thereto; and all similar State or federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its officers, employees, and volunteers from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the CITY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

18. INSURANCE. The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its SUBCONSULTANT(S), when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:

A. If checked, **Professional Liability Insurance** (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles. The policy shall name the CITY and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided.

C. **Commercial General Liability Insurance**, with minimum limits of either \$2,000,000 per occurrence and \$4,000,000 aggregate, or \$1,000,000 per occurrence and

\$2,000,000 aggregate with a \$2,000,000 umbrella policy, covering all bodily injury and property damage arising out of its operations, work, or performance under this Agreement. The policy shall name the CITY and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided. The general aggregate limit must apply solely to this “project” or “location”. The “project” or “location” should be noted with specificity on an endorsement that shall be incorporated into the policy.

D. **Workers’ Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of CONSULTANT’S employees and employers’ liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the CITY. Said endorsement shall be provided prior to commencement of work under this Agreement.

If CONSULTANT has no employees subject to the California Workers’ Compensation and Labor laws, CONSULTANT shall execute a Declaration to that effect. Said Declaration shall be provided to CONSULTANT by CITY.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, officials, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY’S Risk Manager, at the address listed in subsection G below, of cancellation or material change.

F. If required insurance coverage is provided on a “claims made” rather than “occurrence” form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the “retro” date must be on or before the date of this Agreement.

G. The Certificate Holder for all policies of insurance required by this Section shall be:

City of National City
c/o Risk Manager
1243 National City Boulevard
National City, CA 91950-4397

H. Insurance shall be written with only insurers authorized to conduct business in California that hold a current policy holder’s alphabetic and financial size category rating of not less than A:VII according to the current Best’s Key Rating Guide, or a company of equal financial stability that is approved by the CITY’S Risk Manager. In the event coverage is provided by non-admitted “surplus lines” carriers, they must be included on the most recent List of Approved Surplus Line Insurers (“LASLI”) and otherwise meet rating requirements.

I. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY’S Risk Manager. If the CONSULTANT does not keep all insurance policies required by this Section 18 in full force and effect at all times during the term of this Agreement, the CITY may treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

J. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the CITY. CITY reserves the right to modify the insurance

requirements of this Section 18, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

K. If the CONSULTANT maintains broader coverage or higher limits (or both) than the minimum limits shown above, the CITY shall be entitled to the broader coverage or higher limits (or both) maintained by the CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY.

19. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorney's fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

20. **TERMINATION.**

A. This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement, misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the CITY by the CONSULTANT'S breach, if any. Thereafter, ownership of said written material shall vest in the CITY all rights set forth in Section 7.

E. The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

21. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To CITY: Victor Uribe
Park Superintendent
Engineering and Public Works Department
City of National City
1243 National City Boulevard
National City, CA 91950-4397

To CONSULTANT:
Michael Palat
Area Manager
West Coast Arborists, Inc.
8524 Commerce Avenue, Suite B
San Diego, CA 92121

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

22. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT**
OBLIGATIONS. During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the City of National City. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The

CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONSULTANT shall obtain from the City Clerk.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Section 22 by the CONSULTANT.

23. **PREVAILING WAGES.** State prevailing wage rates may apply to work performed under this Agreement. State prevailing wages rates apply to all public works contracts as set forth in California Labor Code, including but not limited to, Sections 1720, 1720.2, 1720.3, 1720.4, and 1771. Consultant is solely responsible to determine if State prevailing wage rates apply and, if applicable, pay such rates in accordance with all laws, ordinances, rules, and regulations.

24. **ADMINISTRATIVE PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state, or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes. To the extent any exhibits, schedules, or provisions thereof conflict or are inconsistent with the terms and conditions contained in this Agreement, the terms and conditions of this Agreement shall control.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Assignment & Assumption of Rights.* CONSULTANT shall not assign this Agreement, in whole or in part, to any other party without first obtaining the written consent of CITY.

H. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

I. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California. The venue for any legal action arising under

this Agreement shall be in either state or federal court in the County of San Diego, State of California.

J. *Audit.* If this Agreement exceeds ten-thousand dollars (\$10,000), the parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the Agreement, per Government Code Section 8546.7.

K. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

L. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

M. *Subcontractors or Subconsultants.* The CITY is engaging the services of the CONSULTANT identified in this Agreement. The CONSULTANT shall not subcontract any portion of the work, unless such subcontracting was part of the original proposal or is allowed by the CITY in writing. In the event any portion of the work under this Agreement is subcontracted, the subconsultant(s) shall be required to comply with and agree to, for the benefit of and in favor of the CITY, both the insurance provisions in Section 18 and the indemnification and hold harmless provision of Section 15 of this Agreement.

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N. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

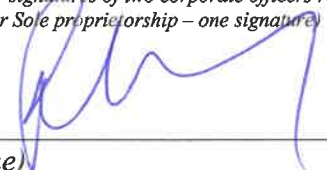
CITY OF NATIONAL CITY

By: _____
Alejandra Sotelo Solis, Mayor

APPROVED AS TO FORM:

By: _____
Angil P. Morris-Jones
City Attorney

WEST COAST ARBORISTS, INC., a
(Corporation – signatures of two corporate officers required)
(Partnership or Sole proprietorship – one signature)

By: 

(Name)

Patrick Mahoney

(Print)

President

(Title)

By: 

(Name)

Richard Mahoney

(Print)

Secretary

(Title)

**AGREEMENT FOR GENERAL SERVICES BETWEEN
THE CITY OF ENCINITAS AND WEST COAST ARBORISTS, INC.**

**GENERAL SERVICES AND MAINTENANCE CONTRACT ONLY
(Non-Federal/Prevailing Wage)**

THIS Contract is made and entered into by and between the City of Encinitas, a municipal corporation, hereinafter referred to as "City", and West Coast Arborists, Inc. hereinafter referred to as "Contractor".

RECITALS

City requires Contractor to perform its scope of work generally described as:

The requirement of this Contract is to provide professional Urban Forestry Maintenance Services as conditioned in RFP No. 2017-06; for planting, pruning, trimming, staking, raising, removal, disposal, stump grinding and chipping, inventorying, documenting and all other services required to maintain the City of Encinitas trees in a safe, attractive and overall healthy condition.

Contractor represents itself as possessing the necessary skills and qualifications to maintain the public works project required by City and possessing all required licenses and certifications;

NOW THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

1.0 Contract Documents

1.1 The Contract Documents shall be deemed to be this Agreement, the Request for Proposal and Contractor's submission, all documents attached and specifically referenced herein.

2.0 Contractor's Obligations (Attachment A)

2.1 Contractor shall perform its scope of work that is described in **Attachment "A"**, which is attached hereto and incorporated herein as though fully set forth at length.

2.2 Contractor shall, at its own cost and expense, in a competent manner consistent with all applicable standards of care, furnish all labor, inspection, technical, administrative, professional and other personnel, all supplies and materials, equipment, tools, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculations, and all other means and methods whatsoever, except as herein otherwise expressly specified to be furnished by City, necessary or proper to perform and complete the scope of work and provide the services required by this Agreement.

2.3 Contractor is hired to render those services necessary to perform the Scope of Work in a professional manner, and any payments made to Contractor are compensation fully for those services.

2.4 Contractor shall maintain throughout the full term of this Agreement all professional certifications and licenses required in order to comply with all city, state, and federal laws in the performance of this Agreement.

2.5 For the services to be performed, Contractor shall pay wages to Contractor's employees according to the current "General Prevailing Wage Rates" issued by the Director of the Department of Industrial Relations of the State of California and pursuant to California Labor Code Part 7, Chapter 1, Article 2, Sections 1770, 1771, 1773, 1773.1. Contractor shall follow all prevailing wage reporting required by law and the State Department of Industrial Relations (DIR).

3.0 Extra Work

3.1 Contractor, in providing the services as set forth herein, shall not perform work and will not be paid for work in excess of the Agreement amount without first obtaining a fully executed written Change Order from City or its authorized designated representative. All requests for extra work shall be made in writing and submitted to City.

4.0 Payment For Services (Attachment B)

4.1 Contractor's payment for services, including fee schedule or other terms of compensation, is attached hereto as **Attachment "B"** and incorporated herein by this reference.

4.2 City agrees to compensate Contractor for the services provided under this Agreement, and Contractor agrees to accept in full satisfaction for such services, payment in accordance with Attachment "B".

4.3 Contractor shall submit to City an invoice, on a monthly basis or as otherwise agreed, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Contractor.

5.0 Term of Agreement

5.1 This Agreement shall be effective on and from the day, month and year of the execution of this document by City.

5.2 Term. The term of the Agreement is for a period of four (4) years commencing on the Execution Date by City, and terminating four (4) years from the execution date ("Termination Date") unless terminated earlier as set forth herein, or extended pursuant to Section 5.3 below.

5.3 Options to Extend. Provided that City is satisfied with Contractor's performance under this Agreement and Contractor is in full compliance with the terms and conditions of this Agreement, City shall, at its sole discretion and without obligation to Contractor, have the option to extend the terms of this Agreement for no more than two (2), three (3) year options. The City Manager and Contractor shall execute the extension(s) within sixty (60) days prior to the expiration of the Agreement. The total Agreement term may not exceed (10) ten years.

5.4 Agreement Price. Contractor agrees not to raise prices for the original four (4) year term of the agreement. Thereafter, Contractor may request in writing no later than ninety (90) days from the option date to request a contract extension and price increase not to exceed the prior year annual Bureau of Labor Statistics Consumer Price Index, San Diego or 2%, whichever is greater. All price increases shall take effect upon the effective date of the renewal.

6.0 Termination of Agreement

6.1 In the event of Contractor's failure to prosecute, deliver, or perform the described services, the City may terminate this Contract by notifying Contractor by certified mail of said termination. Thereupon, Contractor shall cease work and within five (5) working days: (1) assemble all materials and records prepared or obtained in the performance of this Agreement and deliver said documents to the City and (2) place all work in progress in a safe and protected condition. The City Manager shall make a determination of the percentage of work which Contractor has performed which is usable and of worth to the City. Based upon that finding, the City shall determine any final payment due to Contractor.

6.2 This Contract may be terminated by the City, without cause, upon the giving written notice to the Contractor. Contractor shall: (1) assemble all materials and records prepared or obtained in the performance of this Contract and deliver said documents and materials to the City and (2) place all work in progress in a safe and protected condition. The City Manager shall make a determination of the percentage of work which Contractor has performed which is usable and of worth to the City. Based upon that finding, the City shall determine any final payment due to Contractor.

7.0 Independent Contractor

7.1 Contractor shall perform the services provided for herein in a manner of Contractor's own choice, as an independent contractor and in pursuit of Contractor's independent calling, and not as an employee of City. Contractor shall be under control of City only as to the result to be accomplished and the personnel assigned to the Project. However, Contractor shall confer with City as required to perform this Agreement.

7.2 If Contractor is approved by the City to subcontract for extenuating circumstances any work to be performed under this Agreement, Contractor shall be as fully responsible to City or the acts and omissions of Contractor's subcontractor and of the persons either directly or indirectly employed by the subcontractor, as Contractor is for the acts and omissions of persons directly employed by Contractor. Nothing contained in the Agreement shall create any contractual relationship between any subcontractor of Contractor and City. Contractor shall bind every subcontractor by the terms of the Agreement applicable to Contractor's work, including indemnity and insurance requirements.

8.0 No Assignment of Agreement

8.1 Contractor has no authority or right to assign this Agreement or any part thereof or any monies due thereunder without first obtaining the prior written consent of City.

9.0 No Verbal Agreement or Conversation

9.1 No verbal agreement or conversation with any officers, elected officials, appointed officials, volunteers, agent or employee of City, either before, during or after the execution of this Agreement, shall effect or modify any of the terms or obligations herein contained nor such verbal agreement or conversation entitle Contractor to any additional payment whatsoever under the terms of this Agreement.

10.0 Disputes

10.1 If a dispute should arise regarding the performance of this Agreement, the following

initial dispute resolution procedures shall be used:

A. Within twenty (30) City working days after a dispute regarding the performance of this Agreement arises, it shall be reduced to writing at staff level by the complaining party setting forth the nature of the dispute in detail, along with all pertinent back-up documentation in support. The writing shall be delivered to the receiving party by first class mail or personal delivery directly to the party's project manager, along with recommended methods of resolution.

B. The party receiving the letter shall reply to the letter with a detailed response, along with a recommended method of resolution, if any, within ten (10) City working days of receipt of the letter.

10.2 If the dispute is not resolved at staff level in accordance with Section 10.1, within five (5) City working days of the receiving party response (or longer if agreed between the parties), the aggrieved party, through its respective project manager shall deliver to the City Manager's office a letter outlining the dispute for the City Manager's review. The receiving party may submit further response, if required, to the City Manager within five (5) city working days thereafter. The City Manager, at his/her sole discretion may respond as he/she deems appropriate, including recommendations for resolution, discussion or rejection of the dispute within fifteen (15) working days of receipt of the complaint.

10.3 If the dispute remains unresolved and the parties have exhausted the procedures outlined in this section, the parties may then seek remedies available to them under this Agreement and at law, including, but not limited to, under the termination procedures. This provision does not relieve Contractor of its obligation and Contractor is required to timely comply with all applicable provisions of the Government Claims Act before initiating any legal proceeding against City.

11.0 Hold Harmless

11.1 To the greatest extent allowed by law, Contractor shall defend and indemnify and hold City, its officials, officers, agents, employees, and representatives free and harmless from any and all claims, demands, negligence (including the active or passive negligence of City as allowed by law), causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to property or persons, including wrongful death, to the extent arising out of or incident to any acts, omissions, negligence or willful misconduct of Contractor, its officials, officers, employees, agents, consultants, subcontractors and contractors arising out of or in connection with the performance of the scope of work or this Agreement, including without limitation the payment of all damages and attorney's fees, fines, penalties and other related costs and expenses. The only limitations on this provision shall be those imposed by Civil Code Section 2782 or other applicable provisions of law.

11.2 Contractor's defense obligation (with counsel approved by City), shall arise immediately upon City's tender, at Contractor's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its officials, officers, agents, employees and representatives, notwithstanding whether liability is or can be established against City. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, its officials, officers, employees, agents, employees and representatives, in any such suit, action or other legal proceeding. Contractor shall reimburse City, its officials, officers, agents, employees and representatives for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the Indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code Section 2782 or other applicable provisions of law.

11.3 Contractor's defense and indemnity obligations herein include, but are not limited to

damages, fines, penalties, attorney's fees and costs arising from claims under the Americans With Disabilities Act (ADA) or other federal or state disability access or discrimination laws arising from Contractor's Work during the scope of work or after the Project is complete, as the result of defects or negligence in Contractor's services.

11.4 Contractor's obligation herein includes, but is not limited to, alleged defects in the services performed; alleged defects in the materials or services furnished under the Agreement; alleged injury to persons or property; alleged inverse condemnation of property as a consequence of the performance of the work or the improvement; any regulatory violations (including but not limited to Stormwater Pollution Control BMP/Erosion Control and regulatory requirements); and any accident, loss or damage to City property or third party liability prior to the acceptance of same by City.

11.5 By inspecting, approving or accepting the services performed by Contractor, City shall not have waived the protections afforded herein to City and City's officers, elected officials, appointed officials, volunteers, employees and agents or diminished the obligation of Contractor who shall remain obligated in the same degree to indemnify and hold City and City's officers, elected officials, appointed officials, volunteers, employees and agents, harmless as provided above.

12.0 Insurance

12.1 Commercial General Liability Insurance. Contractor shall obtain and maintain for the full term of this Agreement, comprehensive general liability and property damage insurance, or commercial general liability insurance, from an insurance company approved by City having a Best Rating of A-: VII or better and authorized by the Insurance Commissioner of the State of California Department of Insurance to be transacting business in the State of California, in the following minimum limits:

General liability (Including operations, Products and completed operations)	
Combined Single Limit Per Occurrence	\$5,000,000.00
General Annual Aggregate	\$10,000,000.00

The limits of insurance shall not relieve Contractor from liability in excess of such coverage, nor shall it limit Contractor's indemnification obligations to City, and shall not preclude City from taking such other actions available to City under other provisions of the Agreement, Contract Documents, or law.

Contractor shall make certain that if any and all subcontractors hired by Contractor are insured in accordance with this Agreement. If any subcontractor's coverage does not comply with the foregoing provisions, Contractor shall indemnify and hold City harmless from any damage, loss, cost, or expense, including attorney's fees, incurred by City as a result thereof.

All general liability policies shall be written to apply to all bodily injury, including death, property damage, personal injury, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, under-ground excavation, removal of lateral support, and other covered loss, occurring during the policy term, and shall specifically insure the performance by Contractor. Contractor may combine primary, umbrella, and as broad as possible excess liability coverage to achieve the total limits indicated above. Any umbrella or excess liability policy shall include the additional insured endorsement described in this Agreement.

12.2 Automobile Liability Insurance. Such insurance shall provide coverage for bodily injury and property damage including coverage for non-owned and hired vehicles, in a form and with insurance companies acceptable to City for bodily injury and property damage in an amount, at least, one million dollars (\$1,000,000) per person per accident.

12.3 Workers' Compensation Insurance. Contractor shall provide, during the term of this Agreement, workers' compensation insurance for all of the employees engaged in Work under this Agreement, on or at any work site, and, in case of any sublet Work, Contractor shall require each subcontractor similarly to provide workers' compensation insurance for all of the latter's employees as proscribed by State law. Any class of employee or employees not covered by a subcontractor's insurance shall be covered by Contractor's insurance. Contractor is required to secure payment of compensation to its employees in accordance with the provisions of Section 3700 of the Labor Code in an amount of, at least, one million dollars (\$1,000,000) per person per accident and shall contain a Waiver of Subrogation in favor of City.

Contractor shall assume the immediate defense of and indemnify and save harmless City and its officers and employees, agents, and consultants from all claims, loss, damage, injury, and liability of every kind, nature, and description brought by any person employed or used by Contractor, or any subcontractors, to perform the scope of work under this Agreement regardless of responsibility or negligence.

12.4 Employer's Liability Insurance. Contractor shall provide during the life of this Agreement, Employer's Liability Insurance, including Occupational Disease, in the amount of, at least, one million dollars (\$1,000,000.00) per person per accident. Contractor shall provide City with a certificate of Employer's Liability Insurance. Such insurance shall comply with the provisions of the Agreement and Contract Documents. The policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement and contain a Waiver of Subrogation in favor of City.

12.5 Form Proof of Insurance. Any insurance carrier providing insurance coverage required by the Agreement and Contract Documents shall be admitted to and authorized to do business in the State of California unless waived, in writing, by City's Risk Manager. Carrier(s) shall have an A.M. Best rating of not less than an A : VII or better. Insurance deductibles or self-insured retentions must be declared by Contractor, and such deductibles and retentions shall have the prior written consent from City.

12.6 Additional Insured Requirement. City, its officers, elected officials, employees, contractors, construction managers, architect and volunteers are to be covered as additional insureds by endorsement under the General Liability, Automobile Liability, Employers Liability and Workers Compensation Liability Insurance policies. The General Liability policy shall be evidenced by an additional insured endorsement, using form ISO CG 20-10-10-01 and GC 20-37-10-01 or the exact equivalent.

12.7 Other Insurance Requirements. The Certificate(s) and policy(s) of insurance shall provide no less than thirty (30) days written notice be given to City prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, City may terminate or Stop Work pursuant to this Agreement and Contract Documents, unless City receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments evidencing coverages and the insurance as required is in full force and effect.

Contractor shall not take possession of any work site, or commence its scope of work under this Agreement until City has been furnished original Certificate(s) of Insurance and certified original copies of Endorsements and any and all other attachments as required in this Agreement. The original Endorsements for each policy and the Certificate(s) of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.

It is understood and agreed to by the parties and the insurance company(s) that the Certificate(s) of Insurance and policies shall be construed as primary, and City's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

13.0 Payroll Records

13.1 Consistent with Labor Code Section 1776, Contractor and each subcontractor shall maintain accurate weekly certified payroll records showing the name, address, social security number, work classification, straight time and overtime hours paid each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed in connection with the work. Contractor shall certify under penalty of perjury that records maintained and submitted by Contractor are true and accurate. Contractor shall also require subcontractor(s) to certify weekly payroll records under penalty of perjury.

13.2 The payroll records described herein shall be certified and submitted by Contractor at a time designated by City. Contractor shall also provide the following:

A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

A certified copy of all payroll records described herein shall be made available for inspection or furnished upon request of the Department of Industrial Relations ("DIR").

The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement ("DLSE") of the DIR or shall contain the same information as the forms provided by the DLSE.

Any copy of records made available for inspection and furnished upon request to the public shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of Contractor or any subcontractor shall not be marked or obliterated.

13.3 Pursuant to Labor Code Section 1775, Contractor and any subcontractor under the Agreement shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the DIR for the work or craft in which the worker is employed for any public work done under the Agreement by Contractor or, except as provided by statute, by any subcontract under the Agreement. Upon the request of the DIR, such penalties shall be withheld from Agreement payments.

14.0 Prevailing Wage and Enforcement Compliance

14.1 This is a prevailing wage contract and prevailing wage rates for this locality and project as determined by the Director of the DIR apply, pursuant to labor code section 1770, et. Seq. A copy of the prevailing wage rates shall be posted on the job site by Contractor. A schedule of prevailing wage rates is available for review at City's offices or may be found on the internet at <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>. Contractor shall be required to pay at least the wage rates set forth in that schedule. Certified Payroll records shall be maintained by Contractor and copies of the certified payroll shall be electronically sent to the DIR and be delivered to City at the end of each month during the entire duration of the project.

Contractor is subject to compliance monitoring and enforcement by the DIR. Subject to exceptions as set forth in Labor Code section 1771.1, Contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or

engage in the performance of any contract for public work, as defined by statute, unless it is currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. City may not accept a bid nor any contract or subcontract entered into without proof of Contractor or subcontractor's current registration to perform public work pursuant to Section 1725.5. For more information, go to <http://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html>.

Contractor shall be aware of the requirements of Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Project involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall obtain a copy of the prevailing rates of per diem wages at the commencement of this Agreement from the website of the Division of Labor Statistics and Research of the DIR located at www.dir.ca.gov/dlsr/. In the alternative, Contractor may view a copy of the prevailing rates of per diem wages at City's offices. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the Project site. Contractor shall defend, indemnify and hold City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or allege failure to comply with the Prevailing Wage Laws.

14.2 Contractor and each subcontractor shall forfeit as a penalty to City not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing wage rate for any work done by him, or by any subcontractor under him, in violation of the provisions of the Labor Code. The difference between such stipulated prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by Contractor.

Contractor shall post, at appropriate conspicuous points on the Project site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned.

15.0 Employment of Apprentices

15.1 Contractor's attention is directed to the provisions of Sections 1777.5, 1777.6, and 1777.7 of the Labor Code concerning employment of apprentices by Contractor or any subcontractor. Contractor shall obtain a certificate of apprenticeship before employing any apprentice pursuant to Section 1777.5, 1777.6, and 1777.7 of the Labor Code. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of the DIR, the Administrator of Apprenticeships, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

16.0 Nondiscrimination/Equal Employment Opportunity

16.1 Pursuant to Labor Code Section 1735 and other applicable provisions of law, Contractor and its subcontractors shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap on this Project. Contractor will take affirmative action to ensure that employees are treated during employment or training without regard to their race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap.

17.0 Labor/Employment Safety

17.1 Contractor shall maintain emergency first aid treatment for its employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.), and California Code of Regulations, Title 8, Industrial Relations Division 1, Department of Industrial Relations, Chapter 4. Contractor shall further comply with all other federal, state or local safety regulations, as they may apply to its scope of work. City shall not be responsible for inspection of Contractor's safety practices or for safety violations caused by Contractor.

18.0 Conflict of Interest

18.1 Contractor warrants and covenants that it presently has no interest in, nor shall any interest be hereinafter acquired in, any matter which will render the services required under the provisions of this Agreement a violation of any applicable state, local, or federal law, including, but not limited to, Government Code section 1090. If any principal provider of services is a "consultant" for the purposes of the Fair Political Practices Act (Gov. Code § 81000 et seq.), each such person shall comply with Form 721 Statement of Economic Interests filing requirements in accordance with state or City local Conflict of Interest Code. In addition, if any other conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement.

19.0 General Provisions

19.1 Contractor agrees and hereby stipulates that the proper venue and jurisdiction for resolution of any disputes between the parties arising out of this Agreement is San Diego County, North County Judicial Branch, California.

19.2 Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19.3 If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

19.4 Precedence of Agreement Documents. If there is a conflict between any of the contract documents, including attachments or incorporated documents such as the Request for Proposal (RFP) and Contractor's RFP response, the documents in the highest of precedence shall control. If no direct conflict exists, then Contractor is required to meet all requirements of this Agreement and all incorporated documents and references. The order of precedence, from highest to lowest, shall be as follows:

- a) This Agreement, including Attachments A and B.
- b) The City RFP.
- c) Contractor's RFP response.
- d) Standard Specifications.
- e) Reference Specifications.
- f) Industry Standards.

20.0 Contractor's Books and Records/Audit Right

20.1 Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any

longer period required by law, from the date of final payment to Contractor.

20.2 Contractor shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

20.3 Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Attorney, City Council, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to City for inspection when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available for review and copying at Contractor's address indicated for receipt of notices in this Agreement.

20.4 City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained in the City Manager's office. Access to such records and documents shall be granted to any party authorized by Contractor's representatives, or Contractor's successor in interest.

21.0 Written Notification

21.1 Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, first class mail. Any such notice, demand, etc. shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City:
City of Encinitas
505 N. Vulcan Ave Encinitas, Ca 92024

If to Contractor:
West Coast Arborists, Inc.
2200 E. Via Burton Street Anaheim, Ca 92806

22.0 Contractor's Awareness And Compliance With The Americans With Disabilities Act Of 1990

22.1 Contractor certifies that Contractor is aware of the requirements of the Americans with Disabilities Act of 1990 (42 U. S. Code §12101) and has complied with and will comply with these requirements, including but not limited to verifying compliance of their contractors, consultants, agents and employees.

West Coast Arborists, Inc.

Contractor

By: [Signature] 1-8-2018
(Signature) (Date)

PRESIDENT.
(Title)

Attest: _____
City Clerk

Dated: _____

APPROVED AS TO FORM

[Signature]
Glenn Sabine, City Attorney *by Erin Chapman*

Dated: 1/8/18

CITY OF ENCINITAS

By: [Signature] 1/8/18
(Signature) (Date)

Asst. City Manager
(Title)

ATTACHMENT "A" CONTRACTOR'S SCOPE OF WORK

Contractor: West Coast Arborists, Inc.

The requirement of this Contract is to provide professional Urban Forestry Maintenance Services for planting, pruning, trimming, staking, raising, removal, disposal, stump grinding and chipping, inventorying, documenting and all other services required to maintain the City of Encinitas trees in a safe, attractive and overall healthy condition.

The City proposes to enter into a Contract with a qualified Contractor who is proactive in their work and can meet the requirements set forth in this proposal package. The Contractor will be required to perform and complete the proposed Urban Forestry Maintenance Services in a thorough and professional manner, and to provide all labor, tools, equipment, materials and supplies necessary to complete the work according to generally accepted International Society of Arboriculture (ISA) practices and standards, and in a timely manner that will meet the City's requirements. The successful proposer will be required to comply with all current prevailing wage requirements as set forth in the Labor Code administered by the Department of Industrial Relations.

There are two main program goals. First, the City requires an update to the current tree inventory and database, which includes updating and maintaining records throughout the term of the Contract. Second, the City requires an annual tree maintenance program to support and develop its Urban Forest. The following requirements are meant to meet these goals.

A. Tree Inventory

1. Upon Contract award, the successful Proposer shall be required to provide a complete update of the City's tree inventory at no additional cost to the City and submit the completed inventory to the City within ninety (90) days of the Contract award. The new inventory shall capture all trees within the Public Rights of Way, new tree sites, as well as, trees in parks, open space areas and city facilities. The Contractor shall provide, at no additional cost to the City, software support to the City for the entire term of the Contract. The Contractor shall provide the City with recommendations for tree maintenance, tree health care, recommended planting locations, and recommended removals. Failure to meet and maintain the requirements for the computerized tree inventory system shall be grounds for immediate termination of the Contract.
2. Tree Software Program - The Contractor shall operate and maintain, at no additional cost to the City, a computerized internet based urban forestry management program that includes, but is not limited to, municipal tree inventory, ability to send online work requests for services, work order tracking, work histories and the ability to update site specific tree data and work records, invoices tracking and job balances, reports, value of the urban forest, GPS accessibility, and various other computer information management system tools.
3. Record Keeping - The Contractor will provide, at no additional cost to the City, access to a record keeping system consisting of a password protected Internet-driven tracking program and internet-based software program that allows the City to maintain information about its tree population, including the description of each tree by species, height, diameter, work history, and tree and planting site location. The program shall have the capability to produce

detailed listings of trees and site information, work histories, service requests, summary reports and pictures of City tree species.

4. GPS - Since the City of Encinitas already has a tree inventory in GIS, the City's GIS Division will provide the current tree inventory feature class (SQL table) to the contractor as a starting point. This includes but is not limited to all publicly owned trees on street rights-of-way, parks and open spaces such as medians, streetscapes, etc.

The contractor shall then track the maintenance and characteristic information of the trees in the City of Encinitas' tree inventory feature class in ArcGIS version 10. Or, the contractor shall incorporate the City's tree inventory FacilityID field into their own database, and include x and y (lat/long) fields necessary to map the trees in GIS.

For on-going data maintenance, when a new tree is planted, the new tree site will be added as a record to the tree inventory, and will include the latitude/longitude coordinates (collected by the contractor using a Global Positioning System (GPS) device with minimum sub-meter accuracy). Lat/long coordinates shall be included at the time a new record is added, and will not be input at a later date through a bulk update process. Trees that are removed will not be deleted from the tree inventory, but will be coded as 'vacant'.

At required intervals, the contractor shall provide an ArcGIS version 10 file or personal geodatabase containing the updated tree feature class, which will be reconciled with the City GIS tree inventory. Or, the contractor may provide an Excel spreadsheet or Access database table containing updated information that can be joined to the City's GIS tree inventory based on FacilityID. If the contractor provides their own updated tree inventory database to the City, there will be a one-time requirement to provide a data dictionary of fields containing tree maintenance and tree characteristic information that corresponds to similar fields in the City's GIS tree inventory, so that the City is confident that accurate data synchronization/updating can occur.

5. Tree Inventories and Developing Inventory Databases - The program should have specialized reports designed specifically for City representatives' needs. The program should be developed based on the needs of the City and allow the City to modify and structure the program to address its specific needs. The user-friendly program should allow customers to generate a variety of reports quickly.
6. Training and Support - The Contractor shall provide, at no additional cost to the City, training and support on the software system they provide for the entire term of the contract. Contractor shall provide training to designated City staff during the hours of 7:00 A.M. to 4:30 P.M. Monday through Friday. The Contractor shall be readily available by telephone or e-mail and shall respond to the City's inquiries in a timely manner.

B. Annual Maintenance Program

1. Public Relations - The Contractor shall endeavor to maintain good public relations at all times with the public. All work shall be conducted in a manner which will cause the least possible interference with or annoyance to, the public.

2. **Work Schedule** - Upon Contract award, the successful proposer shall be required to submit a work schedule based on the City's annual pruning requirements which is a systematic tree pruning program composed of existing grid or per-designed districts that are pruned in their entirety on a set schedule; removal & replacement programs which consist of removing trees designated by the City and replanting appropriate trees as replacements; and planting new appropriate trees in areas where trees do not currently exist. The proposal shall include a recommended annual work plan, daily work schedules, and personnel and vehicles that would be required to complete the annual maintenance program. Depending on the City's current and future program needs the scheduled work may require multiple crews to perform concurrently within the same time constraints.

The Contractor is also required to provide service for trees prior to their regular and scheduled trim cycle in order to correct an immediate problem or concern as determined by the City's Designated Representative. Such request(s) shall be addressed and work completed within one (1) week of notice by the City.

3. **Work Hours and City Notification** - The Contractor's working hours, for normal work, shall be limited to the hours between 7:00 AM and 4:30 PM Monday through Friday, excluding recognized holidays. Deviation from normal working hours will not be allowed without prior authorization from the City's designated representative. The Contractor shall notify the City's Designated Representative 24hrs before beginning work. The notification shall include what work is being done and where, the name of the onsite supervisor and his or her direct phone number.
4. **Emergency Response** - The Contractor shall be responsible for responding to tree related emergency situations during normal business hours, after-hours, weekends and holidays. The Contractor shall have the capacity to deal with any tree related emergency situation ranging from limbs down on single trees to storm related damage that involves a large number of trees requiring the commitment and focus of significant resources and staffing levels for several days. Response time and protocol during emergencies is critical to the City of Encinitas.

As part of this Contract, the Contractor shall be required to make the City of Encinitas their priority client for responses during emergencies that cover the San Diego area.

- Telephone responses by the Contractor to tree related emergency calls during normal business hours and after-hours shall be made within (30) fifteen minutes of the initial call.
- The response time for a crew to arrive on-site for tree related emergencies during normal business hours of operation is sixty (60) minutes.
- The response time for a crew to arrive on-site for tree related emergencies outside of normal business hours of operation is ninety (90) minutes.

Failure to meet these requirements may be cause for termination of the Contract.

5. **Competent Supervisor and Project Manager** - The Contractor shall have competent working supervisors at each jobsite at all times when work is being performed. Each supervisor must be capable of communicating effectively both in written and oral English, and holding the necessary certifications or credentials as described for that position. All supervisors must

possess adequate technical background to ensure that all work is accomplished per provisions of this Contract.

Contractor is required to have a competent Project Manager available by telephone on a twenty-four (24) hour basis that is assigned to provide direct and prompt attention to requests from the City for emergency and after-hours tree service requests.

6. **Qualified Staff** - Contractor shall employ sufficient personnel qualified by reason of education, training and experience to discharge the services agreed to be performed by Contractor. Contractor shall provide service of the highest quality at all times, and personnel retained to perform this service shall be temperate, competent and otherwise fully qualified to fulfill the Contractor's obligations under the Contract.
7. **Uniforms** - All employees of Contractor performing services shall appear neat and well-groomed at all times and shall be dressed in clean, unaltered uniforms at no additional cost to the City, with suitable company identification. No portion of the uniform may be removed while working. Employees not in uniform shall be immediately removed from the work area. The Contractor shall provide a standard uniform consisting of at least a collared shirt with buttons, complimenting pants, a belt and boots appropriate to the work. All shirts, jackets or safety vests shall be clearly marked with company identification and the name of the employee wearing the uniform in the field. Contractor employees shall wear orange safety vests when operating machinery and/or while working near moving traffic as required by any applicable laws.
8. **Knowledge, Skills and Abilities** - The Contractor's employees shall be subject to the following minimum knowledge, skills, abilities and requirements:
 - The proper license to operate equipment;
 - Ability to operate and maintain equipment in accordance with the manufacturer's recommendations;
 - Mechanical ability to make required operator adjustments to the equipment being used;
 - Knowledgeable of safety regulations as they relate to tree care and traffic control;
 - First Aid Certification from a nationally recognized organization (minimum of one member of each crew);
 - Ability to communicate orally and in writing in English; and,
 - Demonstrated knowledge of tree care and related operations.
9. **ISA Standards** - The Contractor shall deliver a level of quality that is compatible with Current International Society of Arboriculture (ISA) standards, and standards and requirements described herein in providing tree services compatible with standard practice that results in a neat, clean and attractive appearance to trees and associated sites serviced under the terms of the Contract.
10. **Clean Worksite** - Upon completion of work on individual street segments that are under the Contract, Contractor shall clean the work site and all grounds adjacent to the work area of all rubbish, excess materials and equipment. All sections of the work area shall be left in a neat and presentable condition. Care should be taken to prevent spillage on streets over

which work or hauling is done, and any such spillage or debris deposited on street due to Contractor operation shall be cleaned up immediately.

11. Equipment

- a. Overnight parking of equipment, leaving unattended debris and staging of materials on City streets will not be permitted. Waste bins shall be removed from individual street segments once the work has been completed.
 - b. All equipment used and all maintenance practices employed shall be subject to the inspection of the City's designated representative and shall meet safety and functional requirements described herein. All vehicles and equipment operating under this Contract shall be properly marked with company identification and comply with all state and federal regulations. All equipment must be maintained in a good state of repair. All safety guards shall be in place. No equipment shall leak oil or fluids. Equipment drive belts and hoses shall be covered and in good repair and show no sign of fraying. No equipment shall present any potential danger to the operator, co-workers, passing motorists or pedestrians. Failure to comply with this provision will be cause to have the equipment removed from the job site.
 - c. It is the Contractor's responsibility to maintain a sufficient inventory of equipment so as to complete work as specified. An inventory of equipment shall be provided with proposal. This inventory shall include the brand name, model number, weight and capacities of all equipment to be used in the performance of the Contract. All equipment is to be approved by the City prior to the start of the Contract. It is the Contractor's responsibility to notify the City's designated representative of any change in the equipment inventory during the performance of the Contract. This notification shall come in the form of an updated equipment inventory list, presented in the form of a memo on dated company letterhead. Failure to comply with this provision will be grounds to remove the Contractor from the job site until such time as equipment inventory discrepancies are addressed and may be grounds to terminate the Contract.
12. Disposal of Refuse and Debris/Landfill Diversion Requirement - All vegetation and debris generated by the Contractor in the performance of the work shall become the property of the Contractor and shall be removed from the work site promptly. The Contractor shall dispose of all generated debris at no additional cost to City and shall, at minimum, dispose of the material as is consistent with the requirements of AB 939. The Contractor is encouraged to divert as much material as possible from the landfill, meeting or exceeding the City's goal of seventy-five (75) percent diversion rate. It is anticipated that one-hundred (100) percent of the material from the work could be diverted, unless a particular tree is diseased or not suitable for reuse.
13. Protecting the Urban Forest - If, at any time, the Contractor is unclear, on what course of action to follow in the field, the Contractor shall consult with the City's designated representative. The Contractor should never proceed with an action that will result in the permanent disfigurement of the structure or value of a tree. Contractors responsible for the disfigurement of trees shall be penalized in an amount equal to the appraised value of the subject tree as determined by an independent Consulting Arborist.

14. **Safety Requirements** - The Contractor shall conduct all work outlined in the Contract in such a manner as to meet all currently accepted standards for safe practices during the operation and to safely maintain stored equipment, machines and materials or other hazards consequential or related to the work; and agrees additionally to accept the sole responsibility for complying with all current City, County, State or other legal requirements including, but limited to, full compliance with the terms of the applicable OSHA, CAL EPA Safety Orders and ANSI Z133.1 Safety Requirements for Arboricultural Operations at all times so as to protect all person, including Contractor employees, agents of the City, vendors, members of the public or others from foreseeable injury or damage to their property.
15. **Traffic Control** - The Contractor shall be responsible for traffic control and safety regulations as related to any City, State or County requirements while working in the public right-of-way or on any City project. The design and operation of work zone traffic controls must comply with US Department of Transportation/Federal highway Administrative guidelines and any City, County or State supplements guidelines and/or regulations and laws. All operations will be conducted by the Contractor to provide maximum safety for the public according to the most recent edition of the MUTCD (Manual on Uniform Traffic Control Devices) and any California supplements to the MUTCD and any local regulations.

Where work is in progress, each street shall be open to local traffic at all times unless prior arrangements have been made and approved by the City's designated representative.

The Contractor shall display standardized warning signage when controlling traffic around any area used for staging or working in any area that is subject to pedestrian or vehicular traffic. At no time shall traffic be permitted to enter, or operations allowed to continue, in any work zone that presents a dangerous conditions to pedestrian and/or vehicular traffic.

The Contractor may be required to submit a traffic control plan to the Engineering Department as directed by the City's designated representative.

16. **Utility Coordination** - The Contractor shall recognize the rights of utility companies within the public right-of- way or on any City project and their need to maintain and repair their facilities. The Contractor shall exercise due and proper care to prevent damage to utility facilities and to adjust schedules when utility operations prevent the Contractor from maintenance during a specified time frame. No additional compensation will be allowed for complying with these requirements. Contractor shall notify the City's designated representative of any utility that is disturbed or damaged and shall contact the appropriate utility to arrange for repair.

17. Authority and Inspections

- a. The City's designated representatives shall, at all times, have access to the work and shall be furnished with every reasonable facility for acquiring full knowledge with respect to the progress, workmanship and characters of materials and equipment used and employed in the work. Whenever the Contractor varies the period during which work is carried out, they shall give due notice to the City's designated representative so

that property access for inspection may be provided. Any inspection of work shall not relieve the Contractor of any obligations to fulfill the Contract as prescribed. Any and all questions regarding the performance of the work shall be directed to the City's designated representative.

- b. If it appears that the work to be done or any matter relative thereto is not sufficiently detailed or explained by the specifications, the Contractor shall apply to the City's designated representative for such further explanation as may be necessary and shall conform to such explanation or interpretation as part of the Contract so far as may be consistent with the intent of the original requirements.
 - c. All work shall be completed to the satisfaction of and under the supervision of the City's designated representative. Failure to comply with any requirement contained herein may result in suspension of work without time extension or termination of Contract. Inspection of work will be done by the City's designated representative, during the performance of work or when deemed necessary.
 - d. If any portion of the work done under the Contract proves defective or not in accordance with the requirements, and if the imperfection in the same is not of sufficient magnitude or importance to make the work dangerous or undesirable, the City's designated representative shall have the right and authority to retain the work, but he/she may make such deductions in the payment due the Contractor as may be just and reasonable.
 - e. Any work which is defective or deficient in any of the requirements or specifications shall be remedied or removed and replaced by the Contractor in an acceptable manner and within a reasonable amount of time as determined by the City, at the Contractor's own expense.
 - f. In any other case, a letter will be sent to Contractor noting deficiencies, and the Contractor shall make a reasonable and good faith effort to correct the deficiencies within a reasonable period of time not to exceed three (3) days from notification. After this time period, if unacceptable conditions still exist, the City has the right to terminate the Contract or deduct payment as is proportionately appropriate for non-compliance with the requirements and specifications of the Contract.
18. Quantities/ Minor Modifications and/or Additional Work - The City reserves the right to increase or decrease the quantity of any item(s) or portion(s) of the work described in the requirements or specifications or the proposal form or to omit portions of the work so described as may be deemed necessary or expedient by the City's designated representative and the Contractor shall agree not to claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease or omission of any kind of work to be done. The City shall reduce the price accordingly. Alterations, modifications or deviations from the work described in this document shall be subject to prior written approval of the City. Any price adjustments shall be made by mutual consent of the City and Contractor.

Should a change or extra work be found necessary by the City, all changes and extra work shall be performed at the same unit price of any proposal item listed. If the work is not

listed as a proposal item, the Contractor shall submit a fair cost for the work to be performed. A change order authorization, in writing, will be issued by the City.

19. Invoicing - Contractor shall be required to submit invoices on a monthly basis. Invoice format shall include but not be limited to the date the work took place, a list of each street or location that work took place, the address of each individual work site and the activity, the species and its current condition, height, trunk diameter and canopy spread of each individual tree. Each invoice shall include an exact copy in electronic format that is compatible with the City's Tree Inventory program. Failure to submit invoices in this format may result in non-payment until these requirements are met.
20. Withholding Payment - The City may withhold payment to such extent as may be necessary to protect the City from loss due to one or more of the following reasons:
 - Defective, unsatisfactory or inadequate work not corrected; If notified by the City
 - Claims filed, or reasonable evidence indicating probable filing of claims;
 - Failure of the Contractor to make proper payments to subcontractors or for materials or labor;
 - A reasonable doubt that the contract can be completed for the balance unpaid; and,
 - Damage that resulted from an incident involving property damage.
21. Stop Work
 - a. If the Contractor, after having officially commenced work on said Contract, should discontinue work for any cause, he/she shall notify the City's Designated Representative of the intent to do so, and shall further notify of the date for restarting operations.
 - b. The City, at the discretion of the City's Designated Representative, may require the Contractor to Stop Work if any condition presents an unreasonable liability to the City, until such time as the condition is corrected to the satisfaction of the City.
22. Risk Management - Tree work is a controlled task. At no time should work be performed so as to result in a loss of control incident (e.g. free-falling large limbs or trunk sections, hinge cutting to avoid use of ropes/hoisting equipment, lack of safety apparatus/equipment guards, improper use/loading of equipment). Failure to maintain control at all times is dangerous and can result in serious injury. A loss control incident will not be tolerated and may result in termination of this Contract. The Contractor shall be responsible for mitigating any damage related to a loss of control incident.
23. Investigation - Contractor shall cooperate fully with the City in the investigation of any accident, injury or death occurring on City property or while in the performance of work based on the contract, including a complete written report submitted to the City's Designated Representative within twenty-four (24) hours following the occurrence.

Should any structure or property be damaged during permitted or contracted tree operation, the persons conducting the work shall immediately notify the proper owners or authorities. Repairs to property damaged by the responsible party shall be made within forty-eight (48) hours, except utility lines, which shall be repaired the same working day.

Repairs on private property shall be made in accordance with the appropriate building code under permits issued by the City of Encinitas. Any damage caused by the permitted or contracted persons shall be repaired or restored by them at their expense to a condition similar or equal to that existing before such damage or injury, or they shall repair such damage in a manner acceptable to the City.

Special attention is drawn to existing irrigation systems, plant material, landscape features, lights and utility boxes in City parkways, parks and public landscape areas and the need to avoid damage and to repair any damage that occurs within a reasonable amount of time as determined by the City's Designated Representative.

The Contractor's responsibility shall be continuous and not be limited to working hours or days.

Contractor's Initials: _____

Date: _____

ATTACHMENT "B" PAYMENT OF SERVICES

Contractor: West Coast Arborists, Inc.

The undersigned proposes to furnish all materials, supplies, equipment and/or services set forth herein, subject to all conditions outlined in the RFP, at prices indicated below. All applicable services include cleanup and disposal.

Tree Planting (per tree). Tree planting includes tree, materials and planting costs	Unit Price in Figures
15 Gallon (double staked per specs)	\$145.00
24 inch Box (double staked per specs)	\$240.00
36 inch Box (double staked per specs)	\$825.00
48 inch Box	\$1,450.00
60 inch Box	\$2,450.00
Tree Watering (per hour). Watering of young trees, water truck/operator-per hour	\$70.00
Tree Pruning (by Grid). Price per tree to Prune by Grid	\$62.00
Tree Pruning (per Service Requests). Full prune tree or by Species	
0"-6" Diameter Standard Height	\$62.00
7"-12" Diameter Standard Height	\$82.00
13"-18" Diameter Standard Height	\$102.00
19"-24" Diameter Standard Height	\$142.00
25"-30" Diameter Standard Height	\$232.00
31"-36" Diameter Standard Height	\$302.00
36"+ Diameter Standard Height	\$402.00
Crown Raise/Clearance Prune Hardwood tree	
0"-6" Diameter Standard Height	\$25.00
7"-12" Diameter Standard Height	\$25.00
13"-18" Diameter Standard Height	\$25.00
19"-24" Diameter Standard Height	\$25.00
25"-30" Diameter Standard Height	\$25.00
31"-36" Diameter Standard Height	\$25.00
36"+ Diameter Standard Height	\$25.00
Palm Tree Trimming	
Prune Date Palm (Phoenix spp.)	\$150.00
Clean Trunk for Date Palm (Phoenix spp.)	\$20.00
Prune Fan Palm (Washingtonia spp.)	\$62.00
Clean Trunk for Fan Palm (Washingtonia spp.)	\$12.00
Prune all other Palm Species	\$62.00

Tree Removal (per inch). Tree and Stump removal per inch measured trunk diameter at 4'6" (Diameter Standard Height)	
0"-6" Diameter Standard Height	<u>\$20.00</u>
7"-12" Diameter Standard Height	<u>\$30.00</u>
13"-18" Diameter Standard Height	<u>\$30.00</u>
19"-24" Diameter Standard Height	<u>\$30.00</u>
25"-30" Diameter Standard Height	<u>\$30.00</u>
31"-36" Diameter Standard Height	<u>\$40.00</u>
36"+ Diameter Standard Height	<u>\$40.00</u>
Stump grinding per stump diameter inch at grade	<u>\$15.00</u>
Milling Cost (per board foot). Milling Lumber per Board Foot	<u>\$8.00</u>
Root Pruning (per linear foot). Per foot of roots pruned	<u>\$15.00</u>
Root Barrier Installation (per linear foot). Per foot of root barrier installed	<u>\$20.00</u>
General Labor Rates (by hour)	
Hourly rate for 1 Ground-person	<u>\$70.00</u>
Hourly rate for 1 Equipment Operator	<u>\$70.00</u>
Hourly rate for 1 Trimmer	<u>\$70.00</u>
Day Rate Service Crew (per day). Boom truck per eight (8) hour day to include a chip body, low decibel chipper, 1 trimmer, 2 ground persons	<u>\$1,680.00</u>
Specialty Equipment Day Rate (per day). Per eight (8) hour day	<u>\$1,200.00</u>
Emergency Services (per hour). Fully equipped 3 person crew called in for emergency service	
During normal business hours	<u>\$210.00</u>
After hours, weekends &/or holidays	<u>\$300.00</u>
General Arborist Services (per hour).	
Arborist Reports	<u>\$140.00</u>
Resistograph Testing	<u>\$140.00</u>
Ground Penetrating Radar	<u>\$800.00</u>
Air Spade Services	<u>\$140.00</u>
Fumigation	<u>\$140.00</u>
Fertilization	<u>\$140.00</u>
Level 1,2,3 Risk Assessments	<u>\$140.00</u>
Soil Testing / Tree Well Enhancements	<u>\$140.00</u>
GPS Tree Inventory (per tree site). Cost per tree site	<u>\$3.00</u>

Plant Health Care Services

Tree Spraying from Ground Level (per diameter inch)	\$2.00
Tree Spraying from Aerial Tower (per diameter inch)	\$4.00
Insecticide Trunk Banding (per diameter inch)	\$5.00
Plant Growth Regulator (PGR) Trunk Banding (per diameter inch)	\$2.00
Plant Growth Regulator (PGR) Soil Application (per diameter inch)	\$4.00
Insecticide or Fungicide Soil Application (per diameter inch)	\$2.00
Fertilizer Drenching (per diameter inch)	\$2.00
Trunk Injection - Insecticide/Miticide (per diameter inch)	\$4.50
Trunk Injections – Fungicide (per diameter inch)	\$3.50
Trunk Injection – Insecticide and Fungicide (per diameter inch)	\$8.00

Contractor's Initials: _____

Date: _____

West Coast Arborists, Inc.

Scope of Work

Project Requirements

The Scope of Work for this Contract is to provide professional Urban Forestry Maintenance Services for tree pruning, trimming, removal, and planting as directed by the City's Park Supervisor, to maintain the City of National City's trees in a safe, attractive and overall healthy condition. Prices for said services are listed in Exhibit B.

The contract is not to exceed \$90,000 and is effective November 1, 2019 through June 30, 2022.



January 29, 2020

City of National City
ATTN: Victor Uribe, Parks Superintendent
1243 National City Blvd.
National City, CA 91950

RE: Tree Maintenance Agreement

Dear Mr. Uribe,

Over the past several years, West Coast Arborists, Inc. (WCA) and the City of National City have forged a very productive and cohesive working relationship. Today our common goal remains the same; to preserve the integrity and health of the City's urban forest.

As we begin 2020, we propose to provide tree maintenance services under a "piggyback" approach on the City of Encinitas' current contract. The City of Encinitas, not too long ago, approved a new multi-year contract beginning January 1, 2018.

The rates found under Encinitas' contract are competitive among the industry, particularly with grid tree pruning, tree removal, and tree planting. As a partner with the City of National City under their grant planting project, the competitive rates for tree planting services has served the City well.

We agree to offer the same unit prices, terms and conditions as Encinitas' current contract. Attached to this letter are copies of Encinitas' RFP, Council Agenda Report and Price Schedule. Please note that Encinitas' Agreement contains a Cooperative Purchasing Provision that allows other agencies to piggyback. As part of this Agreement, we agree to waive all annual service fees for our tree inventory software program called ArborAccess.

We look forward to continuing the strong relationship built between us, and to maintaining quality urban tree care service. Should you have any questions or require additional information, please contact me at (800) 521-3714.

Sincerely,

Victor M. Gonzalez
Vice President, Marketing

**AGREEMENT FOR GENERAL SERVICES BETWEEN
THE CITY OF ENCINITAS AND WEST COAST ARBORISTS, INC.**

**GENERAL SERVICES AND MAINTENANCE CONTRACT ONLY
(Non-Federal/Prevailing Wage)**

THIS Contract is made and entered into by and between the City of Encinitas, a municipal corporation, hereinafter referred to as "City", and West Coast Arborists, Inc. hereinafter referred to as "Contractor".

RECITALS

City requires Contractor to perform its scope of work generally described as:

The requirement of this Contract is to provide professional Urban Forestry Maintenance Services as conditioned in RFP No. 2017-06; for planting, pruning, trimming, staking, raising, removal, disposal, stump grinding and chipping, inventorying, documenting and all other services required to maintain the City of Encinitas trees in a safe, attractive and overall healthy condition.

Contractor represents itself as possessing the necessary skills and qualifications to maintain the public works project required by City and possessing all required licenses and certifications;

NOW THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

1.0 Contract Documents

1.1 The Contract Documents shall be deemed to be this Agreement, the Request for Proposal and Contractor's submission, all documents attached and specifically referenced herein.

2.0 Contractor's Obligations (Attachment A)

2.1 Contractor shall perform its scope of work that is described in **Attachment "A"**, which is attached hereto and incorporated herein as though fully set forth at length.

2.2 Contractor shall, at its own cost and expense, in a competent manner consistent with all applicable standards of care, furnish all labor, inspection, technical, administrative, professional and other personnel, all supplies and materials, equipment, tools, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculations, and all other means and methods whatsoever, except as herein otherwise expressly specified to be furnished by City, necessary or proper to perform and complete the scope of work and provide the services required by this Agreement.

2.3 Contractor is hired to render those services necessary to perform the Scope of Work in a professional manner, and any payments made to Contractor are compensation fully for those services.

2.4 Contractor shall maintain throughout the full term of this Agreement all professional certifications and licenses required in order to comply with all city, state, and federal laws in the performance of this Agreement.

2.5 For the services to be performed, Contractor shall pay wages to Contractor's employees according to the current "General Prevailing Wage Rates" issued by the Director of the Department of Industrial Relations of the State of California and pursuant to California Labor Code Part 7, Chapter 1, Article 2, Sections 1770, 1771, 1773, 1773.1. Contractor shall follow all prevailing wage reporting required by law and the State Department of Industrial Relations (DIR).

3.0 Extra Work

3.1 Contractor, in providing the services as set forth herein, shall not perform work and will not be paid for work in excess of the Agreement amount without first obtaining a fully executed written Change Order from City or its authorized designated representative. All requests for extra work shall be made in writing and submitted to City.

4.0 Payment For Services (Attachment B)

4.1 Contractor's payment for services, including fee schedule or other terms of compensation, is attached hereto as **Attachment "B"** and incorporated herein by this reference.

4.2 City agrees to compensate Contractor for the services provided under this Agreement, and Contractor agrees to accept in full satisfaction for such services, payment in accordance with Attachment "B".

4.3 Contractor shall submit to City an invoice, on a monthly basis or as otherwise agreed, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Contractor.

5.0 Term of Agreement

5.1 This Agreement shall be effective on and from the day, month and year of the execution of this document by City.

5.2 Term. The term of the Agreement is for a period of four (4) years commencing on the Execution Date by City, and terminating four (4) years from the execution date ("Termination Date") unless terminated earlier as set forth herein, or extended pursuant to Section 5.3 below.

5.3 Options to Extend. Provided that City is satisfied with Contractor's performance under this Agreement and Contractor is in full compliance with the terms and conditions of this Agreement, City shall, at its sole discretion and without obligation to Contractor, have the option to extend the terms of this Agreement for no more than two (2), three (3) year options. The City Manager and Contractor shall execute the extension(s) within sixty (60) days prior to the expiration of the Agreement. The total Agreement term may not exceed (10) ten years.

5.4 Agreement Price. Contractor agrees not to raise prices for the original four (4) year term of the agreement. Thereafter, Contractor may request in writing no later than ninety (90) days from the option date to request a contract extension and price increase not to exceed the prior year annual Bureau of Labor Statistics Consumer Price Index, San Diego or 2%, whichever is greater. All price increases shall take effect upon the effective date of the renewal.

6.0 Termination of Agreement

6.1 In the event of Contractor's failure to prosecute, deliver, or perform the described services, the City may terminate this Contract by notifying Contractor by certified mail of said termination. Thereupon, Contractor shall cease work and within five (5) working days: (1) assemble all materials and records prepared or obtained in the performance of this Agreement and deliver said documents to the City and (2) place all work in progress in a safe and protected condition. The City Manager shall make a determination of the percentage of work which Contractor has performed which is usable and of worth to the City. Based upon that finding, the City shall determine any final payment due to Contractor.

6.2 This Contract may be terminated by the City, without cause, upon the giving written notice to the Contractor. Contractor shall: (1) assemble all materials and records prepared or obtained in the performance of this Contract and deliver said documents and materials to the City and (2) place all work in progress in a safe and protected condition. The City Manager shall make a determination of the percentage of work which Contractor has performed which is usable and of worth to the City. Based upon that finding, the City shall determine any final payment due to Contractor.

7.0 Independent Contractor

7.1 Contractor shall perform the services provided for herein in a manner of Contractor's own choice, as an independent contractor and in pursuit of Contractor's independent calling, and not as an employee of City. Contractor shall be under control of City only as to the result to be accomplished and the personnel assigned to the Project. However, Contractor shall confer with City as required to perform this Agreement.

7.2 If Contractor is approved by the City to subcontract for extenuating circumstances any work to be performed under this Agreement, Contractor shall be as fully responsible to City or the acts and omissions of Contractor's subcontractor and of the persons either directly or indirectly employed by the subcontractor, as Contractor is for the acts and omissions of persons directly employed by Contractor. Nothing contained in the Agreement shall create any contractual relationship between any subcontractor of Contractor and City. Contractor shall bind every subcontractor by the terms of the Agreement applicable to Contractor's work, including indemnity and insurance requirements.

8.0 No Assignment of Agreement

8.1 Contractor has no authority or right to assign this Agreement or any part thereof or any monies due thereunder without first obtaining the prior written consent of City.

9.0 No Verbal Agreement or Conversation

9.1 No verbal agreement or conversation with any officers, elected officials, appointed officials, volunteers, agent or employee of City, either before, during or after the execution of this Agreement, shall effect or modify any of the terms or obligations herein contained nor such verbal agreement or conversation entitle Contractor to any additional payment whatsoever under the terms of this Agreement.

10.0 Disputes

10.1 If a dispute should arise regarding the performance of this Agreement, the following

initial dispute resolution procedures shall be used:

A. Within twenty (30) City working days after a dispute regarding the performance of this Agreement arises, it shall be reduced to writing at staff level by the complaining party setting forth the nature of the dispute in detail, along with all pertinent back-up documentation in support. The writing shall be delivered to the receiving party by first class mail or personal delivery directly to the party's project manager, along with recommended methods of resolution.

B. The party receiving the letter shall reply to the letter with a detailed response, along with a recommended method of resolution, if any, within ten (10) City working days of receipt of the letter.

10.2 If the dispute is not resolved at staff level in accordance with Section 10.1, within five (5) City working days of the receiving party response (or longer if agreed between the parties), the aggrieved party, through its respective project manager shall deliver to the City Manager's office a letter outlining the dispute for the City Manager's review. The receiving party may submit further response, if required, to the City Manager within five (5) city working days thereafter. The City Manager, at his/her sole discretion may respond as he/she deems appropriate, including recommendations for resolution, discussion or rejection of the dispute within fifteen (15) working days of receipt of the complaint.

10.3 If the dispute remains unresolved and the parties have exhausted the procedures outlined in this section, the parties may then seek remedies available to them under this Agreement and at law, including, but not limited to, under the termination procedures. This provision does not relieve Contractor of its obligation and Contractor is required to timely comply with all applicable provisions of the Government Claims Act before initiating any legal proceeding against City.

11.0 Hold Harmless

11.1 To the greatest extent allowed by law, Contractor shall defend and indemnify and hold City, its officials, officers, agents, employees, and representatives free and harmless from any and all claims, demands, negligence (including the active or passive negligence of City as allowed by law), causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to property or persons, including wrongful death, to the extent arising out of or incident to any acts, omissions, negligence or willful misconduct of Contractor, its officials, officers, employees, agents, consultants, subcontractors and contractors arising out of or in connection with the performance of the scope of work or this Agreement, including without limitation the payment of all damages and attorney's fees, fines, penalties and other related costs and expenses. The only limitations on this provision shall be those imposed by Civil Code Section 2782 or other applicable provisions of law.

11.2 Contractor's defense obligation (with counsel approved by City), shall arise immediately upon City's tender, at Contractor's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its officials, officers, agents, employees and representatives, notwithstanding whether liability is or can be established against City. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, its officials, officers, employees, agents, employees and representatives, in any such suit, action or other legal proceeding. Contractor shall reimburse City, its officials, officers, agents, employees and representatives for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code Section 2782 or other applicable provisions of law.

11.3 Contractor's defense and indemnity obligations herein include, but are not limited to

damages, fines, penalties, attorney's fees and costs arising from claims under the Americans With Disabilities Act (ADA) or other federal or state disability access or discrimination laws arising from Contractor's Work during the scope of work or after the Project is complete, as the result of defects or negligence in Contractor's services.

11.4 Contractor's obligation herein includes, but is not limited to, alleged defects in the services performed; alleged defects in the materials or services furnished under the Agreement; alleged injury to persons or property; alleged inverse condemnation of property as a consequence of the performance of the work or the Improvement; any regulatory violations (including but not limited to Stormwater Pollution Control BMP/Erosion Control and regulatory requirements); and any accident, loss or damage to City property or third party liability prior to the acceptance of same by City.

11.5 By inspecting, approving or accepting the services performed by Contractor, City shall not have waived the protections afforded herein to City and City's officers, elected officials, appointed officials, volunteers, employees and agents or diminished the obligation of Contractor who shall remain obligated in the same degree to indemnify and hold City and City's officers, elected officials, appointed officials, volunteers, employees and agents, harmless as provided above.

12.0 Insurance

12.1 Commercial General Liability Insurance. Contractor shall obtain and maintain for the full term of this Agreement, comprehensive general liability and property damage insurance, or commercial general liability insurance, from an insurance company approved by City having a Best Rating of A-: VII or better and authorized by the Insurance Commissioner of the State of California Department of Insurance to be transacting business in the State of California, in the following minimum limits:

General liability (Including operations, Products and completed operations)	
Combined Single Limit Per Occurrence	\$5,000,000.00
General Annual Aggregate	\$10,000,000.00

The limits of insurance shall not relieve Contractor from liability in excess of such coverage, nor shall it limit Contractor's indemnification obligations to City, and shall not preclude City from taking such other actions available to City under other provisions of the Agreement, Contract Documents, or law.

Contractor shall make certain that if any and all subcontractors hired by Contractor are insured in accordance with this Agreement. If any subcontractor's coverage does not comply with the foregoing provisions, Contractor shall indemnify and hold City harmless from any damage, loss, cost, or expense, including attorney's fees, incurred by City as a result thereof.

All general liability policies shall be written to apply to all bodily injury, including death, property damage, personal injury, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, under-ground excavation, removal of lateral support, and other covered loss, occurring during the policy term, and shall specifically insure the performance by Contractor. Contractor may combine primary, umbrella, and as broad as possible excess liability coverage to achieve the total limits indicated above. Any umbrella or excess liability policy shall include the additional insured endorsement described in this Agreement.

12.2 Automobile Liability Insurance. Such insurance shall provide coverage for bodily injury and property damage including coverage for non-owned and hired vehicles, in a form and with insurance companies acceptable to City for bodily injury and property damage in an amount, at least, one million dollars (\$1,000,000) per person per accident.

12.3 Workers' Compensation Insurance. Contractor shall provide, during the term of this Agreement, workers' compensation insurance for all of the employees engaged in Work under this Agreement, on or at any work site, and, in case of any sublet Work, Contractor shall require each subcontractor similarly to provide workers' compensation insurance for all of the latter's employees as proscribed by State law. Any class of employee or employees not covered by a subcontractor's insurance shall be covered by Contractor's insurance. Contractor is required to secure payment of compensation to its employees in accordance with the provisions of Section 3700 of the Labor Code in an amount of, at least, one million dollars (\$1,000,000) per person per accident and shall contain a Waiver of Subrogation in favor of City.

Contractor shall assume the immediate defense of and indemnify and save harmless City and its officers and employees, agents, and consultants from all claims, loss, damage, injury, and liability of every kind, nature, and description brought by any person employed or used by Contractor, or any subcontractors, to perform the scope of work under this Agreement regardless of responsibility or negligence.

12.4 Employer's Liability Insurance. Contractor shall provide during the life of this Agreement, Employer's Liability Insurance, including Occupational Disease, in the amount of, at least, one million dollars (\$1,000,000.00) per person per accident. Contractor shall provide City with a certificate of Employer's Liability Insurance. Such insurance shall comply with the provisions of the Agreement and Contract Documents. The policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement and contain a Waiver of Subrogation in favor of City.

12.5 Form Proof of Insurance. Any insurance carrier providing insurance coverage required by the Agreement and Contract Documents shall be admitted to and authorized to do business in the State of California unless waived, in writing, by City's Risk Manager. Carrier(s) shall have an A.M. Best rating of not less than an A : VII or better. Insurance deductibles or self-insured retentions must be declared by Contractor, and such deductibles and retentions shall have the prior written consent from City.

12.6 Additional Insured Requirement. City, its officers, elected officials, employees, contractors, construction managers, architect and volunteers are to be covered as additional insureds by endorsement under the General Liability, Automobile Liability, Employers Liability and Workers Compensation Liability Insurance policies. The General Liability policy shall be evidenced by an additional insured endorsement, using form ISO CG 20-10-10-01 and GC 20-37-10-01 or the exact equivalent.

12.7 Other Insurance Requirements. The Certificate(s) and policy(s) of insurance shall provide no less than thirty (30) days written notice be given to City prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, City may terminate or Stop Work pursuant to this Agreement and Contract Documents, unless City receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments evidencing coverages and the insurance as required is in full force and effect.

Contractor shall not take possession of any work site, or commence its scope of work under this Agreement until City has been furnished original Certificate(s) of Insurance and certified original copies of Endorsements and any and all other attachments as required in this Agreement. The original Endorsements for each policy and the Certificate(s) of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.

It is understood and agreed to by the parties and the insurance company(s) that the Certificate(s) of Insurance and policies shall be construed as primary, and City's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

13.0 Payroll Records

13.1 Consistent with Labor Code Section 1776, Contractor and each subcontractor shall maintain accurate weekly certified payroll records showing the name, address, social security number, work classification, straight time and overtime hours paid each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed in connection with the work. Contractor shall certify under penalty of perjury that records maintained and submitted by Contractor are true and accurate. Contractor shall also require subcontractor(s) to certify weekly payroll records under penalty of perjury.

13.2 The payroll records described herein shall be certified and submitted by Contractor at a time designated by City. Contractor shall also provide the following:

A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

A certified copy of all payroll records described herein shall be made available for inspection or furnished upon request of the Department of Industrial Relations ("DIR").

The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement ("DLSE") of the DIR or shall contain the same information as the forms provided by the DLSE.

Any copy of records made available for inspection and furnished upon request to the public shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of Contractor or any subcontractor shall not be marked or obliterated.

13.3 Pursuant to Labor Code Section 1775, Contractor and any subcontractor under the Agreement shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the DIR for the work or craft in which the worker is employed for any public work done under the Agreement by Contractor or, except as provided by statute, by any subcontract under the Agreement. Upon the request of the DIR, such penalties shall be withheld from Agreement payments.

14.0 Prevailing Wage and Enforcement Compliance

14.1 This is a prevailing wage contract and prevailing wage rates for this locality and project as determined by the Director of the DIR apply, pursuant to labor code section 1770, et. Seq. A copy of the prevailing wage rates shall be posted on the job site by Contractor. A schedule of prevailing wage rates is available for review at City's offices or may be found on the Internet at <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>. Contractor shall be required to pay at least the wage rates set forth in that schedule. Certified Payroll records shall be maintained by Contractor and copies of the certified payroll shall be electronically sent to the DIR and be delivered to City at the end of each month during the entire duration of the project.

Contractor is subject to compliance monitoring and enforcement by the DIR. Subject to exceptions as set forth in Labor Code section 1771.1, Contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or

engage in the performance of any contract for public work, as defined by statute, unless it is currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. City may not accept a bid nor any contract or subcontract entered into without proof of Contractor or subcontractor's current registration to perform public work pursuant to Section 1725.5. For more information, go to <http://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html>.

Contractor shall be aware of the requirements of Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Project involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall obtain a copy of the prevailing rates of per diem wages at the commencement of this Agreement from the website of the Division of Labor Statistics and Research of the DIR located at www.dir.ca.gov/dlsr/. In the alternative, Contractor may view a copy of the prevailing rates of per diem wages at City's offices. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the Project site. Contractor shall defend, indemnify and hold City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

14.2 Contractor and each subcontractor shall forfeit as a penalty to City not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing wage rate for any work done by him, or by any subcontractor under him, in violation of the provisions of the Labor Code. The difference between such stipulated prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by Contractor.

Contractor shall post, at appropriate conspicuous points on the Project site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned.

15.0 Employment of Apprentices

15.1 Contractor's attention is directed to the provisions of Sections 1777.5, 1777.6, and 1777.7 of the Labor Code concerning employment of apprentices by Contractor or any subcontractor. Contractor shall obtain a certificate of apprenticeship before employing any apprentice pursuant to Section 1777.5, 1777.6, and 1777.7 of the Labor Code. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of the DIR, the Administrator of Apprenticeships, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

16.0 Nondiscrimination/Equal Employment Opportunity

16.1 Pursuant to Labor Code Section 1735 and other applicable provisions of law, Contractor and its subcontractors shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap on this Project. Contractor will take affirmative action to ensure that employees are treated during employment or training without regard to their race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap.

17.0 Labor/Employment Safety

17.1 Contractor shall maintain emergency first aid treatment for its employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.), and California Code of Regulations, Title 8, Industrial Relations Division 1, Department of Industrial Relations, Chapter 4. Contractor shall further comply with all other federal, state or local safety regulations, as they may apply to its scope of work. City shall not be responsible for inspection of Contractor's safety practices or for safety violations caused by Contractor.

18.0 Conflict of Interest

18.1 Contractor warrants and covenants that it presently has no interest in, nor shall any interest be hereinafter acquired in, any matter which will render the services required under the provisions of this Agreement a violation of any applicable state, local, or federal law, including, but not limited to, Government Code section 1090. If any principal provider of services is a "consultant" for the purposes of the Fair Political Practices Act (Gov. Code § 81000 et seq.), each such person shall comply with Form 721 Statement of Economic Interests filing requirements in accordance with state or City local Conflict of Interest Code. In addition, if any other conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement.

19.0 General Provisions

19.1 Contractor agrees and hereby stipulates that the proper venue and jurisdiction for resolution of any disputes between the parties arising out of this Agreement is San Diego County, North County Judicial Branch, California.

19.2 Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19.3 If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

19.4 Precedence of Agreement Documents. If there is a conflict between any of the contract documents, including attachments or incorporated documents such as the Request for Proposal (RFP) and Contractor's RFP response, the documents in the highest of precedence shall control. If no direct conflict exists, then Contractor is required to meet all requirements of this Agreement and all incorporated documents and references. The order of precedence, from highest to lowest, shall be as follows:

- a) This Agreement, including Attachments A and B.
- b) The City RFP.
- c) Contractor's RFP response.
- d) Standard Specifications.
- e) Reference Specifications.
- f) Industry Standards.

20.0 Contractor's Books and Records/Audit Right

20.1 Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any

longer period required by law, from the date of final payment to Contractor.

20.2 Contractor shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

20.3 Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Attorney, City Council, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents shall be provided to City for inspection when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available for review and copying at Contractor's address indicated for receipt of notices in this Agreement.

20.4 City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained in the City Manager's office. Access to such records and documents shall be granted to any party authorized by Contractor's representatives, or Contractor's successor in interest.

21.0 Written Notification

21.1 Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, first class mail. Any such notice, demand, etc. shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City:
City of Encinitas
505 N. Vulcan Ave Encinitas, Ca 92024

If to Contractor:
West Coast Arborists, Inc.
2200 E. Via Burton Street Anaheim, Ca 92806

22.0 Contractor's Awareness And Compliance With The Americans With Disabilities Act Of 1990

22.1 Contractor certifies that Contractor is aware of the requirements of the Americans with Disabilities Act of 1990 (42 U. S. Code §12101) and has complied with and will comply with these requirements, including but not limited to verifying compliance of their contractors, consultants, agents and employees.

West Coast Arborists, Inc.

Contractor

By: [Signature] 1-8-2018
(Signature) Date)

PRESIDENT.
(Title)

Attest: _____
City Clerk

Dated: _____

APPROVED AS TO FORM

[Signature]
Glenn Sabine, City Attorney *by Erin Chapman*

Dated: 1/8/18

CITY OF ENCINITAS

By: [Signature] 1/8/18
(Signature) Date)

Asst. City Manager
(Title)

ATTACHMENT "A" CONTRACTOR'S SCOPE OF WORK

Contractor: West Coast Arborists, Inc.

The requirement of this Contract is to provide professional Urban Forestry Maintenance Services for planting, pruning, trimming, staking, raising, removal, disposal, stump grinding and chipping, inventorying, documenting and all other services required to maintain the City of Encinitas trees in a safe, attractive and overall healthy condition.

The City proposes to enter into a Contract with a qualified Contractor who is proactive in their work and can meet the requirements set forth in this proposal package. The Contractor will be required to perform and complete the proposed Urban Forestry Maintenance Services in a thorough and professional manner, and to provide all labor, tools, equipment, materials and supplies necessary to complete the work according to generally accepted International Society of Arboriculture (ISA) practices and standards, and in a timely manner that will meet the City's requirements. The successful proposer will be required to comply with all current prevailing wage requirements as set forth in the Labor Code administered by the Department of Industrial Relations.

There are two main program goals. First, the City requires an update to the current tree inventory and database, which includes updating and maintaining records throughout the term of the Contract. Second, the City requires an annual tree maintenance program to support and develop its Urban Forest. The following requirements are meant to meet these goals.

A. Tree Inventory

1. Upon Contract award, the successful Proposer shall be required to provide a complete update of the City's tree inventory at no additional cost to the City and submit the completed inventory to the City within ninety (90) days of the Contract award. The new inventory shall capture all trees within the Public Rights of Way, new tree sites, as well as, trees in parks, open space areas and city facilities. The Contractor shall provide, at no additional cost to the City, software support to the City for the entire term of the Contract. The Contractor shall provide the City with recommendations for tree maintenance, tree health care, recommended planting locations, and recommended removals. Failure to meet and maintain the requirements for the computerized tree inventory system shall be grounds for immediate termination of the Contract.
2. Tree Software Program - The Contractor shall operate and maintain, at no additional cost to the City, a computerized internet based urban forestry management program that includes, but is not limited to, municipal tree inventory, ability to send online work requests for services, work order tracking, work histories and the ability to update site specific tree data and work records, invoices tracking and job balances, reports, value of the urban forest, GPS accessibility, and various other computer information management system tools.
3. Record Keeping - The Contractor will provide, at no additional cost to the City, access to a record keeping system consisting of a password protected Internet-driven tracking program and internet-based software program that allows the City to maintain information about its tree population, including the description of each tree by species, height, diameter, work history, and tree and planting site location. The program shall have the capability to produce

detailed listings of trees and site information, work histories, service requests, summary reports and pictures of City tree species.

4. GPS - Since the City of Encinitas already has a tree inventory in GIS, the City's GIS Division will provide the current tree inventory feature class (SQL table) to the contractor as a starting point. This includes but is not limited to all publicly owned trees on street rights-of-way, parks and open spaces such as medians, streetscapes, etc.

The contractor shall then track the maintenance and characteristic information of the trees in the City of Encinitas' tree inventory feature class in ArcGIS version 10. Or, the contractor shall incorporate the City's tree inventory FacilityID field into their own database, and include x and y (lat/long) fields necessary to map the trees in GIS.

For on-going data maintenance, when a new tree is planted, the new tree site will be added as a record to the tree inventory, and will include the latitude/longitude coordinates (collected by the contractor using a Global Positioning System (GPS) device with minimum sub-meter accuracy). Lat/long coordinates shall be included at the time a new record is added, and will not be input at a later date through a bulk update process. Trees that are removed will not be deleted from the tree inventory, but will be coded as 'vacant'.

At required intervals, the contractor shall provide an ArcGIS version 10 file or personal geodatabase containing the updated tree feature class, which will be reconciled with the City GIS tree inventory. Or, the contractor may provide an Excel spreadsheet or Access database table containing updated information that can be joined to the City's GIS tree inventory based on FacilityID. If the contractor provides their own updated tree inventory database to the City, there will be a one-time requirement to provide a data dictionary of fields containing tree maintenance and tree characteristic information that corresponds to similar fields in the City's GIS tree inventory, so that the City is confident that accurate data synchronization/updating can occur.

5. Tree Inventories and Developing Inventory Databases - The program should have specialized reports designed specifically for City representatives' needs. The program should be developed based on the needs of the City and allow the City to modify and structure the program to address its specific needs. The user-friendly program should allow customers to generate a variety of reports quickly.
6. Training and Support - The Contractor shall provide, at no additional cost to the City, training and support on the software system they provide for the entire term of the contract. Contractor shall provide training to designated City staff during the hours of 7:00 A.M. to 4:30 P.M. Monday through Friday. The Contractor shall be readily available by telephone or e-mail and shall respond to the City's inquiries in a timely manner.

B. Annual Maintenance Program

1. Public Relations - The Contractor shall endeavor to maintain good public relations at all times with the public. All work shall be conducted in a manner which will cause the least possible interference with or annoyance to, the public.

2. **Work Schedule** - Upon Contract award, the successful proposer shall be required to submit a work schedule based on the City's annual pruning requirements which is a systematic tree pruning program composed of existing grid or per-designed districts that are pruned in their entirety on a set schedule; removal & replacement programs which consist of removing trees designated by the City and replanting appropriate trees as replacements; and planting new appropriate trees in areas where trees do not currently exist. The proposal shall include a recommended annual work plan, daily work schedules, and personnel and vehicles that would be required to complete the annual maintenance program. Depending on the City's current and future program needs the scheduled work may require multiple crews to perform concurrently within the same time constraints.

The Contractor is also required to provide service for trees prior to their regular and scheduled trim cycle in order to correct an immediate problem or concern as determined by the City's Designated Representative. Such request(s) shall be addressed and work completed within one (1) week of notice by the City.

3. **Work Hours and City Notification** - The Contractor's working hours, for normal work, shall be limited to the hours between 7:00 AM and 4:30 PM Monday through Friday, excluding recognized holidays. Deviation from normal working hours will not be allowed without prior authorization from the City's designated representative. The Contractor shall notify the City's Designated Representative 24hrs before beginning work. The notification shall include what work is being done and where, the name of the onsite supervisor and his or her direct phone number.
4. **Emergency Response** - The Contractor shall be responsible for responding to tree related emergency situations during normal business hours, after-hours, weekends and holidays. The Contractor shall have the capacity to deal with any tree related emergency situation ranging from limbs down on single trees to storm related damage that involves a large number of trees requiring the commitment and focus of significant resources and staffing levels for several days. Response time and protocol during emergencies is critical to the City of Encinitas.

As part of this Contract, the Contractor shall be required to make the City of Encinitas their priority client for responses during emergencies that cover the San Diego area.

- Telephone responses by the Contractor to tree related emergency calls during normal business hours and after-hours shall be made within (30) fifteen minutes of the initial call.
- The response time for a crew to arrive on-site for tree related emergencies during normal business hours of operation is sixty (60) minutes.
- The response time for a crew to arrive on-site for tree related emergencies outside of normal business hours of operation is ninety (90) minutes.

Failure to meet these requirements may be cause for termination of the Contract.

5. **Competent Supervisor and Project Manager** - The Contractor shall have competent working supervisors at each jobsite at all times when work is being performed. Each supervisor must be capable of communicating effectively both in written and oral English, and holding the necessary certifications or credentials as described for that position. All supervisors must

possess adequate technical background to ensure that all work is accomplished per provisions of this Contract.

Contractor is required to have a competent Project Manager available by telephone on a twenty-four (24) hour basis that is assigned to provide direct and prompt attention to requests from the City for emergency and after-hours tree service requests.

6. **Qualified Staff** - Contractor shall employ sufficient personnel qualified by reason of education, training and experience to discharge the services agreed to be performed by Contractor. Contractor shall provide service of the highest quality at all times, and personnel retained to perform this service shall be temperate, competent and otherwise fully qualified to fulfill the Contractor's obligations under the Contract.
7. **Uniforms** - All employees of Contractor performing services shall appear neat and well-groomed at all times and shall be dressed in clean, unaltered uniforms at no additional cost to the City, with suitable company identification. No portion of the uniform may be removed while working. Employees not in uniform shall be immediately removed from the work area. The Contractor shall provide a standard uniform consisting of at least a collared shirt with buttons, complimenting pants, a belt and boots appropriate to the work. All shirts, jackets or safety vests shall be clearly marked with company identification and the name of the employee wearing the uniform in the field. Contractor employees shall wear orange safety vests when operating machinery and/or while working near moving traffic as required by any applicable laws.
8. **Knowledge, Skills and Abilities** - The Contractor's employees shall be subject to the following minimum knowledge, skills, abilities and requirements:
 - The proper license to operate equipment;
 - Ability to operate and maintain equipment in accordance with the manufacturer's recommendations;
 - Mechanical ability to make required operator adjustments to the equipment being used;
 - Knowledgeable of safety regulations as they relate to tree care and traffic control;
 - First Aid Certification from a nationally recognized organization (minimum of one member of each crew);
 - Ability to communicate orally and in writing in English; and,
 - Demonstrated knowledge of tree care and related operations.
9. **ISA Standards** - The Contractor shall deliver a level of quality that is compatible with Current International Society of Arboriculture (ISA) standards, and standards and requirements described herein in providing tree services compatible with standard practice that results in a neat, clean and attractive appearance to trees and associated sites serviced under the terms of the Contract.
10. **Clean Worksite** - Upon completion of work on individual street segments that are under the Contract, Contractor shall clean the work site and all grounds adjacent to the work area of all rubbish, excess materials and equipment. All sections of the work area shall be left in a neat and presentable condition. Care should be taken to prevent spillage on streets over

which work or hauling is done, and any such spillage or debris deposited on street due to Contractor operation shall be cleaned up immediately.

11. Equipment

- a. Overnight parking of equipment, leaving unattended debris and staging of materials on City streets will not be permitted. Waste bins shall be removed from individual street segments once the work has been completed.
 - b. All equipment used and all maintenance practices employed shall be subject to the inspection of the City's designated representative and shall meet safety and functional requirements described herein. All vehicles and equipment operating under this Contract shall be properly marked with company identification and comply with all state and federal regulations. All equipment must be maintained in a good state of repair. All safety guards shall be in place. No equipment shall leak oil or fluids. Equipment drive belts and hoses shall be covered and in good repair and show no sign of fraying. No equipment shall present any potential danger to the operator, co-workers, passing motorists or pedestrians. Failure to comply with this provision will be cause to have the equipment removed from the job site.
 - c. It is the Contractor's responsibility to maintain a sufficient inventory of equipment so as to complete work as specified. An inventory of equipment shall be provided with proposal. This inventory shall include the brand name, model number, weight and capacities of all equipment to be used in the performance of the Contract. All equipment is to be approved by the City prior to the start of the Contract. It is the Contractor's responsibility to notify the City's designated representative of any change in the equipment inventory during the performance of the Contract. This notification shall come in the form of an updated equipment inventory list, presented in the form of a memo on dated company letterhead. Failure to comply with this provision will be grounds to remove the Contractor from the job site until such time as equipment inventory discrepancies are addressed and may be grounds to terminate the Contract.
12. Disposal of Refuse and Debris/Landfill Diversion Requirement - All vegetation and debris generated by the Contractor in the performance of the work shall become the property of the Contractor and shall be removed from the work site promptly. The Contractor shall dispose of all generated debris at no additional cost to City and shall, at minimum, dispose of the material as is consistent with the requirements of AB 939. The Contractor is encouraged to divert as much material as possible from the landfill, meeting or exceeding the City's goal of seventy-five (75) percent diversion rate. It is anticipated that one-hundred (100) percent of the material from the work could be diverted, unless a particular tree is diseased or not suitable for reuse.
13. Protecting the Urban Forest - If, at any time, the Contractor is unclear, on what course of action to follow in the field, the Contractor shall consult with the City's designated representative. The Contractor should never proceed with an action that will result in the permanent disfigurement of the structure or value of a tree. Contractors responsible for the disfigurement of trees shall be penalized in an amount equal to the appraised value of the subject tree as determined by an independent Consulting Arborist.

14. Safety Requirements - The Contractor shall conduct all work outlined in the Contract in such a manner as to meet all currently accepted standards for safe practices during the operation and to safely maintain stored equipment, machines and materials or other hazards consequential or related to the work; and agrees additionally to accept the sole responsibility for complying with all current City, County, State or other legal requirements including, but limited to, full compliance with the terms of the applicable OSHA, CAL EPA Safety Orders and ANSI Z133.1 Safety Requirements for Arboricultural Operations at all times so as to protect all person, including Contractor employees, agents of the City, vendors, members of the public or others from foreseeable injury or damage to their property.
15. Traffic Control - The Contractor shall be responsible for traffic control and safety regulations as related to any City, State or County requirements while working in the public right-of-way or on any City project. The design and operation of work zone traffic controls must comply with US Department of Transportation/Federal highway Administrative guidelines and any City, County or State supplements guidelines and/or regulations and laws. All operations will be conducted by the Contractor to provide maximum safety for the public according to the most recent edition of the MUTCD (Manual on Uniform Traffic Control Devices) and any California supplements to the MUTCD and any local regulations.

Where work is in progress, each street shall be open to local traffic at all times unless prior arrangements have been made and approved by the City's designated representative.

The Contractor shall display standardized warning signage when controlling traffic around any area used for staging or working in any area that is subject to pedestrian or vehicular traffic. At no time shall traffic be permitted to enter, or operations allowed to continue, in any work zone that presents a dangerous conditions to pedestrian and/or vehicular traffic.

The Contractor may be required to submit a traffic control plan to the Engineering Department as directed by the City's designated representative.

16. Utility Coordination - The Contractor shall recognize the rights of utility companies within the public right-of- way or on any City project and their need to maintain and repair their facilities. The Contractor shall exercise due and proper care to prevent damage to utility facilities and to adjust schedules when utility operations prevent the Contractor from maintenance during a specified time frame. No additional compensation will be allowed for complying with these requirements. Contractor shall notify the City's designated representative of any utility that is disturbed or damaged and shall contact the appropriate utility to arrange for repair.

17. Authority and Inspections

- a. The City's designated representatives shall, at all times, have access to the work and shall be furnished with every reasonable facility for acquiring full knowledge with respect to the progress, workmanship and characters of materials and equipment used and employed in the work. Whenever the Contractor varies the period during which work is carried out, they shall give due notice to the City's designated representative so

that property access for inspection may be provided. Any inspection of work shall not relieve the Contractor of any obligations to fulfill the Contract as prescribed. Any and all questions regarding the performance of the work shall be directed to the City's designated representative.

- b. If it appears that the work to be done or any matter relative thereto is not sufficiently detailed or explained by the specifications, the Contractor shall apply to the City's designated representative for such further explanation as may be necessary and shall conform to such explanation or interpretation as part of the Contract so far as may be consistent with the intent of the original requirements.
 - c. All work shall be completed to the satisfaction of and under the supervision of the City's designated representative. Failure to comply with any requirement contained herein may result in suspension of work without time extension or termination of Contract. Inspection of work will be done by the City's designated representative, during the performance of work or when deemed necessary.
 - d. If any portion of the work done under the Contract proves defective or not in accordance with the requirements, and if the imperfection in the same is not of sufficient magnitude or importance to make the work dangerous or undesirable, the City's designated representative shall have the right and authority to retain the work, but he/she may make such deductions in the payment due the Contractor as may be just and reasonable.
 - e. Any work which is defective or deficient in any of the requirements or specifications shall be remedied or removed and replaced by the Contractor in an acceptable manner and within a reasonable amount of time as determined by the City, at the Contractor's own expense.
 - f. In any other case, a letter will be sent to Contractor noting deficiencies, and the Contractor shall make a reasonable and good faith effort to correct the deficiencies within a reasonable period of time not to exceed three (3) days from notification. After this time period, if unacceptable conditions still exist, the City has the right to terminate the Contract or deduct payment as is proportionately appropriate for non-compliance with the requirements and specifications of the Contract.
18. Quantities/ Minor Modifications and/or Additional Work - The City reserves the right to increase or decrease the quantity of any item(s) or portion(s) of the work described in the requirements or specifications or the proposal form or to omit portions of the work so described as may be deemed necessary or expedient by the City's designated representative and the Contractor shall agree not to claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease or omission of any kind of work to be done. The City shall reduce the price accordingly. Alterations, modifications or deviations from the work described in this document shall be subject to prior written approval of the City. Any price adjustments shall be made by mutual consent of the City and Contractor.

Should a change or extra work be found necessary by the City, all changes and extra work shall be performed at the same unit price of any proposal item listed. If the work is not

listed as a proposal item, the Contractor shall submit a fair cost for the work to be performed. A change order authorization, in writing, will be issued by the City.

19. Invoicing - Contractor shall be required to submit invoices on a monthly basis. Invoice format shall include but not be limited to the date the work took place, a list of each street or location that work took place, the address of each individual work site and the activity, the species and its current condition, height, trunk diameter and canopy spread of each individual tree. Each invoice shall include an exact copy in electronic format that is compatible with the City's Tree Inventory program. Failure to submit invoices in this format may result in non-payment until these requirements are met.
20. Withholding Payment - The City may withhold payment to such extent as may be necessary to protect the City from loss due to one or more of the following reasons:
 - Defective, unsatisfactory or inadequate work not corrected; If notified by the City
 - Claims filed, or reasonable evidence indicating probable filing of claims;
 - Failure of the Contractor to make proper payments to subcontractors or for materials or labor;
 - A reasonable doubt that the contract can be completed for the balance unpaid; and,
 - Damage that resulted from an incident involving property damage.
21. Stop Work
 - a. If the Contractor, after having officially commenced work on said Contract, should discontinue work for any cause, he/she shall notify the City's Designated Representative of the intent to do so, and shall further notify of the date for restarting operations.
 - b. The City, at the discretion of the City's Designated Representative, may require the Contractor to Stop Work if any condition presents an unreasonable liability to the City, until such time as the condition is corrected to the satisfaction of the City.
22. Risk Management - Tree work is a controlled task. At no time should work be performed so as to result in a loss of control incident (e.g. free-falling large limbs or trunk sections, hinge cutting to avoid use of ropes/hoisting equipment, lack of safety apparatus/equipment guards, improper use/loading of equipment). Failure to maintain control at all times is dangerous and can result in serious injury. A loss control incident will not be tolerated and may result in termination of this Contract. The Contractor shall be responsible for mitigating any damage related to a loss of control incident.
23. Investigation - Contractor shall cooperate fully with the City in the investigation of any accident, injury or death occurring on City property or while in the performance of work based on the contract, including a complete written report submitted to the City's Designated Representative within twenty-four (24) hours following the occurrence.

Should any structure or property be damaged during permitted or contracted tree operation, the persons conducting the work shall immediately notify the proper owners or authorities. Repairs to property damaged by the responsible party shall be made within forty-eight (48) hours, except utility lines, which shall be repaired the same working day.

Repairs on private property shall be made in accordance with the appropriate building code under permits issued by the City of Encinitas. Any damage caused by the permitted or contracted persons shall be repaired or restored by them at their expense to a condition similar or equal to that existing before such damage or injury, or they shall repair such damage in a manner acceptable to the City.

Special attention is drawn to existing irrigation systems, plant material, landscape features, lights and utility boxes in City parkways, parks and public landscape areas and the need to avoid damage and to repair any damage that occurs within a reasonable amount of time as determined by the City's Designated Representative.

The Contractor's responsibility shall be continuous and not be limited to working hours or days.

Contractor's Initials: _____

Date: _____

ATTACHMENT "B" PAYMENT OF SERVICES

Contractor: West Coast Arborists, Inc.

The undersigned proposes to furnish all materials, supplies, equipment and/or services set forth herein, subject to all conditions outlined in the RFP, at prices indicated below. All applicable services include cleanup and disposal.

Tree Planting (per tree). Tree planting includes tree, materials and planting costs	Unit Price in Figures
15 Gallon (double staked per specs)	\$145.00
24 inch Box (double staked per specs)	\$240.00
36 inch Box (double staked per specs)	\$825.00
48 inch Box	\$1,450.00
60 inch Box	\$2,450.00
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Tree Watering (per hour). Watering of young trees, water truck/operator-per hour	\$70.00
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Tree Pruning (by Grid). Price per tree to Prune by Grid	\$62.00
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Tree Pruning (per Service Requests). Full prune tree or by Species	
0"-6" Diameter Standard Height	\$62.00
7"-12" Diameter Standard Height	\$82.00
13"-18" Diameter Standard Height	\$102.00
19"-24" Diameter Standard Height	\$142.00
25"-30" Diameter Standard Height	\$232.00
31"-36" Diameter Standard Height	\$302.00
36"+ Diameter Standard Height	\$402.00
<hr/>	
Crown Raise/Clearance Prune Hardwood tree	
0"-6" Diameter Standard Height	\$25.00
7"-12" Diameter Standard Height	\$25.00
13"-18" Diameter Standard Height	\$25.00
19"-24" Diameter Standard Height	\$25.00
25"-30" Diameter Standard Height	\$25.00
31"-36" Diameter Standard Height	\$25.00
36"+ Diameter Standard Height	\$25.00
<hr/>	
Palm Tree Trimming	
Prune Date Palm (Phoenix spp.)	\$150.00
Clean Trunk for Date Palm (Phoenix spp.)	\$20.00
Prune Fan Palm (Washingtonia spp.)	\$62.00
Clean Trunk for Fan Palm (Washingtonia spp.)	\$12.00
Prune all other Palm Species	\$62.00

Tree Removal (per inch). Tree and Stump removal per inch measured trunk diameter at 4'6" (Diameter Standard Height)	
0"-6" Diameter Standard Height	\$20.00
7"-12" Diameter Standard Height	\$30.00
13"-18" Diameter Standard Height	\$30.00
19"-24" Diameter Standard Height	\$30.00
25"-30" Diameter Standard Height	\$30.00
31"-36" Diameter Standard Height	\$40.00
36"+ Diameter Standard Height	\$40.00
Stump grinding per stump diameter inch at grade	\$15.00
Milling Cost (per board foot). Milling Lumber per Board Foot	\$8.00
Root Pruning (per linear foot). Per foot of roots pruned	\$15.00
Root Barrier Installation (per linear foot). Per foot of root barrier installed	\$20.00
General Labor Rates (by hour)	
Hourly rate for 1 Ground-person	\$70.00
Hourly rate for 1 Equipment Operator	\$70.00
Hourly rate for 1 Trimmer	\$70.00
Day Rate Service Crew (per day). Boom truck per eight (8) hour day to include a chip body, low decibel chipper, 1 trimmer, 2 ground persons	\$1,680.00
Specialty Equipment Day Rate (per day). Per eight (8) hour day	\$1,200.00
Emergency Services (per hour). Fully equipped 3 person crew called in for emergency service	
During normal business hours	\$210.00
After hours, weekends &/or holidays	\$300.00
General Arborist Services (per hour).	
Arborist Reports	\$140.00
Resistograph Testing	\$140.00
Ground Penetrating Radar	\$800.00
Air Spade Services	\$140.00
Fumigation	\$140.00
Fertilization	\$140.00
Level 1,2,3 Risk Assessments	\$140.00
Soil Testing / Tree Well Enhancements	\$140.00
GPS Tree Inventory (per tree site). Cost per tree site	\$3.00

Plant Health Care Services

Tree Spraying from Ground Level (per diameter inch)	<u>\$2.00</u>
Tree Spraying from Aerial Tower (per diameter inch)	<u>\$4.00</u>
Insecticide Trunk Banding (per diameter inch)	<u>\$5.00</u>
Plant Growth Regulator (PGR) Trunk Banding (per diameter inch)	<u>\$2.00</u>
Plant Growth Regulator (PGR) Soil Application (per diameter inch)	<u>\$4.00</u>
Insecticide or Fungicide Soil Application (per diameter inch)	<u>\$2.00</u>
Fertilizer Drenching (per diameter inch)	<u>\$2.00</u>
Trunk Injection - Insecticide/Miticide (per diameter inch)	<u>\$4.50</u>
Trunk Injections – Fungicide (per diameter inch)	<u>\$3.50</u>
Trunk Injection – Insecticide and Fungicide (per diameter inch)	<u>\$8.00</u>

Contractor's Initials: _____
Date: _____

RESOLUTION NO. 2020 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY WAIVING THE FORMAL BID PROCESS PURSUANT TO NATIONAL CITY MUNICIPAL CODE SECTION 2.60.260 REGARDING COOPERATIVE PURCHASING AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH WEST COAST ARBORISTS, INC. FOR SPECIALIZED TREE TRIMMING, REMOVAL, AND PLANTING SERVICES, EFFECTIVE NOVEMBER 1, 2019 THROUGH JANUARY 7, 2022, FOR AN AMOUNT NOT TO EXCEED \$90,000 BY PIGGYBACKING ONTO THE CITY OF ENCINITAS' URBAN FORESTRY MAINTENANCE SERVICES CONTRACT

WHEREAS, on December 19, 2017, the City Council adopted Resolution No. 2017-239 to enter into an Agreement with West Coast Arborist, Inc. (WCA) in an amount not to exceed \$90,000 to assist the City's Park Maintenance staff with addressing the growing backlog of tree trimming requests for specialized service; and

WHEREAS, through implementation of a grid-based tree trimming program, WCA proved to be effective in assisting City crews with clearing the backlog, which allowed City crews to focus on maintaining the City's specialized tree trimming schedule; and

WHEREAS, tree trimming support services are needed this year as City crews are challenged to maintain the grid schedule due to emergency calls for service and the need for such specialty work, such as stump grinding and tree removals; and

WHEREAS, as part of the Fiscal Year 2020 annual budget, City Council adopted the maintenance and operating budget for Public Works Parks Division, which includes \$90,000 for contract tree trimming support services; and

WHEREAS, the City of National City has an opportunity to "piggyback" on to the City of Encinitas' Urban Forestry Maintenance Services Contract with WCA effective November 1, 2019 through January 7, 2020 for specialized tree trimming support services for an amount not to exceed \$90,000; and

WHEREAS, Section 2.60.260 of the National City Municipal Code provides that the City may buy directly from a vendor at a price established through competitive bidding by another public agency whose procedures have been determined to be in substantial compliance with the City's procurement procedures, and such a determination has been made in this case, therefore, it is recommended that the purchase be made without complying with the competitive bidding procedure set forth in the Municipal Code; and

WHEREAS, National City's Purchasing staff has confirmed that the City of Encinitas' Urban Forestry Maintenance Services contract with WCA was competitively bid through an RFP process, and that the City of Encinitas' procurement procedures are in substantial compliance with those of the City of National City; and

WHEREAS, on January 1, 2018, the City of Encinitas entered into a four year agreement with WCA for Urban Forest Maintenance Services, which expires on January 7, 2022 with the option to extended two separate, three-year terms; and

WHEREAS, staff is requesting the City Council to waive the formal bid process pursuant to National City Municipal Code Section 2.60.260 regarding cooperative purchasing and authorize the Mayor to execute a new Agreement between the City of National City and West Coast

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**Resolution No. 2020 –
Page Two**

Arborists, Inc., for specialized tree trimming, removal, and planting services, effective November 1, 2019 through January 7, 2022, for an amount not to exceed \$90,000 by piggybacking onto the City of Encinitas' Urban Forestry Maintenance Services Contract.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby affirms the Purchasing agent's determination that the City of Encinitas procurement procedures are in substantial compliance with the City's, and pursuant to Section 2.60.260 of the Municipal Code authorizes the waiver of the bidding process.

BE IT FURTHER RESOLVED that the City Council hereby authorizes the Mayor to execute an Agreement with West Coast Arborist, Inc., for specialized tree trimming, removal, and planting services, effective November 1, 2019 through January 7, 2022, with an option to extend for two three-year terms in an amount not to exceed \$90,000 by "piggybacking" on to the City of Encinitas Urban Forestry Maintenance Services Contract.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with Geosyntec Consultants, Inc. to provide on-call project support services for National City's Capital Improvement Program \(CIP\), including, but not limited to, environmental engineering, site assessments, characterization and remediation, groundwater monitoring and reporting, and preparation of environmental studies in accordance with the National Environmental Policy Act \(NEPA\) and California Environmental Quality Act \(CEQA\), extending the term of the Agreement by one year to December 4, 2020, and authorizing the Mayor to execute the Amendment. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.


**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City approving a First Amendment to the Agreement with Geosyntec Consultants, Inc. to provide on-call project support services for National City's Capital Improvement Program (CIP), including, but not limited to, environmental engineering, site assessments, characterization and remediation, groundwater monitoring and reporting, and preparation of environmental studies in accordance with the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA), extending the term of the Agreement one year to December 4, 2020, and authorizing the Mayor to execute the Amendment.

PREPARED BY: Tirza Gonzales, Executive Secretary 

DEPARTMENT: Engineering/Public Works

PHONE: 619-336-4318

APPROVED BY: 

EXPLANATION:

On December 5, 2017, per City Council Resolution No. 2017-231, the City of National City entered into an Agreement with Geosyntec Consultants, Inc. to provide environmental support services for National City's CIP in an amount not to exceed \$500,000. Based on their performance, quality of work, and on-going need for specialized environmental support services, staff desires to extend the term of the Agreement with Geosyntec Consultants, Inc. one year to December 4, 2020.

FINANCIAL STATEMENT:

ACCOUNT NO.

N/A

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt resolution executing a First Amendment to the Agreement with Geosyntec Consultants, Inc. to provide environmental support services for National City's CIP.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. First Amendment to Agreement
2. Resolution

**FIRST AMENDMENT TO THE AGREEMENT
BY AND BETWEEN
THE CITY OF NATIONAL CITY
AND
GEOSYNTEC CONSULTANTS, INC.**

THIS FIRST AMENDMENT TO THE AGREEMENT, is entered into this 18th day of February, 2020, by and between the CITY OF NATIONAL CITY, a municipal corporation (“CITY”), and GEOSYNTEC CONSULTANTS, INC., a corporation (the “CONSULTANT”).

RECITALS

WHEREAS, on December 5, 2017, the City Council adopted Resolution No. 2017-231 entering into an Agreement with GEOSYNTEC CONSULTANTS, INC. (“the Agreement”) wherein the CONSULTANT agreed to provide on-call project support services for National City’s Capital Improvement Program (CIP), including, but not limited to, environmental engineering, site assessments, characterization and remediation, groundwater monitoring and reporting, and preparation of environmental studies in accordance with the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA).

WHEREAS, the original Agreement had a not-to-exceed amount of \$500,000 and a term of two years, with the option to extend for an additional period of up to one year.

WHEREAS, the parties desire to amend the Agreement to extend the term of the Agreement one year to December 4, 2020.

NOW, THEREFORE, the parties hereto agree that the Agreement entered into on December 5, 2017, shall be amended to extend the term of the Agreement one year to December 4, 2020, with no changes to the contract amount.

The parties further agree that with the foregoing exception, each and every term and provision of the Agreement dated December 5, 2017, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first above written.

CITY OF NATIONAL CITY

By: _____
Alejandra Sotelo-Solis, Mayor

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

GEOSYNTEC CONSULTANTS, INC.
(Corporation – signatures of two corporate officers)

By: _____
Gregory T. Corcoran
Vice President/Secretary

By: _____
Ronald S. Johnson
Vice President

RESOLUTION NO. 2020 –

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING A FIRST AMENDMENT TO THE AGREEMENT WITH GEOSYNTEC CONSULTANTS, INC. TO PROVIDE ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY'S CAPITAL IMPROVEMENT PROGRAM (CIP), INCLUDING, BUT NOT LIMITED TO, ENVIRONMENTAL ENGINEERING, SITE ASSESSMENTS, CHARACTERIZATION AND REMEDIATION, GROUNDWATER MONITORING AND REPORTING, AND PREPARATION OF ENVIRONMENTAL STUDIES IN ACCORDANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) AND CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), EXTENDING THE TERM OF THE AGREEMENT BY ONE YEAR TO DECEMBER 4, 2020, AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT

WHEREAS, National City's Capital Improvement Program (CIP) estimates approximately \$80 million in capital improvement projects needs over the next five years; and

WHEREAS, to successfully design, manage, and construct these projects, the Engineering and Public Works Department issued a Request for Qualifications (RFQ) for various engineering, architectural, and construction support services; and

WHEREAS, based on the strength of their Statement of Qualifications (SOQ), interview and past performance, staff recommends executing a two-year Agreement with an option to extend the term for one additional year with Geosyntec Consultants, Inc., for a not-to-exceed amount of \$500,000 to provide on-call project support services for National City's CIP, including, but not limited to, environmental engineering, site assessments, characterization and remediation, groundwater monitoring and reporting, and preparation of environmental studies in accordance with the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA); and

WHEREAS, staff recommends extending the term of the Agreement with Geosyntec Consultants, Inc., by one year to December 4, 2020 due to their performance, quality of work, and on-going need for specialized environmental support services.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the Mayor to execute a First Amendment to the Agreement with Geosyntec Consultants, Inc. to provide on-call project support services for National City's Capital Improvement Program (CIP), including, but not limited to, environmental engineering, site assessments, characterization and remediation, groundwater monitoring and reporting, and preparation of environmental studies in accordance with the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA), extending the term of the Agreement by one year to December 4, 2020.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones, City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City: 1\) authorizing the Mayor to execute a three-year Agreement with Loma Media, Inc. for a not-to-exceed amount of \\$250,000 to provide on-call project support services for National City, including, but not limited to, Graphic Design/Web Design, Community Outreach, Grants Management, Public Relations and Government Affairs and Polling and Analysis; and 2\) authorizing the City Manager to execute any project-specific supplemental agreements, as may be required. \(City Manager\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the City Council of the City of National City, 1) authorizing the Mayor to execute a three-year Agreement with Loma Media, Inc. for a not-to-exceed amount of \$250,000 to provide on-call project support services for National City, including, but not limited to, graphic design/web design, community outreach, grants management, public relations and government affairs and polling and analysis; and 2) authorizing the City Manager to execute any project-specific supplemental agreements, as may be required.

PREPARED BY: Tony Winney, Assistant City Manager

DEPARTMENT: City Manager's Office

PHONE: 619-336-4240

APPROVED BY: 

EXPLANATION:

See attached.

FINANCIAL STATEMENT:

APPROVED: _____ Finance

ACCOUNT NO. |

APPROVED: _____ MIS

Funding for subsequent project-based work is dependent on future appropriations as part of annual budget and/or future grant awards.

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt Resolution executing an Agreement with Loma Media, Inc. for a not-to-exceed amount of \$250,000 to provide on-call project support services for National City.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Agreement
3. Resolution

Explanation:

On May, 2, 2019 the Engineering & Public Works Department advertised a Request for Qualifications (RFQ) for various engineering, architectural, construction support and public education and outreach services. Services requested via the RFQ include, for example, plan and map reviews, preparation of plat and legal descriptions, sewer system management and financial administration, housing and real estate development services, Building Department support services, and environmental compliance involving storm water, wastewater and hazardous materials. It also included graphic design/web design, community outreach, grants management, public relations and government affairs and polling and analysis.

The RFQ was advertised on the City's website, published in the San Diego Union Tribune, e-mailed to over 100 professional consulting firms and also advertised on PlanetBids where over 400 firms were notified. Additionally, the City hosted an Information Session regarding the RFQ process on May 14, 2019 at the MLK Jr. Community Center, which was attended by over 100 people. The Department received 71 Statement of Qualifications (SOQs) from various firms by the June 10, 2019 deadline. Copies of the SOQs received are available in the Office of the City Engineer.

Based on the strength of their SOQ, interview and past performance, staff recommends executing a three-year Agreement (with the option to extend for two, one year extensions) with Loma Media, Inc. for a not-to-exceed amount of \$250,000 to provide on-call project support services for the city, including, but not limited to, graphic design/web design, community outreach, grants management, public relations and government affairs and polling and analysis. See Exhibit "A" for general scope of work. Services will be provided "as-needed" based on available funding and priorities.

In addition, staff recommends authorizing the City Manager to execute any project-specific supplemental agreements, as may be required for grant funded projects. These supplemental agreements would reference the terms and conditions of the attached master on-call Agreement, while incorporating additional project-specific grant requirements for use of consultant support services. Authorization to accept and appropriate grant funds, and execute grant agreements with the awarding agency (e.g. SANDAG, U.S. Census, etc.) would still require separate City Council action.

**AGREEMENT
BETWEEN
THE CITY OF NATIONAL CITY
AND
LOMA MEDIA, INC.**

THIS AGREEMENT is entered into on this 18th day of February, 2020, between the CITY OF NATIONAL CITY, a municipal corporation (the “CITY”), and LOMA MEDIA, INC., a California corporation dba Loma Media Partners (the “CONSULTANT”).

R E C I T A L S

WHEREAS, the CITY desires to employ a CONSULTANT to provide marketing, communications, and outreach-related services for the CITY.

WHEREAS, the CITY has determined that the CONSULTANT is a marketing and communications firm and is qualified by experience and ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY agrees to engage the CONSULTANT to perform marketing, communications, and outreach-related services for the CITY, and the CONSULTANT agrees to perform the services set forth here in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services shall be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **EFFECTIVE DATE AND LENGTH OF AGREEMENT.** This Agreement will become effective on February 18, 2020. The duration of this Agreement is for the period of February 18, 2020 through February 17, 2023. This Agreement may be extended by mutual agreement upon the same terms and conditions for an additional one (1) year term. The Parties may exercise up to two one-year extensions. Any extension of this Agreement must be approved in writing by the City Council.

3. **SCOPE OF SERVICES.** The CONSULTANT will perform those marketing, communications, and outreach-related services for the CITY as set forth in the attached Exhibit “A”.

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on personnel of the CITY for such services, except as authorized in advance by the CITY. The CONSULTANT shall appear at meetings specified in Exhibit “A” to keep staff and City Council advised of the progress on the project.

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith

and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

4. **PROJECT COORDINATION AND SUPERVISION.** Lauren Maxilom hereby is designated as the Project Coordinator for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. John DeBello thereby is designated as the Project Director for the CONSULTANT.

5. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The total cost for all work described in Exhibit "A" shall not exceed \$250,000.00. The compensation for the CONSULTANT'S work shall not exceed \$150.00 per hour. Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit "A", as determined by the CITY.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred, and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY, and for furnishing of copies to the CITY, if requested.

6. **ACCEPTABILITY OF WORK.** The CITY shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement, and the amount of compensation due. In the event the CONSULTANT and the CITY cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT in this Agreement, the CITY or the CONSULTANT shall give to the other written notice. Within ten (10) business days, the CONSULTANT and the CITY shall each prepare a report which supports their position and file the same with the other party. The CITY shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT.

7. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications, and other documents prepared by the CONSULTANT for this project, whether paper or electronic, shall: (1) be free from defects; (2) become the property of the CITY for use with respect to this project; and (3) shall be turned over to the CITY upon completion of the project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY, and CONSULTANT thereby expressly waives and disclaims any copyright in, and the right to reproduce, all written material, drawings, plans, specifications, or other work prepared under this Agreement, except upon the CITY'S prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium, or method utilize the CONSULTANT'S written work product for the CITY'S purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings, or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14, but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of Services of this project, unless otherwise mutually agreed.

8. **INDEPENDENT CONSULTANT.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY, and are not entitled to any of the rights, benefits, or privileges of the CITY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT'S employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement, nor any interest herein, may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or SUBCONSULTANTS, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its SUBCONSULTANT(S) shall require the SUBCONSULTANT(S) to adhere to the applicable terms of this Agreement.

9. **CONTROL.** Neither the CITY, nor its officers, agents, or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT'S employees, except as set forth in this Agreement. The CONSULTANT, or the CONSULTANT'S agents, servants, or employees are not in any manner agents, servants, or employees of the CITY. The CONSULTANT and its agents, servants, and employees are wholly independent from the CITY and CONSULTANT'S obligations to the CITY are solely prescribed by this Agreement.

10. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable state and federal statutes and regulations, and all applicable ordinances, rules, and regulations of the City of National City, whether now in force or subsequently enacted. The CONSULTANT and each of its SUBCONSULTANT(S), shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.

11. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. CONSULTANT must promptly produce a copy of any such license, permit, or approval to CITY upon request. The CONSULTANT represents and

covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

12. **STANDARD OF CARE.**

A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT'S employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT'S professional performance or the furnishing of materials or services relating thereto.

C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-section will render the CONSULTANT liable to the CITY for any increased costs that result from the CITY'S later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

13. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

14. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 14, however, shall not

apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 15.

15. **INDEMNIFICATION AND HOLD HARMLESS.** To the maximum extent provided by law, The CONSULTANT agrees to defend, indemnify and hold harmless the City of National City, its officers, officials, agents, employees, and volunteers against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the CONSULTANT'S performance or other obligations under this Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the CITY, its agents, officers, employees or volunteers. CITY will cooperate reasonably in the defense of any action, and CONSULTANT shall employ competent counsel, reasonably acceptable to the City Attorney.

The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the term of this Agreement.

16. **EMPLOYEE PAYMENTS AND INDEMNIFICATION.**

A. **PERS Eligibility Indemnification.** If CONSULTANT's employee(s) providing services under this Agreement claims, or is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS of the CITY, CONSULTANT shall indemnify, defend, and hold harmless CITY for the payment of any employer and employee contributions for PERS benefits on behalf of the employee as well as for payment of any penalties and interest on such contributions which would otherwise be the responsibility of the CITY.

CONSULTANT'S employees providing service under this Agreement shall not: (1) qualify for any compensation and benefit under PERS; (2) be entitled to any benefits under PERS; (3) enroll in PERS as an employee of CITY; (4) receive any employer contributions paid by CITY for PERS benefits; or (5) be entitled to any other PERS-related benefit that would accrue to a CITY employee. CONSULTANT's employees hereby waive any claims to benefits or compensation described in this Section 16. This Section 16 applies to CONSULTANT

notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary.

B. Limitation of CITY Liability. The payment made to CONSULTANT under this Agreement shall be the full and complete compensation to which CONSULTANT and CONSULTANT's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither CONSULTANT nor CONSULTANT's officers, employees, agents, and subcontractors are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to CITY employees. The CITY will not make any federal or state tax withholdings on behalf of CONSULTANT. The CITY shall not be required to pay any workers' compensation insurance on behalf of CONSULTANT.

C. Indemnification for Employee Payments. CONSULTANT agrees to defend and indemnify the CITY for any obligation, claim, suit, or demand for tax, retirement contribution including any contribution to PERS, social security, salary or wages, overtime payment, or workers' compensation payment which the CITY may be required to make on behalf of (1) CONSULTANT, (2) any employee of CONSULTANT, or (3) any employee of CONSULTANT construed to be an employee of the CITY, for work performed under this Agreement. This is a continuing obligation that survives the termination of this Agreement.

17. WORKERS' COMPENSATION. The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Labor Code and all amendments thereto; and all similar State or federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its officers, employees, and volunteers from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the CITY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

18. INSURANCE. The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its SUBCONSULTANT(S), when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:

A. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles.

B. **Commercial General Liability Insurance**, with minimum limits of \$1,000,000 per occurrence and \$2,000,000, covering all bodily injury and property damage arising out of its operations, work, or performance under this Agreement. The policy shall name the CITY and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided.

C. **Workers' Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of CONSULTANT'S employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed

with a waiver of subrogation in favor of the CITY. Said endorsement shall be provided prior to commencement of work under this Agreement.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its officers, officials, employees, and volunteers, so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY's Risk Manager, at the address listed in subsection G below, of cancellation or material change.

F. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

G. The Certificate Holder for all policies of insurance required by this Section shall be:

City of National City
c/o Risk Manager
1243 National City Boulevard
National City, CA 91950-4397

H. Insurance shall be written with only insurers authorized to conduct business in California that hold a current policy holder's alphabetic and financial size category rating of not less than A:VII according to the current Best's Key Rating Guide, or a company of equal financial stability that is approved by the CITY'S Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent List of Approved Surplus Line Insurers ("LASLI") and otherwise meet rating requirements.

I. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY'S Risk Manager. If the CONSULTANT does not keep all insurance policies required by this Section 18 in full force and effect at all times during the term of this Agreement, the CITY may treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

J. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the CITY. CITY reserves the right to modify the insurance requirements of this Section 18, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

K. If the CONSULTANT maintains broader coverage or higher limits (or both) than the minimum limits shown above, the CITY shall be entitled to the broader coverage or higher limits (or both) maintained by the CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY.

19. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorney's fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

20. **TERMINATION.**

A. This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement, misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the CITY by the CONSULTANT'S breach, if any. Thereafter, ownership of said written material shall vest in the CITY all rights set forth in Section 7.

E. The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

21. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To CITY: Lauren Maxilom
Management Analyst II
Office of the City Manager
City of National City
1243 National City Boulevard
National City, CA 91950-4397

To CONSULTANT:
John DeBello
President
Loma Media Inc
101 W. Broadway, Suite 300
San Diego, CA 91902

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

22. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.** During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the City of National City. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONSULTANT shall obtain from the City Clerk.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Section 22 by the CONSULTANT.

23. **PREVAILING WAGES.** State prevailing wage rates may apply to work performed under this Agreement. State prevailing wages rates apply to all public works contracts as set forth in California Labor Code, including but not limited to, Sections 1720, 1720.2, 1720.3, 1720.4, and 1771. Consultant is solely responsible to determine if State prevailing wage

rates apply and, if applicable, pay such rates in accordance with all laws, ordinances, rules, and regulations.

24. **ADMINISTRATIVE PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state, or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes. To the extent any exhibits, schedules, or provisions thereof conflict or are inconsistent with the terms and conditions contained in this Agreement, the terms and conditions of this Agreement shall control.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Assignment & Assumption of Rights.* CONSULTANT shall not assign this Agreement, in whole or in part, to any other party without first obtaining the written consent of CITY.

H. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

I. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California. The venue for any legal action arising under this Agreement shall be in either state or federal court in the County of San Diego, State of California.

J. *Audit.* If this Agreement exceeds ten-thousand dollars (\$10,000), the parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the Agreement, per Government Code Section 8546.7.

K. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

L. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

M. *Subcontractors or Subconsultants.* The CITY is engaging the services of the CONSULTANT identified in this Agreement. The CONSULTANT shall not subcontract any portion of the work, unless such subcontracting was part of the original proposal or is allowed by

the CITY in writing. In the event any portion of the work under this Agreement is subcontracted, the subconsultant(s) shall be required to comply with and agree to, for the benefit of and in favor of the CITY, both the insurance provisions in Section 18 and the indemnification and hold harmless provision of Section 15 of this Agreement.

N. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF NATIONAL CITY

LOMA MEDIA, INC., A CALIFORNIA CORPORATION, DBA LOMA MEDIA PARTNERS

(Corporation – signatures of two corporate officers required)

By: _____
Alejandra Sotelo Solis, Mayor

By: _____
(Name)

John DeBello
(Print)

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

President
(Title)

By: _____
Roberto M. Contreras
Deputy City Attorney

By: _____
(Name)

Carmen DeBello
(Print)

Vice President
(Title)

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, 1)
AUTHORIZING THE MAYOR TO EXECUTE A THREE-YEAR AGREEMENT WITH
LOMA MEDIA, INC. FOR A NOT-TO-EXCEED AMOUNT OF \$250,000 TO PROVIDE
ON-CALL PROJECT SUPPORT SERVICES FOR NATIONAL CITY, INCLUDING, BUT
NOT LIMITED TO, GRAPHIC DESIGN/WEB DESIGN, COMMUNITY OUTREACH,
GRANTS MANAGEMENT, PUBLIC RELATIONS AND GOVERNMENT AFFAIRS AND
POLLING AND ANALYSIS; AND 2) AUTHORIZING THE CITY MANAGER TO
EXECUTE ANY PROJECT-SPECIFIC SUPPLEMENTAL AGREEMENTS,
AS MAY BE REQUIRED**

WHEREAS, on May 2, 2019, the City of National City requested services via an Request for Qualifications (RFQ) to include, plan and map reviews, preparation of plat and legal descriptions, sewer system management and financial administration, housing and real estate development services, Building Department support services, and environmental compliance involving storm water, wastewater and hazardous materials, graphic design/web design, community outreach, grants management, public relations and government affairs and polling and analysis; and

WHEREAS, the RFQ was advertised on the City's website, published in the San Diego Union Tribune, e-mailed to over 100 professional consulting firms and also advertised on PlanetBids where over 400 firms were notified; and

WHEREAS, the City also hosted an Information Session regarding the RFQ process on May 14, 2019 at the Martin Luther King Jr. Community Center, which was attended by over 100 people; and

WHEREAS, the City received 71 Statement of Qualifications (SOQs) from various firms by the June 10, 2019 deadline and reviewed, taking into consideration, among other things, past performance history, knowledge of the environment, the type of services offered, and the cost to the City; and

WHEREAS, based on an interview, qualifications, and past performance, staff recommends executing a three-year Agreement (with the option to extend for two, one year extensions) with Loma Media, Inc., for a not-to-exceed amount of \$250,000 to provide on-call project support services for the city, including, but not limited to, graphic design/web design, community outreach, grants management, public relations and government affairs and polling and analysis; and

WHEREAS, in addition, staff recommends authorizing the City Manager to execute any project-specific supplemental agreements, as may be required for grant funded projects.

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**Resolution No. 2020 -
Page Two**

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby authorizes the Mayor to execute a three-year Agreement (with the option to extend the Agreement for two, one year extensions) with Loma Media, Inc., for a not-to-exceed amount of \$250,000 to provide on-call project support services for the City, including, but not limited to, graphic design/web design, community outreach, grants management, public relations and government affairs and polling and analysis. Said Agreement is on file in the office of the City Clerk.

BE IT FURTHER RESOLVED, that the City Council hereby authorizes the City Manager to execute any project specific supplemental agreements as may be required for grant funded projects.

PASSED and ADOPTED this 18st day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City adopting Caltrans' Local Assistance Procedures Manual \(LAPM\), Chapter 10 Consultant Selection to ensure compliance with Federal and State laws and regulations pertaining to use of consultant services on State and Federal funded transportation projects. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City adopting Caltrans' Local Assistance Procedures Manual (LAPM), Chapter 10 Consultant Selection to ensure compliance with Federal and State laws and regulations pertaining to use of consultant services on State and Federal funded transportation projects.

PREPARED BY: Jose Lopez, P.E., Associate Civil Engineer

PHONE: 619-336-4312

DEPARTMENT: Engineering/Public Works

APPROVED BY: 

EXPLANATION:

See attached.

FINANCIAL STATEMENT:

ACCOUNT NO.

N/A

APPROVED: _____ Finance

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt Resolution adopting Caltrans' Local Assistance Procedures Manual (LAPM), Chapter 10 Consultant Selection.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Exhibit A - LAPM, Chapter 10 (Consists of 78 pages)
3. Resolution

Explanation

The Engineering & Public Works Department directly oversees multiple transportation grant programs administered by Caltrans. Staff often uses consultant services to assist with project engineering and design. As a condition of approval for use of State and Federal funds for consultant services, the Code of Federal Regulations requires that "subrecipients adopt written policies and procedures prescribed by the awarding State Transportation Agency for the procurement, management, and administration of engineering and design related consultant services in accordance with applicable Federal and State laws and regulations." Instead of each City adopting their own procedures, Caltrans has developed the Local Assistance Procedures Manual (LAPM), Chapter 10 Consultant Selection, "which sets forth policies and procedures for procurements and managements of contracts for engineering and design related consultant services contracts on federal and state funded transportation projects to ensure compliance with applicable Federal and State laws and regulations."

LAPM, Chapter 10 also establishes requirements for Disadvantage Business Enterprise (DBE) participation when administering federal-aid projects. Title 49 Code of Federal Regulations (CFR) Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs, defines a DBE as follows: "A for-profit small business concern that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it." Title 49 CFR Part 26 requires that these individuals must be citizens (or lawfully admitted permanent residents) of the United States and (1) any individual who a recipient finds to be a socially and economically disadvantaged individual on a case-by-case basis, or (2) who are either African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, (persons whose origin are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal or Sri Lanka), Women, or any other group found to be socially and economically disadvantaged by the Small Business Administration.

In order for the City to ensure compliance with Federal and State laws and regulations pertaining to use of consultant services on State and Federal funded transportation projects, staff recommends that the City Council adopt Caltrans LAPM, Chapter 10 Consultant Selection, and any updates thereto. A copy of LAPM, Chapter 10 is on file with the Office of the City Engineer.

Chapter 10 Consultant Selection

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Exhibits

Exhibits applicable to this chapter can be found at:

<https://dot.ca.gov/programs/local-assistance/forms/local-assistance-procedures-manual-forms>

[Exhibit 10-A: A&E Consultant Financial Document Review Request](#)

[Exhibit 10-B: Suggested Consultant Evaluation Sheet](#)

[Exhibit 10-G: Individual A&E Task Order DBE Utilization \(needs linked\)](#)

[Exhibit 10-H: Sample Cost Proposal \(Example#1 thru #4\)](#)

[Exhibit 10-I: Notice to Proposers DBE Information](#)

[Exhibit 10-K: Consultant Annual Certification of Indirect Costs and Financial Management System](#)

[Exhibit 10-O1: Consultant Proposal DBE Commitment](#)

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[Exhibit 10-Q: Disclosure of Lobbying Activities](#)

[Exhibit 10-R: A&E Sample Contract Language](#)

[Exhibit 10-S: Consultant Performance Evaluation](#)

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SECTION 10.1: FEDERALLY FUNDED A&E CONTRACTS

<i>Procurement Planning</i>		
1	2	3
<ul style="list-style-type: none"> *Select Project *Set Project Objectives *Determine Project Schedule *Obtain CTC Allocation/Federal Authorization to Proceed prior to beginning reimbursable work *LAPM <u>Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement</u>, if applicable: submit Conflict of Interest (COI) and Scope of Work (SOW) to DLA-HQ prior to contract advertisement. 	<ul style="list-style-type: none"> *Identify Need for Consultant *Appoint Contract Administrator *Segment Project Work *Define SOW of A&E Consultant *Specify Products to be delivered 	<ul style="list-style-type: none"> *Estimate Cost of Consultant Work (independent cost estimate) *Determine Type of Contract (Project Specific or On-Call) *Determine Method of Payment: Lump Sum; Cost-Plus- Fixed-Fee; Cost Per Unit of Work; or Specific Rate of Compensation *Submit Exhibit 9-D to DLAE

A&E = Architectural and Engineering
IOAI = Caltrans Independent Office of Audits and Investigations
CT = Caltrans
DBE = Disadvantaged Business Enterprise
DLA = Division of Local Assistance
DLAE = District Local Assistance Engineer
DLA-HQ = Division of Local Assistance-Headquarters
LAPG = Local Assistance Program Guidelines
LAPM = Local Assistance Procedures Manual
MOP = Method of Payment
RFP = Request for Proposal
RFQ = Request for Qualifications
SOQ = Statement of Qualifications
SOW = Statement/Scope of Work

Figure 10-1: A&E Contract Procurement Process Workflow Diagram

Solicitation Documents and Advertisement		
4	5	6
<div style="border: 1px solid black; background-color: #333; color: white; padding: 5px; display: inline-block;">Local Agency</div> ↔	<div style="border: 1px solid black; background-color: #333; color: white; padding: 5px; display: inline-block;">Local Agency</div> ↔	<div style="border: 1px solid black; background-color: #333; color: white; padding: 5px; display: inline-block;">Local Agency</div> ↔
<ul style="list-style-type: none"> *Determine Solicitation Document; RFP or RFQ *Appoint Consultant Selection Committee *Collect signed Conflict of Interest forms and Confidentiality Statements (see <u>Exhibit 10-T: Conflict of Interest & Confidentiality Statement</u>) from all members involved in process *Determine Procurement Schedule *Develop Technical Criteria with level of importance (weights) for Evaluation of Proposals or the SOQ 	<ul style="list-style-type: none"> *Prepare RFP or RFQ documents *Include SOW, evaluation process/criteria, DBE goals, MOP and cost proposal format (see <u>Exhibit 10-H: Sample Cost Proposal</u>) minimum requirement of Proposal or SOQ, Notice to Proposers DBE Information (see <u>Exhibit 10-I: Notice to Proposers DBE Information</u>), submittal deadline *Advertise RFP or RFQ on public forum (newspaper, technical publications, Web Hosting Site, other local websites) *Issue RFP or RFQ (direct mailing, web posting) 	<ul style="list-style-type: none"> *Prepare to respond to RFP/RFQ questions *Conduct Proposers Conference, if applicable *Receive Proposals or SOQs

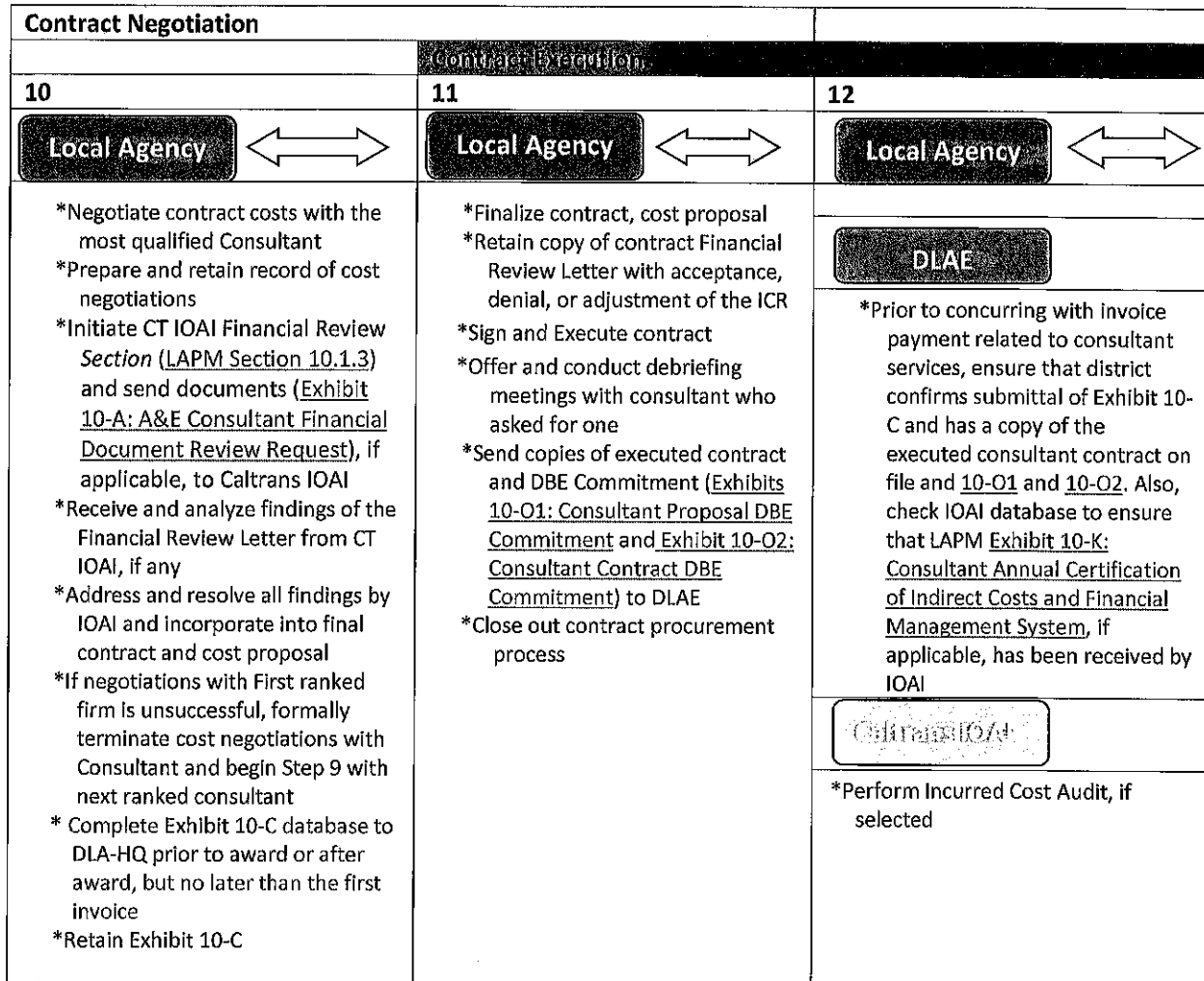
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SOW = Statement/Scope of Work

Figure 10-1: A&E Contract Procurement Process Workflow Diagram- continued

Evaluation and Selection of Consultant		
7	8	9
Local Agency ↔	Local Agency ↔	Local Agency ↔
<ul style="list-style-type: none"> *Distribute Proposals or SOQs to Selection Committee members *Ensure Committee members receive the appropriate score sheet to use (see <u>Exhibit 10-B: Suggested Consultant Evaluation Sheet</u>) *Convene Selection Committee and evaluate submittals; Perform reference checks *Develop Final Ranking or Short List *Notify proposers of ranking/Short List *Retain all original score sheets and summaries 	<ul style="list-style-type: none"> *Send out RFPs to Short List (two-step process) *Conduct Interview of Short List (if needed) *Develop Final Ranking of Consultants, and notify all interviewees *Retain all original score sheets and summaries *Provide a copy of Standard Contract language to top ranked consultant and invite for negotiations (see <u>Exhibit 10-R: A&E Sample Contract Language</u> for standard contract language and provisions) 	<p style="text-align: center;">Contract Negotiation</p> <ul style="list-style-type: none"> *Open and analyze cost proposal from the Highest Ranked firm <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px 0;"> <p>Caltrans IOAI</p> </div> <ul style="list-style-type: none"> *Review and evaluate <u>10-A package</u> and supporting documents, if applicable *Issue Financial Review Letter, if applicable *Perform contract audits and reviews, if applicable, or review of CPA audited ICR workpapers to Issue Cognizant Letter of Approval

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Figure 10-1: A&E Contract Procurement Process Workflow Diagram- continued



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SOQ = Statement of Qualifications
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Figure 10-1: A&E Contract Procurement Process Workflow Diagram- continued

10.1.1 GENERAL

Introduction

A local agency may engage consultants to perform architectural, engineering, and related services to develop a federal-aid funded project. Local agencies requesting federal funds to reimburse A&E Consultants must follow the selection and contracting procedures detailed in this chapter.

Definition of an Architectural and Engineering Consultant

23 Code of Federal Regulations §172 and CA State Law further defines A&E services and includes those private consulting firms providing architectural, landscape architectural, engineering, environmental, land surveying, construction engineering, or program management are termed Architectural and Engineering (A&E) Consultants.

Architectural and Engineering Consultants

The Brooks Act (40 USC, Section 1104) requires local agencies to award federally funded engineering and design related contracts based on fair and open competitive negotiations, demonstrated competence, and professional qualifications (23 Code of Federal Regulations (CFR), Part 172), at a fair and reasonable price (48 CFR 31.201-3).

Cost proposals submitted to the local agency must be sealed and shall not be included as a criterion for rating such consultants. After ranking, cost negotiations may begin with the most qualified consultant and only their cost proposal will be opened. Should negotiations fail or result in a price that the local agency does not consider fair and reasonable, negotiations must be formally terminated and the local agency must then undertake negotiations with the second most qualified consultant.

If the negotiations with the second most qualified firm are not successful, negotiations must be formally terminated and the local agency must then undertake negotiations with the third most qualified consultant, and so on, until the price is determined to be fair and reasonable by the local agency.

In selecting an A&E consultant, a detailed technical proposal or qualifications proposal, and a proposed contract will be required.

Depending upon the scope of work, the required contract provisions may need to include the California State Prevailing Wages (Federal Payment of Predetermined Minimum Wage applies only to federal-aid construction contracts). Prevailing wages will apply if the services to be performed will involve land surveying (such as flag persons, survey party chief, rodman or chainman), materials sampling and testing (such as drilling rig operators, pile driving, crane operators), inspection work, soils or foundation investigations, environmental hazardous materials and so forth. California State Prevailing Wage information is available through the California Department of Industrial Relations websites below:

Consultants will need to provide their Prevailing Wage Policy if their participation on the project includes prevailing wage work. The policy will include information on the accounting treatment of delta base and delta fringe, and verify the accounting treatment is consistent every year.

- DIR FAQ website: http://www.dir.ca.gov/OPRL/FAQ_PrevailingWage.html
- DIR Wage Determination website: <http://www.dir.ca.gov/oprl/DPreWageDetermination.htm>
- Caltrans Prevailing Wage Interpretive Guidance: <https://ig.dot.ca.gov/resources/interpretive-guidance>

Non-A&E Consultants

Consultants other than A&E consultants may be selected using cost, cost and qualifications (best value) or other critical selection criteria. The procedures outlined in this chapter can be modified for selecting non-A&E consultants by adding a cost item to the contract proposal.

For more details on non-A&E consultants, see Section 10.3: Non-A&E Contracts of this chapter.

Selecting the Project

The local agency is responsible for selecting and initiating a federal-aid financed transportation project. The decision to begin project development is influenced by the project needs, its acceptability, the timing of studies, financing, and construction. The local agency must identify the project's objectives including the general level of improvement or service, operating standards, maximum cost and the target date for project completion before commencing any consultant selection process.

Subcontracted Services

The consultant is responsible for performing the work required under the contract in a manner acceptable to the local agency. The consultant's organization and all associated consultants and subconsultants must be identified in the proposal. If the consultant wishes to use a subconsultant not specified in the proposal, prior written approval must be obtained from the local agency. The subcontract must contain all required provisions of the prime contract. All subawards must include adequate oversight, management, and administration of engineering and design related consultant services and be administered in accordance with State laws and procedures specified in 23 U.S.C.106(g)(4) and 2 CFR 200.331.

Organizational and Consultant Conflicts of Interest

In the procurement of contracts for engineering services by private consulting firms using federal-aid highway funds, local agencies must take all the steps necessary to prevent fraud, waste, and abuse. The local agency must develop and maintain a written code of conduct governing the performance of its employees (including the contract administrator) engaged in the award and administration of federal-aid highway funded contracts, including the prevention of conflicts of interest in accordance with 23 CFR 172.7(b)(4).

A conflict of interest occurs when a public official's private interests and his or her public duties and responsibilities diverge or are not consistent. Conflicts of interest may be direct or indirect (e.g., as result of a personal or business relationship). The appearance of a conflict of interest should be avoided as an apparent conflict may undermine public trust if not sufficiently mitigated.

Federal Regulation Governing Conflict of Interest (23 CFR 172.7(b)(4)) requires that:

- Local agency shall maintain a written code of standards of conduct for employees engaged in the award and administration of engineering and design service contracts;
- No contracting agency employee who participates in the procurement, management, or administration of federal funded contracts or subcontracts shall have, directly or indirectly, any financial or other personal interest in connection with such contract or subcontract;
- No person or entity performing services for a contracting agency in connection with a federal funded project shall have, directly or indirectly, any financial or other personal interest, other than employment or retention by the contracting agency, in any contract or subcontract in connection with such project;
- No person or entity performing services for a contracting agency in connection with a federal-aid highway funded project shall have, directly or indirectly, any financial or other personal interest in any real property acquired for the project;
- No contracting agency employees or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from consultants, potential consultants, or parties to subagreements;
- Local agency shall disclose in writing any potential conflict of interest to FHWA.

Consultants Performing Work on Multiple Phases of Federal-aid Projects

Local agencies sometimes wish to hire the same consultant firm to perform construction engineering and/or inspection services on the same project on which the firm also performed design services. This can cause project delivery efficiencies, as the design firm is well-suited to verify that the project is being constructed in accordance with the design and can resolve issues related to the design on behalf of the contracting agency. However, this may also pose a potential conflict of interest if the firm has a vested financial interest in failing to disclose deficiencies in its design work product and seeks to insulate itself from pecuniary liability in subsequent phases of the project, such as minimizing or ignoring design errors and omissions, rather than serving the best interests of the contracting agency and the public. Procuring a different firm from the design firm to provide the construction engineering and/or inspection services provides another level of review and reduces the risk of, or potential for, a conflict of interest.

Although federal regulations do not expressly prohibit the same firm from providing services on subsequent phases, the local agencies are responsible for ensuring the public interest is maintained throughout the life of a project and that a conflict of interest, real or apparent, does not occur or is sufficiently mitigated by appropriate public agency controls. Prior to allowing a consulting firm to provide services on subsequent phases of the same project, the contracting agency must establish appropriate compensating controls in policies, procedures, practices, and other safeguards to ensure a conflict of interest does not occur in the procurement, management, and administration of consultant services.

When design and construction phase services are procured under a single solicitation, the selection of the consulting firm must be based on the overall qualifications to provide both design and construction phase services, which require different skill sets, experience, and resources. Procuring these services under different solicitations may result in selection of a more qualified firm to perform services in each phase, as the most qualified firm to perform

design phase services may not be the most qualified firm to provide construction phase services. Similarly, the qualifications and capacity of a firm may change over time. As such, it may not be appropriate to contract with a consulting firm to provide construction phase services at the outset of a design phase, knowing that these services may not be needed for an extended period until the preconstruction phase of the project is complete and construction funding authorized. The contract with a consulting firm providing design phase services on a project may not be amended to include construction phase services unless the desired construction phase services were included within the original advertised scope of services and evaluation criteria of the solicitation from which a qualifications based selection was conducted. All consultants acting in a management support role must complete Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement (see Section 10.1.9: Miscellaneous Considerations in this chapter) and retain it in the local agency files.

Miscellaneous Considerations Authorization to Proceed

The Federal Highway Administration (FHWA) must give the local agency an Authorization to Proceed (E-76) with the work prior to performing of any work for which federal reimbursement is to be requested, (see the LAPM Chapter 3: Project Authorization). Eligible consultant contracts may be procured using local funds prior to receiving the E-76, but reimbursement is for work performed after the E-76 authorization date. If contract is procured using state or local funds, federal procedures must have been followed if seeking federal reimbursement. For state funded projects see Section 10.2: State-Only Funded A&E Contracts and the Local Assistance Program Guidelines (LAPG), Chapter 23: Local Agency State Transportation Improvement Program Projects, for guidance on when work may proceed.

Copies of the Authorization to Proceed and the consultant contract must be retained in the local agency project files for future audit.

10.1.2 IDENTIFYING & DEFINING A NEED FOR CONSULTANTS

The need for a consultant is identified by comparing the project's schedule and objectives with the local agency's capabilities, its staff availability of the required expertise, and its funding resources. If the local agency does not have sufficient staff capabilities, it may solicit assistance from another agency, or use a qualified private consultant to perform the required work.

If the local agency determines that there is a need to solicit assistance from another local agency, or to use a consultant, the District Local Assistance Engineer (DLAE) should be notified if federal-aid funds are to be requested for the project segment to be contracted out.

Appointing the Contract Administrator

The Contract Administrator is responsible for ensuring the quality of consultant contract products or services. The Contract Administrator is appointed as soon as the need for consultant services is identified. The Contract Administrator is involved throughout the development of the selection process and the contract provisions, and in the administration of the consultant's work. The Contract Administrator must be a qualified local agency employee or have staff that is qualified to ensure the consultant's work is complete, accurate, and consistent with the terms and conditions of the consultant contract. On federal-aid contracts, the Contract Administrator or staff members must be a full-time employee and familiar with the work to be contracted out and the standards to be used. The Contract Administrator must also abide by the laws, regulations and policies required as part of accepting federal or state funding for their

project. Non-compliance with the laws, regulations, and policies may result in loss of project funding.

The Contract Administrator's duties are listed in 23 CFR 172.9(d)(1) and include:

- Contract negotiation, contract payment, and evaluation of compliance performance, and quality of services provided by the consultant;
- Being familiar with the contract requirements, scope of services to be performed, and products to be produced by the consultant;
- Being familiar with the qualifications and responsibilities of the consultant's staff and evaluating any requested changes in key personnel;
- Scheduling and attending progress and project review meetings, commensurate with the magnitude, complexity, and type of work, to ensure the work is progressing in accordance with established scope of work and schedule milestones;
- Documenting contract monitoring activities and maintaining supporting contract records as specified in 2 CFR 200.333;
- Provides direction to ensure the proposed work is advertised properly;
- Prepares and distributes the Request for Qualifications (RFQ), description of work, and Request for Proposals (RFP), if used;
- Prepares the draft contract;
- Arranges for preparation before an independent estimate of the value of the work to be contracted out;
- Ensures that the selection procedures are followed;
- Analyzes the selected/best-qualified consultant's cost proposal;
- Ensures contract audit and review procedure is followed;
- Ensures that fee/profit negotiation is conducted and keeps records;
- Serves as the local agency's primary contact person for the successful consultant;
- Monitors the consultant's progress and provides direction;
- Ensuring consultant costs billed are allowable in accordance with the Federal cost principles and consistent with the contract terms as well as the acceptability and progress of the consultant's work;
- Identifies other local agency staff for the consultant to contact, if needed;
- Closes out the contract at completion, by processing the final invoice; completing a mandatory consultant evaluation, and final DBE utilization reports (Exhibit 17-F: Final Report Utilization of Disadvantaged Business Enterprises (DBE) and First-Tier Subcontractors).

Segmenting Consultant Work

Consultant services are most effective when consultant work is segmented appropriately. The extent of segmenting depends upon the type and complexity of the work. Combining preliminary engineering tasks with the preparation of the required environmental analysis is normally desirable. Preparing an Environmental Assessment (EA) or Environmental Impact Statement (EIS) is more than simply writing a report. Assessment and impact reports include preliminary engineering needed to analyze project alternatives and produce an engineering and planning assessment. Initial project studies include only as much traffic and engineering analysis of alternatives, as is needed to produce a sound EA or EIS (see LAPM Chapter 6 Environmental Procedures and Standard Environmental Reference (SER) Chapters 31: Environmental Assessment (EA)/Finding of No Significant Impact (FONSI) and Chapter 32: Environmental Impact Statement (EIS)). Final design shall not begin until NEPA environmental approval has been received if federal reimbursement is desired.

Refer to Figure 10-2: Segmenting Consultant Work below, which illustrates several satisfactory ways to segment consultant activities.

	Well-structured Projects With Simple Right of Way Requirements	Well-structured Projects With Complex Right of Way Requirements	More Difficult Projects	Very Complex Projects
Preliminary Engineering				
Environmental Analysis				
Plans, Specifications & Estimates				
Right of Way Activities				
Utility Relocation				
Construction Engineering				

Figure 10-2: Segmenting Consultant Work

Specify Products to be Delivered

The Contract Administrator identifies the products and services to be delivered as a result of consultant contract work, and minimum qualification of consultant professionals and staff. These vary depending upon the type of projects and the phase of project development being addressed.

Scope of Consultant Work

The scope of work, which the contract must include, is a detailed description of the products or services the consultant is to provide. From a detailed scope of work, consultants respond to a project advertisement; determine personnel and time requirements; and develop a technical proposal. Therefore, the scope of work must be clear, concise, complete, and describe the

deliverables, standards for design and other work, quality control measures, acceptance criteria and deadlines.

Non-Discrimination Clause

The Non-Discrimination Clause (Exhibit 10-R: A&E Boilerplate Agreement Language, Article XVI Statement of Compliance) must be included in each consultant contract. The consultant must include the non-discrimination and compliance provisions of the Non-Discrimination Clause in all subcontracts to perform work under the contract.

Disadvantaged Business Enterprise (DBE) Participation

When administering federal-aid projects, federal regulations (49 CFR, Part 26) require a local agency to comply with the DBE program, and take necessary steps to ensure that DBE firms have the opportunity to participate in the projects. Refer to Chapter 9: Civil Rights and Disadvantaged Business Enterprises for DBE requirements for A&E Consultant Contracts.

Estimated Cost of Consultant Work

An independent estimate for cost or price analysis is needed for all consultant contracts (23 CFR 172.7(a)(1)(v)(B)) to ensure that consultant services are obtained at a fair and reasonable price. The estimate is prepared in advance of requesting a cost proposal from the top-ranked consultant, so the local agency's negotiating team has a cost comparison of the project to evaluate the reasonableness of the consultant's cost proposal. The estimate, which is specifically for the use of the local agency's negotiating team, is to be kept confidential and maintained for records.

A good cost estimate can be prepared only if the scope of work is defined clearly. The scope of work must include a list of the products or services which the consultant is required to deliver, and a time schedule of when they must be delivered.

It should be stressed that all work to be derived from the consultant services, such as preliminary design, environmental or final design, must be clearly identified in the solicitation of consultant services (RFQ or RFP) and included in the cost estimate. The addition of work to the original scope by amendment should be avoided whenever possible. Contract modifications are required for any amendments to the terms of the existing contract that change the cost of the contract; significantly change the character, scope, complexity, or duration of the work; or significantly change the conditions under which the work is required to be performed.

Some of the costs estimating techniques are:

Analogous Estimating:

Analogous cost estimating is using the actual cost of a previous, similar contract as the basis for estimating the cost of the current contract. Analogous cost estimating is frequently used to estimate costs when there is a limited amount of detailed information about the project. Analogous cost estimating is generally less accurate and it is most reliable when previous projects are similar in fact, and not just in appearance, and it uses expert judgment.

Parametric Estimating:

Parametric estimating is a technique that uses statistical relationship between historical data and other variables to calculate a cost estimate for an activity resource. This technique can produce a higher level of accuracy depending upon the sophistication, as well as underlying

resource quantity and the cost data. A cost example would involve multiplying the planned quantity of work by the historical cost per unit to obtain the estimated cost of the contract.

Bottom-up Estimating:

This technique involves estimating the cost for individual work in the contract with the lowest level of detail. This detailed cost is then summarized or rolled up to determine a total cost of contract. Cost detail should include estimated hours per task, labor hourly cost for professional and non-professional classifications, subconsultant costs, other project direct costs, and profit. Labor costs should be broken down to direct labor and indirect cost rates, if possible.

If more than one project or phase of work is to be developed within the consultant contract, separate cost estimates are required for each project or phase of work. Separate cost estimates are required for each milestone and portion of the work expected to be subcontracted.

For on-call (as-needed) contracts, the cost estimate/analysis should include at minimum, a historical analysis of annual needs for consultant work, professional labor cost and market analysis, and reasonable profit analysis.

Determine Type of Contract

Types of contracts to be used are described as follows:

- Project-specific contract is between the local agency and consultant for the performance of services and a defined scope of work related to a specific project or projects.
- Multi-phase contract is a project-specific contract where the defined scope of work is divided into phases which may be negotiated and executed individually as the project progresses.
- On-call contract is a contract that may be utilized for a number of projects, under which task or work orders are issued on an as-needed basis, for an established contract period and maximum total contract dollar amount. On-call contracts are typically used when a specialized service of indefinite delivery or indefinite quantity is needed for a number of different projects, such as construction engineering, design, environmental analysis, traffic studies, geotechnical studies, and field surveying, etc. Many agencies use these contracts to address peaks in workload of in-house engineering staff and/or to perform a specialized service which the agency does not have. On-call contracts shall specify a reasonable maximum length of contract, not to exceed 5 years, and a maximum total contract dollar amount (23 CFR 172). The maximum dollar amount for all contracts awarded under the solicitation is stated in the solicitation. The maximum dollar amount is the aggregate of the on-call contracts anticipated to be awarded. If the solicitation lists that up to 5 contracts may be awarded, the aggregate amount of these 5 contracts is the maximum contract dollar amount. How many contracts are anticipated to be awarded must be stated in the solicitation. How task orders will be issued must be stated in the solicitation (two options exist: geographically designated areas or additional competitive solicitation to all consultants who provide the same type of service and awarded a contract under the same solicitation).
 - To maintain the intent of the Brooks Act (40 USC 1101-1104) in promoting open competition and selection based on demonstrated competence and qualifications, on-call consultant contracts established through the RFQ process must meet the following requirements:

- Must define a general scope of work, complexity, and professional nature of services.
- Specify a task order procedure the local agency uses to procure project specific work under the contract.
- No task order is valid unless the on-call contract is still enforced. For example, if the on-call contract is expired, all task orders issued after the contract expiration date will become invalid.
- If multiple consultants are to be selected and multiple on-call contracts awarded through a single solicitation for specific services, the number of consultants that may be selected or contracts that may be awarded must be identified.
- Specify procurement procedures in the contracts the local agency will use to award/execute task orders among the consultants:
 - Either through an additional qualification-based selection process (see the Two-Step RFQ/RFQ process later in this chapter), OR
 - On regional basis whereby the region is divided into areas identified in the solicitation, and consultants are selected to provide on-call services for assigned areas only. The RFP may list multiple regions that allow consultants to crossover or be a “backup” to other consultants that for specifically documented reasons are not able to perform the work in their assigned region. Per 23 CFR 172.9 (a)(3)(B)(2), the “backup” option needs to be listed in the respective contracts.
- An example of acceptable contract wording in multiple on-call contracts for the same type of service:
 - “Agency has or will enter into three (3) task order contracts for performance of the Scope of Services identified in Exhibit “A”, including this Agreement (“CM Services Task Order Contracts”). The other CM Services Task Order Contracts are [identify other two contracts by agreement numbers and consultant firms]. The total amount payable by Agency for the CM Services Task Order Contracts shall not exceed a cumulative maximum total value of Seven Million, Five Hundred Thousand Dollars (\$7,500,000) (“NTE Sum”). It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under the CM Services Task Order Contracts through Task Orders. Each time a Task Order is awarded under any of the CM Services Task Order Contracts, the Agency shall send written notification to Consultant and each of the other consultants entering into the CM Services Task Order Contracts. The notice shall identify the total funds allocated under issued Task Orders, and the remaining unencumbered amount of the NTE Sum. Consultant acknowledges and agrees that Agency shall not pay any amount under this Agreement that

would exceed the NTE Sum, and Consultant shall not enter into a Task Order that exceeds the NTE Sum.”

Determining the Project Schedule

The local agency develops a schedule for performance of work and completion of the project. The schedule must include sufficient time to allow for:

- Selecting the consultant;
- Developing the consultant contract;
- Completing the A&E consultant contract audit process;
- Conducting meetings and project reviews.

Determine Method of Payment

The method of payment of contract must be specified. Four methods are permitted depending on the scope of services to be performed reference 23 CFR 172.9(b):

- Cost-Plus-Fixed Fee (see Exhibit 10-H: Sample Cost Proposal, Example #1);
- Cost Per Unit of Work (see Exhibit 10-H, Example #3);
- Specific Rates of Compensation (see Exhibit 10-H, Example #2);
- Lump Sum (see Exhibit 10-H, Example #1).

The method of payment to the consultant shall be set forth in the original solicitation, contract, and in any contract modification thereto. A single contract may contain different payment methods as appropriate for compensation of different elements of work.

The cost plus a percentage of cost and percentage of construction cost methods of payment shall not be used. Both of these methods are explicitly prohibited by Federal Regulations.

Cost-Plus-Fixed Fee

The consultant is reimbursed for costs incurred and receives an additional predetermined amount as a fixed fee (profit). Federal regulations require that profit be separately negotiated from contract costs. The determination of the amount of the fixed fee shall take into account the size, complexity, duration, and degree of risk involved in the work. The fixed fee is not adjustable during the life of the contract. The fixed fee dollar amount must be clearly stated in the contract.

This method of payment is appropriate when the extent, scope, complexity, character, or duration of work cannot be precisely predicted. The fixed fee limit applies to the total direct and indirect costs. Fixed fees in excess of 15 percent of the total direct labor and indirect costs of the contract may be justified only when exceptional circumstances exist. The contract shall specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see Exhibit 10-H: Sample Cost Proposal Example #1 and Exhibit 10-R: A&E Sample Contract Language, Article V, Option 1 in this chapter). The contract cost proposal must identify all key employees and/or classifications to be billed. New key employees and/or classifications must be approved by the local agency before they incur work on the contract or the costs can

be questioned or disallowed. Local agencies are not required to update the Exhibit 10-C database. For more details reference Section 10.1.8.

Cost Per Unit of Work

The consultant is paid based on specific item of work performed. The item of work must be similar, repetitious and measurable, such as geotechnical investigation and material testing. This method of payment is appropriate when the cost per unit of work can be determined with reasonable accuracy in advance, but the extent or quantity of the work is indefinite. Contract payment provisions must specify what is included in the price to be paid for each item. Any item of work not identified in the contract cost proposal is not eligible for reimbursement. New items of work (those within the original scope of work only) must be amended into the contract before work is performed. The contract shall also specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see Exhibit 10-H, Example #3 and Exhibit 10-R, Article V Option 2).

Specified Rates of Compensation

The consultant is paid at an agreed and supported specific fixed hourly, daily, weekly or monthly rate, for each class of employee engaged directly in the work. Such rates of pay include the consultant's estimated costs and net fee (profit). Federal regulations require that profit be separately negotiated from contract costs. The specific rates of compensation, except for an individual acting as a sole proprietor, are to include an hourly breakdown, direct salary costs, fringe benefits, indirect costs, and net fee. Other direct costs may be included, such as travel and equipment rentals, if not already captured in the indirect cost rate. Other direct costs regardless of amount are to be listed on the cost proposal.

This method of payment should only be used when it is not possible at the time of procurement to estimate the extent or the duration of the work, or to estimate costs with any reasonable degree of accuracy. This method should not be used for project specific contracts and is recommended for on-call contracts for specialized or support type services, such as construction engineering and inspection, where the consultant is not in direct control of the number of hours worked, and it also requires management and monitoring of the consultant's level of effort and the classification of employees used to perform the contracted work. The contract shall also specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see Exhibit 10-H, Example #2 and Exhibit 10-R, Article V Option 3).

Lump Sum

The consultant performs the services stated in the contract for an agreed amount as compensation, including a net fee or profit. This method of payment is appropriate only if the extent, scope, complexity, character, duration, and risk of the work have been sufficiently defined to permit fair compensation to be determined and evaluated by all parties during negotiations (see Exhibit 10-H: Sample Cost Proposal, Example #1 and Exhibit 10-R: A&E Sample Contract Language, Article V: Option 4). Normally, a lump sum contract will be paid in full at end of the contract when completed. However, a lump sum contract can be negotiated with progress payment if feasible. The progress payment shall be based on percent of work complete or completion of clearly defined milestones. The contract cost proposal shall document the agreed upon progress payment and include the necessary milestones costs, or the percent work complete schedule.

Changes to Exhibit 10-H requiring resubmittal to Independent Office of Audits and Investigations for review:

- Consultant name change
- New participating subconsultant
- Change in ICR rate

Since these changes require an amendment, local agency is to update the Exhibit 10-C database.

A firm fixed price method of payment is not the same as lump sum. A firm fixed price contract shall not be amended.

10.1.3 A&E CONSULTANT AUDIT AND REVIEW PROCESS

This section outlines the audit and review process for A&E contracts that at any time use state or federal funds. All proposed A&E contracts and supporting documents are subject to audit or review by Caltrans' Independent Office of Audits and Investigations (IOAI), other state audit organizations, or the federal government. Not all proposed contracts will be audited or reviewed; rather, they will be selected on a risk-based approach.

Applicable Standards

State and federal requirements listed below, and specific contract requirements, serve as the standards for audits and reviews performed.

Local agencies, consultants, and subconsultants are responsible for complying with state, federal, and specific contract requirements. Local agencies are responsible for determining the eligibility of costs to be reimbursed to consultants.

Applicable standards include, but are not limited to:

- Caltrans Local Assistance Procedures Manual (LAPM);
- State and Federal agreements between local agencies and Caltrans, (i.e. Master Agreements);
- Project Program Supplemental Agreements;
- 23 United States Code (U.S.C.), Section 112 – Letting of Contracts;
- 40 U.S.C., Chapter 11: the Brooks Act;
- 23 CFR, Chapter 1, Part 172 - Procurement, Management, and Administration of Engineering and Design Related Services;
- 23 CFR, Chapter 1- Federal Highway Administration, Department of Transportation;
- 48 CFR, Federal Acquisition Regulation (FAR), Chapter 1, Part 31- Contract Cost Principles and Procedures;
- 48 CFR, Chapter 99 – Cost Accounting Standards (CAS), Subpart 9900;
- 2 CFR, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;

- United States Government Accountability Office, Government Auditing Standards - Generally Accepted Government Auditing Standards (GAGAS);
- California Government Code sections 4525-4529; and
- Proposed contract terms and conditions.

See Section 10.10: References of this Chapter for links to above referenced standards.

Audit Guidance Available

The American Association of State Highway and Transportation Officials, Uniform Audit & Accounting Guide (AASHTO Audit Guide), which is referred to frequently in this section, is a valuable tool to guide local agencies, consultants and Certified Public Accountants (CPA) through the requirements for establishing, and audits of FAR compliant Indirect Cost Rates (ICR). The AASHTO Audit Guide is used extensively as an industry guide in the audit and review process.

Local agencies may seek accounting assistance from internal audit staff and an independent CPA for compliance. The consultant may seek professional guidance in selecting its independent CPA. See also the AASHTO Audit Guide, Ch 2.5C. Selection of CPA Firm as Overhead Auditor for guidance in the selection process. Training is also offered by FHWA's National Highway Institute (see <http://www.nhi.fhwa.dot.gov/default.aspx>). Courses offered include:

- Using the AASHTO Audit Guide for the Procurement and Administration of A&E Contracts (FHWA-NHI-231028)
- Using the AASHTO Audit Guide for the Development of A&E Consultant Indirect Cost Rates (FHWA- NHI-231029)
- Using the AASHTO Audit Guide for the Auditing and Oversight of A&E Consultant Indirect Cost Rates (FHWA-NHI-231030)

For training and additional information provided by Caltrans Local Assistance, visit Caltrans Local Assistance Blog at <http://www.localassistanceblog.com/>. For FHWA's Q&A for ICRs and audits, and A&E related services, visit FHWA at <http://www.fhwa.dot.gov/programadmin/172qa.cfm>.

Allowable Costs

23 USC 112 (b)(2)(B) states that any A&E contract or subcontract awarded, whether funded in whole or in part with Federal-aid highway funds in furtherance of highway construction projects, shall be performed and audited in compliance with the Federal cost principles.

Local agencies are required to perform a cost analysis to ensure all costs are allowable and in compliance with federal and state requirements and retain documentation of negotiation activities and resources. Hourly rate(s) for each key personnel and/or classification of employee(s) proposed in cost proposals must be reasonable for the work performed and actual, allowable, and allocable in accordance with the Federal cost principles. Costs shall be allowable only if the cost is incurred and cost estimates included in negotiated prices are allowable in accordance with the federal and state regulations and procedures, and contract provisions. Examples of Cost Analysis Worksheets are provided at Exhibit 10-H1 through 4.

Local agencies are required to apply Caltrans accepted consultant or subconsultant's ICRs, to contracts. An ICR is valid for the one-year applicable accounting period accepted or

audited by Caltrans. Consultants shall update, on an annual basis, ICRs in accordance with the consultant's annual accounting period and in compliance with the Federal cost principles. For further guidance, refer to 23 CFR Part 172.11(b)(1). If the consultant is subject to Cost Accounting Standards (CAS), the consultant must use the applicable ICR for the contract.

A consultant's accepted ICR for its one-year applicable accounting period shall be applied to contracts; however, once an ICR is established for a contract, it may be extended beyond the one-year applicable period, through the duration of the specific contract, provided all concerned parties agree. Agreement to the extension of the one-year applicable period shall not be a condition or qualification to be considered for the work or contract award. The contract must clearly specify the ICR period if it is beyond the one-year applicable period.

Consultants shall account for costs appropriately and maintain records, including supporting documentation, adequate to demonstrate that costs claimed have been incurred, and are allowable, reasonable, and allocable to the contract, and comply with Federal cost principles.

IOAI and representatives of the Federal Government have the right to conduct an audit of all contract costs. If the costs are subsequently determined to be unallowable, these costs are subject to repayment. For further guidance, refer to 23 CFR Part 172 and 48 CFR Part 31.

Generally, whenever local agencies, consultants and/or contractors are unable to provide requested documentation, it shall be viewed that the services were either not performed or the costs not properly recorded. Retention of all documents is required as it reduces the possibility of audit findings and **disallowed costs**. For more references, refer to Applicable Standards in this chapter.

Approval or Acceptance of Indirect Cost Rates

Cognizant Letters of Approval

A cognizant approved ICR has been audited by a Cognizant agency (a State transportation agency of the State where the consultant's accounting and financial records are located or a State transportation agency to which cognizance for the particular indirect cost rate(s) of a consulting firm has been delegated or transferred to in writing by the State transportation agency where the consultant's accounting and financial records are located) in accordance with generally accepted government auditing standards to test compliance with the requirements of the Federal cost principles (per 48 CFR part 31) and the cognizant agency has either 1) issued an audit report of the consultant's indirect cost rate or 2) conducted a review of an audit report and related workpapers prepared by a certified public accountant and issued a letter of concurrence with the audited indirect cost rate(s). The cognizant agency approves the ICR and a cognizant approval letter is issued.

Caltrans Acceptance of Indirect Cost Rate

When the ICRs have not been established by a cognizant agency, Caltrans shall perform an audit or review of a consultant's and subconsultant's ICR(s) to provide reasonable assurance of compliance with Federal cost principles.

An audit or review of the ICR may consist of one or more of the following:

- Perform a review to determine if the ICR was prepared in accordance with 23 CFR 172, and 48 CFR, Chapter 1, Part 31;
- Perform an audit to determine if the ICR was prepared in accordance with 23 CFR 172,

and 48 CFR, Chapter 1, Part 31; and issue an audit report;

- Review and accept an ICR audit report and related workpapers prepared by a CPA or another State Transportation Agency;

The outcome of an audit or review is for Caltrans to approve or accept the ICR so that it can be relied upon for future contracts with the consultant for a given one-year accounting period and for reliance by other contracting agencies using the same consultant. Local agencies shall ensure that only approved or accepted ICRs of consultants for the applicable one-year accounting period be applied to contracts, if rates are not under dispute. Local agencies may check IOAI's website for consultant's approved or accepted ICRs. All approved or accepted ICRs are issued an Acceptance Identification (ID) number by IOAI that is posted to IOAI's website at <https://ig.dot.ca.gov/audits/>. This ID number should be referenced on all future contracts that use the same fiscal year ICR. ICR can be fixed for the life of the contract in prior written document or annually updated. Once it has been updated, it must be annually updated and the most current fiscal year of ICR must be used.

ICRs that have not been accepted by Caltrans will not be eligible for indirect cost payment. An ICR approved by a cognizant agency may be used across states for the one-year applicable accounting period, but an ICR accepted by Caltrans may **only** be applied to A&E contracts with Caltrans or local agency contracts using pass-through Caltrans funding. Local agencies include Cities, Counties, Metropolitan Planning Organization, Special Districts, and Regional Transportation Planning Agencies.

Financial Review Performed Prior to Contract Execution

All consultants, including prime and subconsultants, on a proposed contract with a dollar value greater than \$150K are subject to an ICR financial review by IOAI. The financial documents required are detailed in Exhibit 10-A, A&E Consultant Financial Document Review Request Letter and Exhibit 10-A Checklist. IOAI will review the ICR financial documents to either accept or adjust the indirect cost rate **prior to contract execution** using a risk-based approach as dictated by factors that include but are not limited to:

- History of satisfactory performance and professional reputation of consultant;
- Prior FAR compliant history and audit frequency;
- Experience of consultant with FAHP contracts;
- General responsiveness and responsibility;
- The approximate contract volume and dollar amount of all A&E contracts awarded to the consultant by Caltrans or a local agency in California within the last three calendar years;
- The number of states in which the consultant does business;
- The type and complexity of the consultant's accounting system;
- The relevant professional experience of any CPA performing audits of the consultants indirect cost rate;
- Assessment of consultant's internal control. Responses to internal control questionnaire, see AASHTO Audit Guide, Appendix B;

- For ICRs that have been adjusted by IOAI, the consultant must provide a revised cost proposal that reflects the adjusted ICR.

Local Agencies' Responsibilities

Local Agencies are responsible for obtaining all required ICR supporting documentation from A&E prime consultants and sub-consultants as outlined in Exhibit 10-A: A&E Consultant Financial Document Review Request and the Exhibit 10-A-Checklist. Local Agencies are responsible for forwarding these documents to IOAI for review. Local agencies are also required to ensure that IOAI has copies of the Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System and Exhibit 10-H: Cost Proposal for all consultants, both prime and sub-consultants. The ICR included in Exhibit 10-H must match the ICR included in the Exhibit 10-K and the consultant's ICR schedule. The proposed ICR, however, can be lower than ICR in Exhibit 10-K and the consultant's ICR schedule if the consultant elects to propose a lower ICR. For contracts spanning more than one year, local agencies are responsible for ensuring the Exhibit 10-K and cost proposals are updated annually unless all concerned parties agree to fix the ICR for the term of contract, and this is clearly specified in the contract. ICR updates are not required to IOAI if the ICR is fixed for the life of the contract. ICR's are only reviewed for consultants that are being awarded a contract, not consultants on a shortlist or prequalified list.

The Exhibit 10-H: Cost Proposal includes contract costs: direct salary or wage rates, fixed fees, other direct costs, indirect costs, total costs, and certification for the costs. Local agencies must perform and retain documentation of activities and resources used to support that a cost analysis has been performed to establish that costs and elements were determined to be fair and reasonable in accordance with Federal cost principles.

All contract supporting documentation must be retained by the local agency in project files for the required retention period. Unsupported costs may be disallowed and required to be returned to Caltrans. Having proper documentation policy and procedures, trained staff and organized project files are essential for demonstrating that costs claimed and reimbursed have been incurred, are eligible, reasonable, allowable, and allocable to the contract and comply with Federal cost principles.

Contracts below \$150,000 are not subject to the Caltrans Financial Document Review but local agencies are required to establish that all costs are in compliance with the Federal cost principles, 48 CFR, Chapter 1, Part 31, and other applicable requirements are met. All documents listed above and cost analysis documents are required to be retained in the project files to demonstrate compliance.

Instructions are provided in the Exhibit 10-A on the requirements for submitting a complete Financial Review packet. Financial packets can be e-mailed to:
conformance.review@dot.ca.gov.

Alternatively, if you do not have Internet access, you can mail Financial Review packets to:

Department of Transportation
Independent Office of Audits and Investigations
MS 2 Attention: External Audit Manager
P.O. Box 942874
Sacramento, CA 94274-0001

Consultants' Responsibilities (Both prime consultants and subconsultants)

A&E prime consultants and subconsultants in contract with local agencies using state or federal-aid highway funds should refer to Exhibit 10-A and the 10-A Checklist for the ICR financial documents required to be submitted to their local agency. Consultants must complete the "Annual Certification of Indirect Costs and Financial Management System" (Exhibit 10-K) that attests that the ICR rate proposed is in compliance with FAR (48 CFR, Chapter 1, Part 31) and that the consultant's financial management system is adequate to accumulate and segregate, reasonable, allowable, and allocable direct and indirect project costs. The Exhibit 10-A and 10-K should be submitted to the local agency who will forward a copy to IOAI along with all other related and required financial documents. For all future contracts within a same fiscal year, the consultant needs to only provide a copy of the Exhibit 10-K to the Local Agency.

Consultants must follow all the federal, state, and contract requirements outlined above in the Section above, "Applicable Standards". Each contracting consultant must ensure its ICR is not combined with any parent company's or subsidiary's ICR.

ICR schedules for both prime consultants and sub-consultants should be prepared using the accrual basis of accounting and be presented in compliance with the Federal cost principles. Figure 10-3 at the end of this chapter provides an example of a Standard Indirect Cost Rate Schedule that consultants can use when preparing their own.

For public works Prevailing Wage contracts, all workers must be paid the prevailing wage rate determined by the Director of the Department of Industrial Relations according to the type of work and location of the project. <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html>.

For guidance see Caltrans' Prevailing Wage Interpretive Guidance and webinar on IOAI's website <https://ig.dot.ca.gov/audits>.

When determined necessary, IOAI may request additional information, such as a labor distribution summary and Executive Compensation Analysis (ECA). A consultant's labor distribution summary report is a labor expense report that detail all hours worked (paid and unpaid) for a fiscal year, wages earned, and benefits accrued by all the consultant's employees. The labor summary report should include employee names, salaries, hourly rates, total hours worked segregated by direct hours, indirect hours, paid time off hours, and uncompensated hours and amounts.

An ECA is an evaluation by the consultant to determine the allowability and reasonableness of executive compensation in compliance with Federal cost principles and the AASHTO Audit Guide that can be based on either the National Compensation Matrix or independent compensation surveys.

Independent Office of Audits and Investigations' Responsibilities

After IOAI receives a consultant's complete financial document packet (per Exhibit 10-A and Exhibit 10-A Checklist) from the local agency, IOAI will review the proposed ICR and supporting documents and notify local agencies in writing whether the proposed ICRs are accepted or adjusted.

Contracts will be executed after IOAI either accepts or adjusts the ICR and a revised final cost proposal (if applicable) is received. Correction of the final cost proposal, however, does NOT

need to be cleared through Caltrans IOAI before executing the contract. An email notification from IOAI serves as documentation to support an accepted ICR.

Audits and Reviews to be Performed

After contract execution, a consultant's ICR may be subject to further detailed review or audit by IOAI based on certain risk factors. Costs that are determined to be unallowable as a result of the review or audit will be subject to repayment.

Indirect Cost Rate Audits

During an ICR audit, IOAI or an independent CPA will examine the consultant's proposed ICR for a one-year accounting period to ensure that unallowable costs have been removed from the indirect costs, that allowable costs have been correctly measured and properly charged and allocated, and that the ICR has been developed in accordance with the Federal cost principles (as specified in 23 U.S.C. Section 112(b)(2)(B), 23 CFR Part 172.11, 48 CFR Part 31 and other FAR and State requirements). As a result of the audit, the local agency will work with the consultant to adjust the ICR based on audit recommendations.

For guidance regarding the existing policies and procedures set forth in the federal regulations, and acceptable ICR schedules, refer to the AASHTO Audit Guide, Chapter 5, and Figure 10-3 Standard Indirect Cost Rate Schedule in this Chapter. There is also a review program at Appendix A which serves as a guide for CPAs and IOAI when performing ICR audits and can also be used as a resource for consultants when preparing for an ICR audit.

CPA Workpaper Reviews

During a workpaper review of a CPA audit of an ICR, IOAI will review the CPA's audit workpapers to determine whether to issue a Cognizant Letter of Approval for the ICR. The CPA Workpaper Review determines whether: (a) the CPA's audit of the ICR was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), (b) the CPA adequately considered the auditee's compliance with the Federal cost principles and related federal and state laws and regulations.

Chapter 11 of the AASHTO Audit Guide provides information to the CPA on the required audit disclosures.

IMPORTANT NOTE FOR CPAs: Contracts receiving state or federal funds are highly scrutinized. Materiality levels tend to be lower and more testing is required. GAGAS provides that auditors may find it appropriate to use lower materiality levels as compared with the materiality levels used in non-GAGAS audits because of the public accountability of government entities and entities receiving government funding, various legal and regulatory requirements, and the visibility and sensitivity of government programs. The AASHTO Audit Guide should be used as a tool for performing audits and attestations of A&E firms.

Contract Audits

During a Contract Audit, auditors will review a consultant's financial management system and contract cost proposal to determine if:

- The consultants' accounting system is adequate to accumulate and segregate costs;
- Costs are reasonable, allowable, allocable and supported adequately;

- The contract contains all required fiscal provisions;
- Proper state and federal procurement requirements were followed.

Incurred Cost Audits

During an Incurred Cost Audit, auditors will review incurred contract costs to determine if:

- Cost data are maintained in an accounting system that adequately gathers, records, classifies, summarizes, and reports accurate and timely financial data for direct and indirect project costs by account;
- Costs are adequately supported, reasonable, allowable, and allocable;
- Costs incurred are in compliance with state and federal laws and regulations;
- Costs incurred are in compliance with the Master Agreement and Supplemental Agreement;
- Costs incurred are in compliance with the fiscal provisions stipulated in the contract; and
- The terms required by the Master Agreement and federal laws and regulations are in the contract.

Audit Findings and Review Deficiencies

If a consultant's ICR is audited or reviewed, local agencies are responsible for ensuring all executed and future contracts reflect the audited and adjusted fiscal year ICR(s). Local agencies should request reimbursement from the consultant for overpayment on rates that were adjusted down.

The local agencies may be subject to sanctions outlined in LAPM Chapter 20: Deficiencies and Sanctions if the state or federal government determines that any reimbursements to the consultant are the result of lack of proper contract provisions, unallowable charges, unsupported activities, or an inadequate financial management system.

Example of a FAR Compliant Indirect Cost Rate Schedule - Sample Consulting Company
Statement of Direct Labor, Fringe Benefits, and General Overhead for the Year Ended December 31, 20xx

Description	General Ledger Balance	Unallowable	FAR Reference	Total Proposed	Home Office	Field Office
Direct Labor	\$123,456,789	(\$934,568)	(1)(15)	\$122,522,221	\$85,765,555	\$36,756,666
Fringe Benefits						
Vacation/Paid Leaves	\$17,283,950			\$17,283,950	\$12,098,765	\$5,185,185
Payroll Taxes	\$1,530,864	(\$30,617)	(15)	\$1,500,247	\$1,050,173	\$450,074
Medical Insurance	\$10,864,197			\$10,864,197	\$7,604,938	\$3,259,259
401K Match	\$4,938,272			\$4,938,272	\$3,456,790	\$1,481,481
Incentives and Bonus	\$15,308,642	(\$3,123,456)	(2)	\$12,185,186	\$8,529,630	\$3,655,556
Other Employee Benefits	\$2,515,280	(\$553,433)	(3)	\$1,961,847	\$1,373,293	\$588,554
Total Fringe Benefits	\$52,441,206	(\$3,707,506)		\$48,733,700	\$34,113,590	\$14,620,110
General & Administrative Overhead						
Indirect Overhead Labor	\$72,696,030	(\$4,452,541)	(1)(2)(4)(15)	\$68,243,489	\$65,790,948	\$2,452,541
Purchased Labor/Subconsultants	\$22,433,019	(\$22,433,019)	(5)	\$ -	\$ -	\$ -
Office Rent	\$12,345,679	(\$987,654)	(6)	\$11,358,025	\$11,038,025	\$320,000
Supplies & Utilities	\$5,753,086			\$5,753,086	\$4,027,160	\$1,725,926
Postage and Shipping	\$1,770,000	\$321,456	(5)	\$2,091,456	\$1,464,019	\$627,437
Equipment and Maintenance	\$3,812,346			\$3,812,346	\$2,512,789	\$1,299,557
Depreciation Expense	\$6,202,469	(\$1,345,678)	(7)	\$4,856,791	\$3,205,482	\$1,651,309
Interest	\$123,456	(\$123,456)	(8)	\$ -	\$ -	\$ -
Dues and Subscription	\$123,456	(\$12,345)	(9)	\$111,111	\$77,778	\$33,333
Advertising & Marketing	\$427,406	(\$45,678)	(10)	\$381,728	\$267,210	\$114,518
Vehicles	\$5,896,123	(\$147,403)	(5)(11)(14)	\$5,748,720	\$4,024,104	\$1,724,616
Bad debts	\$12,345	(\$12,345)	(12)	\$ -	\$ -	\$ -
Legal and Accounting Services	\$3,713,580	(\$222,815)	(13)	\$3,490,765	\$3,490,765	\$ -
Fines and Penalties	\$80,000	(\$80,000)	(16)	\$ -	\$ -	\$ -
Total General & Admin. Overhead	\$135,388,995	(\$29,541,478)		\$105,847,517	\$95,898,280	\$9,949,237
Total Indirect Costs				\$154,581,216	\$130,011,870	\$24,569,347
Indirect Cost Rates				126.17%	151.59%	66.84%

Figure 10.3: Standard Indirect Cost Rate Schedule

FAR References:

- (1) FAR 31.202: Uncompensated overtime.
- (2) FAR 31.205-6: Profit distribution and excess of the reasonable compensation.
- (3) FAR 31.205-46, 31.205-14 & 31.205-51: Meals not for valid business purposes and associated with lobbying and lacking adequate support
- (4) FAR 31.201-2: Administrative staff costs billed to projects/clients.
- (5) FAR 31.201-2: Subconsultant labor and other direct costs billed to and paid by contracts/clients.
- (6) FAR 31.205-36 and 31.205-17: Capital lease costs, rent paid in excess of reasonable costs, and idle facilities and capacity costs.
- (7) FAR 31.201-2 & 31.205-6: Costs relates to personal use by employees and luxury vehicles.
- (8) FAR 31.205-20: Interest and other financial costs not allowable.
- (9) FAR 31.201-2: Non-business related dues and subscriptions.
- (10) FAR 31.205-1: Costs for advertisement and public relations costs and trade show expense including labor.
- (11) FAR 31.205-46(d) and 31.205-6(m)(2): Personal use of vehicle and lack of mileage logs and business purpose.
- (12) FAR 31-205-3: Bad debts and collection costs.
- (13) FAR 31.205-27 and 31.205-47: Reorganization and capital raising related costs and costs incurred in connection with violation of a law or regulation by the consultant.
- (14) FAR 31.205-46: Unreasonable costs and costs not supported by documents and lack of business purpose.
- (15) FAR 31.201-6(a) & CAS 405-40: Labor costs associated with unallowable costs.
- (16) FAR 31.205-15: Fines and penalties resulting from violations of laws and regulations.

This section outlines the audit and review process for A&E contracts that at any time use federal and/or state funds. All proposed A&E contracts and supporting documents are subject to audit or review by Caltrans' Independent Office of Audits and Investigations (IOAI), other state audit organizations, or the federal government. Not all proposed contracts will be audited or reviewed; rather, they will be selected on a risk-based approach.

10.1.4 CONSULTANT SELECTION METHODS

Figure 10-4: Consultant Selection Flowchart shows the three methods normally used in selecting a consultant. They are:

- One-Step RFP;
- One-Step RFQ;
- Two-Step RFQ/RFP.

The method used depends upon the scope of work, the services required, the project's complexity, and the time available for selection of the consultant.

Beginning with [Section 10.1.5: Consultant Selection Using the One-Step RFP Method](#), each of the selection methods is explained in detail. Regardless of the method used, the local agency shall retain all consultant selection documentation in their project files as required by 23 CFR Part 172.

One-Step RFP

The One-Step RFP method may be used for Project-specific contracts when the scope of work is well defined or for Multi-phased contracts where the defined scope of work is divided into phases. Other considerations include when the consultant's services are highly specialized and there are few qualified consultants.

One-Step RFQ

The One-Step RFQ method is used when the requested services are specialized, or the scope of work is defined broadly and may include multiple projects. Typical services are preliminary engineering, surveying, environmental studies, preparation of Plans Specifications and Estimate (PS&E) and environmental documents, or construction management. This method or the two-step selection process is used for procurement of on-call contract(s). Note that specifications and requirements in the RFQ must cover all aspects of the final need. A RFP specific to the project, task, or service must be included in the solicitation for evaluation of a consultant's specific technical approach and qualifications.

Two-Step (RFQ Followed by RFP)

The Two-Step RFQ/RFP method may be used when the scope of work is complex or unusual. This method also may be preferred by local agencies that are inexperienced about negotiations and procedures for establishing compensation. However, the Two-Step RFQ/RFP method is recommended for procurement of multiple on-call contracts, or on-call list, through a single solicitation. Regardless of any process utilized for prequalification of consultants or for an initial assessment of a consultant's qualifications under a RFQ, a RFP specific to the project, task, or service is required for evaluation of a consultant's specific technical approach and qualifications. For more information, refer to description of on-call contract in Section 10.1.2: Identifying & Defining a Need for Consultants. This method requires substantially more work and time than the other two methods described above.

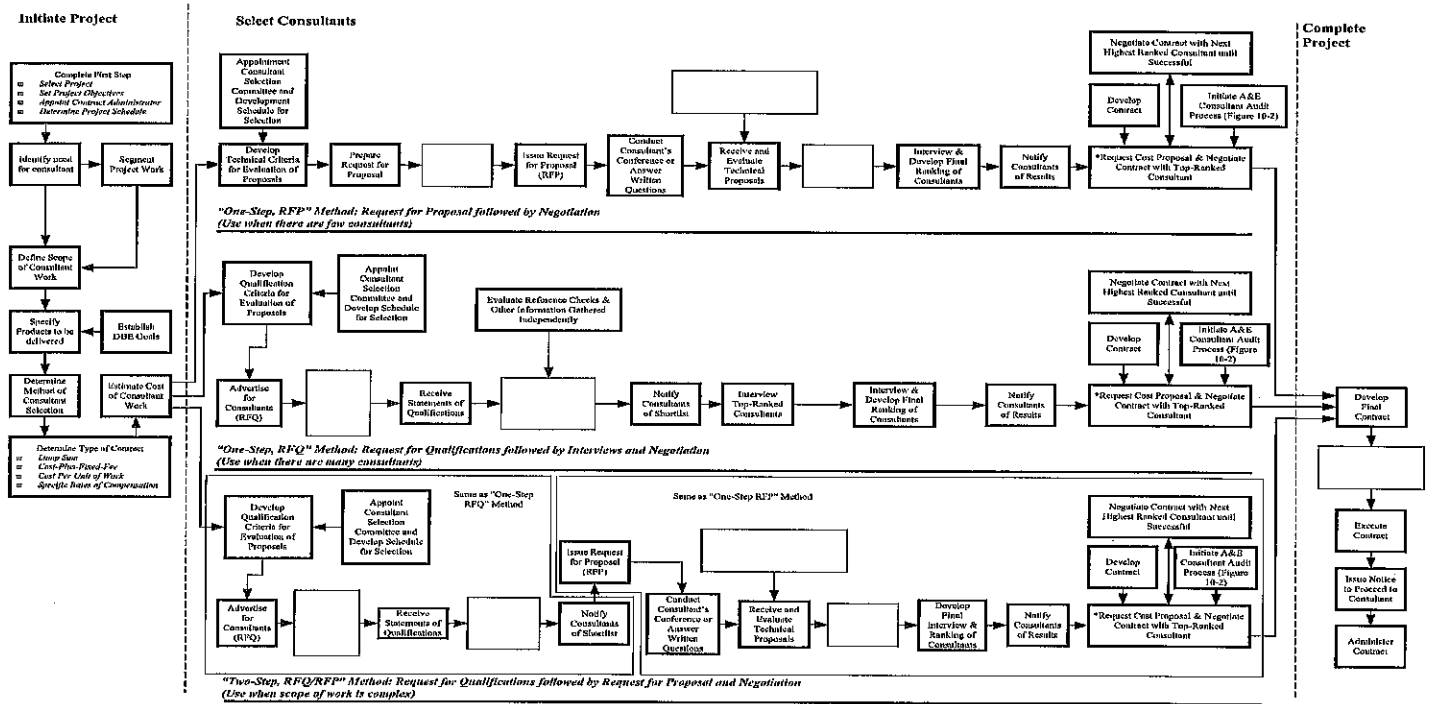


Figure 10-4: Consultant Selection Flowchart

10.1.5 CONSULTANT SELECTION USING THE ONE-STEP RFP METHOD

Of the three methods discussed, this one is most easily modified for non-A&E consulting contracts. This procurement procedure usually involves a single step process with issuance of a request for proposal (RFP) to all interested consultants. For non-A&E consulting contracts, a cost proposal shall be part of the RFP and the selection criteria. For A&E contracts, the cost proposal is not requested until the consultants have been final ranked based upon their submitted technical proposal.

Appoint Consultant Selection Committee

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The committee reviews materials submitted by consultants, develops a shortlist of qualified consultants, and develops a final ranking of the most qualified proposals. Representation on the committee includes the Contract Administrator and subject matter experts from the project's functional area. The members should be familiar with the project/segment to be contracted out and with the local agency standards that will be used in the contract. Participation by a Caltrans district representative is at the option of the agency and subject to availability of the DLAE staff. Caltrans participation on the interview panel does not relieve the local agency of its responsibility to ensure that proper procurement procedures are followed and all requirements are met.

Local agency Contract Administrator ensures that all committee members meet the conflict of interest requirements (23 CFR 172) by completing and signing a conflict of interest statement prior to selection process initiation. A sample conflict of interest form is provided in [Exhibit 10-T: Panel Member Conflict of Interest & Confidentiality Statement](#).

Develop Technical Criteria for Evaluation of Proposals

The Contract Administrator is responsible for developing the technical criteria, and their relative importance which are used to evaluate and rank the consultant proposals. In-State or local preference shall not be used as factor in the evaluation, ranking, and selection phase. All non-technical evaluation criteria, including DBE participation, shall not exceed 10 percent (23 CFR 172.7(a)(1)(iii)(D)). All price or cost related items which include, but are not limited to, cost proposals, direct salaries/wage rates, indirect cost rates, and other direct costs are prohibited from being used as evaluation criteria.

The criteria and relative weights must be included in the RFP, and the same criteria and relative weights must be used in the evaluation sheets. Failure to include criteria and relative weights and to use the same criteria and weights during the evaluation will result in the contract costs being ineligible for federal or state reimbursement. [Exhibit 10-B: Suggested Consultant Evaluation Sheet](#) is a recommended evaluation sheet with criteria and rating points for A&E consultants, where cost is not used as a rating factor. This format is not mandatory, but it is recommended in the interest of developing consistency among the hundreds of agencies and consultants operating in the state. The local agency should consult with the DLAE before making major changes to the suggested approach.

Develop Schedule for Consultant Selection

Before the contract is advertised, the Contract Administrator completes a contract procurement schedule including key dates for consultant selection activities. The Contract Administrator should confirm key dates with all selection committee members before completing the schedule.

Prepare RFP

The information required in an RFP solicitation includes the following:

- Description of project;
- Clear, accurate, detailed Scope of work, technical requirements, and qualifications;
- Services to be performed;
- Deliverables to be provided;
- Procurement schedule;
- Applicable standards, specifications, and policies;
- Schedule of work (including estimated start and end dates of the contract);
- Method of payment, and cost proposal requirements. The cost proposal is submitted in a separate concealed format. Cost proposals are requested from the highest ranked firm. If these negotiations are formally terminated, the cost proposal is then requested from the next highest ranked firm. See Exhibit 10-H: Sample Cost Proposal (Example 3) for sample cost proposal formats;
- Contract audit and review process requirements (see Section 10.3: A&E Consultant Audit and Review Process);
- Proposal format and required contents;
- Method, criteria and weighting for selection;
- Requirements for any discussions that may be conducted with three or more of the most highly qualified consultants following submission and evaluation of proposals;
- Specify contract type;
- Special provisions or contracts requirements;
- A DBE contract goal is specified in the solicitation (see Exhibit 10-I: Notice to Proposers DBE Information), if a federal-aid contract;
- Consultants acting in a management support role requirements Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement;
- Protest procedures and dispute resolution process per 2 CFR Part 200.318(k), 2 CFR 172.5(c)(18).

The RFP specifies the content of a proposal, the number of copies required, due date, mailing address, and a physical address where the submittals may be hand delivered if different from the mailing address. A minimum of fourteen (14) calendar days is required between the time the RFP is published and time that proposals must be submitted. More time may be required for complex contracts or projects.

Items typically required in a technical proposal include:

- Work plan (specify what is to be covered);
- Organizational chart;
- Schedule and deadlines;
- Staffing plan;
- Proposed Team—complete for prime consultant and all key subconsultants;
- Key personnel names and classifications—key team members identified in the original proposal/cost proposal shall not change (be different than) in the executed contract;
- Staff resumes;
- Names of consultant's project manager and the individual authorized to negotiate the contract on behalf of the consulting firm;
- Consultant DBE Commitment document, see [Exhibit 10-O1: Consultant Proposal DBE Commitment](#);
- References.

Financial Management and Accounting System Requirements

The local agency must ensure that consultant contract solicitation and advertising documents (RFPs) clearly specify that contracts shall not be awarded to a consultant without an adequate financial management and accounting system as required by 48 CFR Part 16.301-3, 2 CFR Part 200, and 48 CFR Part 31. The local agency must ensure the selected consultants have adequate financial management systems as required by the applicable federal regulations.

Advertise for Consultants

The solicitation process for consultant services shall be by public advertisement, or by any other public forum or method that assures qualified in-State and out-of-State consultants are given a fair opportunity to be considered for award of contract. The minimum length of advertisement is 14 calendar days.

Advertisement of the RFP in a major newspaper of general circulation, technical publications of widespread circulation, professional associations and societies, recognized DBE organizations, web hosting or clearing houses known for posting government contract solicitations such as BidSync, Planetbids, or posting the RFP on the local agency's or other widely used websites are all acceptable methods of solicitation.

To document website postings, the local agency should retain copies of screen shots displaying the posted begin/end dates.

Issue/Publish RFP

The local agency shall publish the RFP on line and also issue the RFP to all consultants responding to newspaper advertisement. The local agency shall keep a record of all consultants that have downloaded RFP on line as well as those receiving an RFP through other means, to ensure that any inquiry responses, addendums, or amendments to the RFP are given to all consultants that received the RFP.

Conduct Proposer's Conference or Answer Written Questions

The local agency may allow for clarification of the RFP by inviting submittal of written questions or by conducting a proposer's conference, or by doing both. The local agency must publish or mail their responses to any written questions to all consultants receiving the RFP. No response should be given to verbal questions. It is important that all competing consultants receive the same information. If a proposer's conference is to be held, the exact time and place must be specified in the RFP. Attendance at a proposer's conference normally is not mandatory. However, consultants not attending the conference do not receive notes from the meeting unless they request the notes.

Receive and Evaluate Technical Proposals

The Contract Administrator must verify that each proposal contains all of the forms and other information required by the RFP. If all required information is not provided, a proposal may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed.

Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended. The members of the consultant selection committee must evaluate each proposal according to the technical criteria listed in the RFP. Minimum of three proposals must be received and evaluated. If only two proposals are received, a justification must be documented to proceed with the procurement. The justification should state that the solicitation did not contain conditions or requirements that arbitrarily limited competition per 23 CFR 172(a)(1)(iv) (D) and competition is determined to be inadequate and it is not feasible or practical to re-compete under a new solicitation per 23 CFR 172(a)(3)(iii)(C). If only one proposal is received, a Non-Competitive process must be justified and a Public Interest Finding (PIF) must be documented and signed by the DLAE. In either case, the re-advertisement of the RFP should be considered as an option.

The committee must also evaluate reference checks and other information gathered independently. Reference checks shall be completed and other information gathered before the interviews are conducted. If necessary, the results of the reference checks or other information may be discussed with the highest ranked qualified consultants at the interviews.

Develop Final Ranking and Notify Consultants of Results

The selection committee evaluates each proposal; interviews the three or more highest ranked consultants (short listed) if noted in solicitation; and develops a final ranking of the highest ranked consultants. All consultants that submitted proposals must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not the highest ranked. The local agency may have an established procedure adopted for conducting debriefings but may also consider the following: The selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not being selected must be objective reasons. The consultant should not be compared to others and should not be provided with information about other consultants during this debriefing. Normally,

the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

Negotiate Contract with Top-Ranked Consultant

Cost proposal (for both Prime and all Subconsultant), and contract audit and review documents such as Exhibit 10-K: Consultant Certification of Contract Costs and financial Management System of Costs and Financial Management System and Exhibit 10-A: A&E Consultant Financial Document Review Request and Checklist, whichever is applicable (see Section 10.1.3: A&E Consultant Audit and Review Process) should be submitted in a separate sealed envelope. Typically, the cost proposals are submitted by the short listed consultants only, at time of interview. However, if time is of the essence and it can be justified, or if no interviews are planned, the cost proposal can be requested from all consultants with their technical proposal.

The cost proposal for the most qualified consultant will be opened and used to begin negotiations. If agreement cannot be reached, then negotiations proceeds to the next most qualified consultant. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant. The goal of negotiations is to agree on a final contract that delivers the services, or products required at a fair and reasonable cost to the local agency. At the completion of successful cost negotiations, all remaining sealed envelopes containing cost proposals shall be returned to consultants.

Cost proposals in electronic form shall be submitted separately from the RFP and contained in a secure database that is inaccessible to the members involved in the A&E consultant contract procurement process. Only the cost proposal of the most qualified consultant will be requested to be sent to the members. Cost proposals of unsuccessful consultants are confidential and shall not be opened by the local agency or any private entity that the local agency uses to store the cost proposals. Any concealed cost proposals of the unsuccessful consultants must be returned unopened or properly disposed of in accordance with the local agency's written policies and procedures.

The independent cost estimate, developed by the local agency in advance of requesting a cost proposal from the top-ranked consultant, is an important basis and tool for negotiations or terminating unsuccessful negotiations with the most qualified consultant. Items necessary for the independent cost estimate include, hours/detailed work, direct labor costs, indirect labor costs, other direct costs, and profit/fee. Agencies must retain documentation of how the cost estimate was developed. It can be revised, if needed, for use in negotiations with the next most qualified consultant. A contract audit and review may be required (see Section 10.1.3: A&E Consultant Audit and Review Process in this chapter). Local agency Contract Administrator ensures that all required documentations are provided to Caltrans IOAI within 10 days of written request, including all documents for a Financial Review, if applicable. Caltrans IOAI will not proceed with a Financial Document Review until all required documentation is completed correctly and submitted. Negotiations should be finalized after addressing all deficiencies noted in the Caltrans IOAI Financial Review Letter if applicable. An indirect cost audit may be performed within the record retention period of the contract.

Items typically negotiated include:

- Work plan;
- Schedule and deadlines (for deliverables and final duration of contract);

- Products to be delivered;
- Classification, wage rates, and experience level of personnel to be assigned;
- Cost items, payments, and fees. Fee is required to be negotiated as a separate element;
- Hours, level of effort by task and/or classification.

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the local agency. The local agency and the consultant will agree on the final cost proposal and incorporate into final contract. Retain all documentation related to negotiations.

Before executing the consultant contract, the local agency must review contract to ensure that all federal and state requirements have been met (see A&E Consultant Procurement Checklist: <https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement>) and adjustment or denial of ICR as identified in the Financial Review Letter has been included in the final cost proposal, if applicable.

Prior to contract award, or after contract award but no later than the first invoice, the local agency must submit a completed Exhibit 10-C for all new or amended federal funded A&E consultant contracts using the database at <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C> (please use Firefox or Chrome if not supported by your browser).

If there are any changes requiring an amendment to the contract after submittal of Exhibit 10-C, the local agency must submit an updated Exhibit 10-C and all contract amendments to <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C>. Submission of Exhibit 10-C to Caltrans HQ is not required for non-A&E consultant contracts.

10.1.6 CONSULTANT SELECTION USING THE ONE-STEP RFQ METHOD

The RFQ method is used when the services being procured are specialized, or the scope of work is defined broadly and may include multiple projects.

Appoint Consultant Selection Committee

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The committee reviews and scores the materials submitted by consultants in response to the RFQ, develops a shortlist of qualified consultants, interviews those consultants, and develops a final ranking of the most qualified consultants. Representation on the committee includes the Contract Administrator and subject matter experts from the project's functional area. The members should be familiar with the scope of work to be contracted out and with the local agency standards that will be used in the contract.

Participation by a Caltrans district representative is at the option of the local agency and subject to the availability of the DLAE staff. Caltrans participation on the interview panel does not relieve the local agency of its responsibility to ensure that proper procurement procedures are followed and all requirements are met.

Local agency Contract Administrator ensures that all committee members meet the conflict of interest requirements (23 CFR 172) by completing and signing a conflict of interest statement

prior to selection process initiation. A sample conflict of interest form is provided in Exhibit 10-T: Panel Member Conflict of Interest & Confidentiality Statement.

Develop Technical Criteria for Evaluation of Qualifications

The Contract Administrator is responsible for developing the technical criteria, and their relative importance which are used to evaluate and rank the consultant qualifications. The criteria and relative weights must be included in the RFQ, and the same criteria and relative weights must be used in the evaluation sheets. Failure to include criteria and relative weights and to use the same criteria and weights during the evaluation will result in the contract costs being ineligible for federal or state reimbursement. Exhibit 10-B: Suggested Consultant Evaluation Sheet is a recommended evaluation sheet with criteria and rating points for A&E consultants, where cost is not used as a rating factor. This format is not mandatory, but it is recommended in the interest of developing consistency among the hundreds of agencies and consultants operating in the state. The local agency should consult with the DLAE before making major changes to the suggested approach.

Develop Schedule for Consultant Selection

Before a contract is advertised, the Contract Administrator completes a contract procurement schedule including key dates for consultant selection activities. The Contract Administrator should confirm target dates with all selection committee members before completing the schedule.

Prepare RFQ

As a minimum, the RFQ generally includes the following:

- General description of the services or project(s);
- Scope of work;
- Schedule of work (including contract begin and end dates);
- Method of payment, and cost proposal requirements. The cost proposal is submitted in a separate sealed envelope. See Exhibit 10-H: Sample Cost Proposal for sample cost proposal formats;
- Contract audit and review process requirements (see Section 10.1.3: A&E Consultant Audit and Review Process);
- Statement of Qualification (SOQ) format and required content to be submitted;
- Method and criteria and weights for selection;
- A DBE contract goal is specified in the solicitation (see Exhibit 10-I: Notice to Proposers DBE Information), if a federal-aid contract;
- Consultants acting in a management support role requirements Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement; Protest procedures and dispute resolution process per 2 CFR Part 200.318(k).

The RFQ specifies the content of the SOQ, the number of copies required, due date, mailing address, and a physical address where the submittals may be hand delivered if different from

the mailing address. Two to four weeks is usually allowed between the time the RFQ is published and time that SOQs must be submitted. More time may be required for complex contracts or scope of work.

Items typically required in a statement of qualification include:

- Qualifications of key personnel (including consultant project manager) proposed for the contract. Key team members identified in the original proposal/cost proposal shall not change (be different than) in the executed contract;
- Staff resumes;
- Related projects that key personnel have worked on;
- Qualifications/experience of the firm;
- Organizational chart;
- Forecast or Schedule of work;
- Consultant DBE Commitment document, see [Exhibit 10-O1: Consultant Proposal DBE Commitment](#);
- References.

Financial Management and Accounting System Requirements

The local agency must ensure that Consultant contract solicitation and advertising documents (RFQs) clearly specify that contracts shall not be awarded to a consultant without an adequate financial management and accounting system as required by *48 CFR Part 16.301-3*, *2 CFR Part 200*, and *48 CFR Part 31*. The local agency must ensure the selected consultants have adequate financial management systems as required by the applicable federal regulations.

Advertise for Consultants

The solicitation process for consultant services shall be by public advertisement or any other public forum or method that assures qualified in-State and out-of-State consultant are given a fair opportunity to be considered for award of contract. The RFQ must contain sufficient project work information, so that interested consultants can submit an appropriate SOQ.

Advertisements for RFQ may take one of two approaches. The most common is an advertisement or publication of the RFQ in a major newspaper of general circulation, technical publication of widespread circulation, professional associations and societies, recognized DBE organizations, web hosting or clearing houses known for posting contract solicitations such as Bid Sync, PlanetBids, or posting the RFQ on other widely used websites. To document website postings, the local agency should retain copies of screen shots displaying the posted begin/end dates.

In the second approach, the local agency advertises the availability of the RFQ in a major newspaper of general circulation, technical publications of widespread circulation, professional associations and societies, recognized DBE organizations, or through a web hosting or clearing houses known for posting contract solicitations such as BidSync or PlanetBids, and requests that interested consultants send a letter of interest to the local agency for the RFQ. The RFQs shall then be sent to those firms who indicated interest in the RFQ. In some cases, it may be desirable to advertise nationwide for a particular project or service. This approach provides a

registry for firms who received the RFQ and therefore facilitates the broadcast of any revisions or addenda to the RFQ, if necessary.

Issue/Publish RFQ

The local agency shall publish the RFQ online and also issue the RFQ to all consultants responding to newspaper advertisement. The local agency shall keep a record of all consultants that have downloaded the RFQ on line as well as those receiving an RFQ through other means, to ensure that any inquiry responses, addendums, or amendments to the RFQ are given to all consultants that received the RFQ.

Receive/Evaluate Statements of Qualifications and Develop Shortlist

The first step in the evaluation process is to determine that each SOQ contains all forms and other information required by the RFQ. Otherwise, the submittals may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, and submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed.

Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

Minimum of three proposals must be received and evaluated. If only two proposals are received, a justification must be documented to proceed with the procurement. If only one proposal is received, a Non-Competitive process must be justified and a Public Interest Finding (PIF) must be documented and signed by the DLAE. In either case, the re-advertisement of the RFP should be considered as an option.

The consultant selection committee reviews the submitted SOQ according to the published evaluation criteria and weighting factors. The committee makes an independent random check of one or more of the consultant's references. This check applies to major subconsultants also. The committee establishes a shortlist of consultants who are considered to be best qualified to perform the contract work. The shortlist includes enough qualified consultants to ensure that at least three consultants are interviewed.

Notify Consultants of Shortlist

All consultants that submitted an SOQ must be notified of the results of the review. The notification also identifies those consultants (short list) that will be requested to attend interviews if interviews were an option in the solicitation. Most consultants will request information as to why they were not placed on the shortlist. Therefore, the selection committee should keep notes why a particular consultant was not selected for the shortlist. When a consultant requests a debriefing, the reasons given for not being selected must be objective reasons. Consultants should not be compared with each other during the debriefing. Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

Interview Top-Ranked Consultants

Each consultant to be interviewed is given a copy of the draft of the proposed contract, defining the detailed scope of work, and/or description of required services, and other information. This should be sent with the initial notification of the interview.

Between the time of the notification of the shortlist and interviews, the local agency may answer any questions concerning the scope of work to be contracted out, if not done earlier during the solicitation. In addition, the local agency may conduct additional reference checks for each consultant to be interviewed. Consultants should submit their questions about the RFQ and receive their answers from the local agency in writing. It is required that all consultants on the shortlist receive the questions and answers and are given the same information.

The committee should evaluate reference checks and other information that is gathered independently. Reference checks shall be completed and other information gathered before the interviews are conducted. If necessary, the results of the reference checks and other information may be discussed with the consultant at the interview.

Interviews are to be structured and conducted in a formal manner. Each consultant shall be allowed the opportunity to make a presentation if desired; however, a time limit should be specified. Interview questions are prepared in advance.

Two types of questions may be asked:

- Questions that are to be asked of all competing consultants, and
- Questions relating to each specific consultant, based upon the reference checks, and the strengths and weaknesses identified during evaluation of the SOQ

The agency can request competing consultants to bring additional information or examples of their work to the interviews; if the additional information facilitates the interview or evaluation process. Additional information requested should be kept at a minimum, that is, only information required to select the most qualified consultant for the contract. The selection committee or local agency shall not gather additional information concerning the consultants after the interviews are completed.

Develop Final Ranking and Notify Consultants of Results

All consultants interviewed must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not selected as the most qualified. Therefore, the selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not being selected must be objective. Consultants should not be compared with each other or provided with information about other consultants during the debriefing.

Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing. The next two sections provide guidance when the RFQ is solicited for specialized services and additional information is required prior to cost negotiations with consultant. For on-call contracts, skip the next two sections and begin Negotiation phase.

Conduct Scoping Meeting

The Contract Administrator meets with the first-ranked consultant's project manager to review the project, and to ensure that the consultant has a complete understanding of the work that is

required. The consultant is shown as much material as is available regarding the project. Any technical questions regarding the project are answered for the consultant.

Request Cost Proposal

The first-ranked consultant is asked to provide a cost proposal to perform the work described in the draft contract and discussed at the scoping meeting. The work is to be performed according to the conditions described in the draft contract using the payment method described therein. Alternatively, if time is of the essence and it can be justified, sealed cost proposals may be requested from all of the consultants on the shortlist.

If the contract involves more than one project, the consultant must provide a separate cost proposal for each project in addition to a summary cost proposal for the total contract. If the contract involves milestones, the consultant must furnish a separate cost proposal for each milestone with a summary cost proposal for the total costs. If the contract involves subconsultants, the prime consultant must include a separate cost proposal for each subconsultant. Each subconsultant's cost proposal must follow the same format as the prime consultant's cost proposal.

Negotiate Contract with Top-Ranked Consultant

Cost proposal (for both Prime and all Subconsultant), and contract audit and review documents such as Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System and Exhibit 10-A: A&E Consultant Financial Document Review Request and Checklist, whichever applicable (see Section 10.1.3: A&E Consultant Audit and Review Process) will be submitted in a separate sealed envelope. Typically, the cost proposals are submitted by the short-listed consultants only, at time of interview. However, if time is of the essence and it can be justified, or if no interviews are planned, the cost proposal can be requested from all consultant with their statements of qualification.

After the top-ranked consultant submits a sealed cost proposal, the local agency reviews the cost proposal and compares it with the local agency's confidential detailed independent cost estimate and enters into negotiations. The goal of negotiation is to agree on a final contract that delivers to the local agency the services or products required at a fair and reasonable cost. The independent cost estimate, developed by the local agency in advance of requesting a cost proposal from the top-ranked consultant, is an important basis and tool for negotiations.

Negotiations should commence with the most qualified consultant. If agreement on a fair and reasonable price cannot be reached, negotiations should then be formally terminated. Negotiations then proceed to the next most qualified consultant, and so on. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant.

At the completion of successful cost negotiations, all remaining sealed envelopes containing cost proposals shall be returned to consultants.

Cost proposals in electronic form shall be submitted separately from the RFQ and contained in a secure database that is inaccessible to the members involved in the A&E consultant contract procurement process. Only the cost proposal of the most qualified consultant will be requested to be sent to the members. Cost proposals of unsuccessful consultants are confidential and shall not be opened by the local agency or any private entity that the local agency uses to store the cost proposals. Any concealed cost proposals of the unsuccessful consultants must be

returned unopened or properly disposed of by permanently deleting the cost proposals in accordance with local agency's written policies and procedures.

A contract audit and review may be required (see Section 10.1.3: A&E Consultant Audit and Review Process earlier in this chapter). Local agency Contract Administrator is responsible for the submittal of all required documentations to Caltrans IOAI in a timely fashion, including all documents for a Financial Review, if applicable. Caltrans IOAI will not proceed with a Financial Review until all required documentation is completed correctly and submitted. Negotiations may be completed after receipt of the Caltrans IOAI Financial Review Letter. An indirect cost audit may be performed within the record retention period of the contract.

The items typically negotiated include:

- Work plan;
- Staffing plan;
- Schedule (including contract begin and end dates);
- Products to be delivered;
- Classification, wage rates, and experience level of personnel to be assigned;
- Cost items, payments and fee. Fee is required to be negotiated as a separate element.

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the local agency. For on-call contracts, typically a price agreement is reached based on specific rate of compensation for the term of the contract. The subsequent task orders (or mini agreements for individual project work) is negotiated based on cost plus fee, or lump sum, which is derived from the wage rates agreed upon earlier for the on-call contract.

Before executing the consultant contract, the local agency must review contract to ensure that all federal and state requirements have been met (see A&E Consultant Procurement Checklist at <https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement>), and receive Caltrans IOAI's Financial Review acceptance letter, if applicable.

Prior to contract award, or after contract award but no later than the first invoice, the local agency must submit a completed Exhibit 10-C for all new or amended federal funded A&E consultant contracts using the database at <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C> (please use Firefox or Chrome if not supported by your browser).

If there are any changes to the contract after submittal of Exhibit 10-C, the local agency must submit an updated Exhibit 10-C and all contract amendments to <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C>. Submission of Exhibit 10-C to Caltrans HQ is not required for non-A&E consultant contracts.

10.1.7 CONSULTANT SELECTION USING THE TWO-STEP RFQ/RFP METHOD

Combined RFQ and RFP

Selecting consultants using the Two-Step RFQ/RFP method requires combining certain steps from each of the other two methods previously described. The consultants are rated based upon both their qualifications and their technical proposals. This procurement procedure involves a two-step process with issuance of a request for qualifications (RFQ) whereby responding consultants are evaluated and ranked based on qualifications and an RFP is then provided to three or more of the most highly qualified consultants. The two-step method leads to an executed project specific contract.

A different process may also be used that includes assessing minimum qualifications of consultants to perform services under general work categories or areas of expertise through a prequalification process whereby annual statements of qualifications and performance data are encouraged. These consultants are not ranked, and an RFP must be submitted to the entire list for evaluation and consideration. Regardless of any process utilized for prequalification of consultants or for an initial assessment of a consultant's qualifications under a RFQ, a RFP specific to the project, task, or service is required for evaluation of a consultant's specific technical approach and qualifications.

The initial steps in this method (up to the development and notification of the shortlist) are similar to the steps followed when using the One-Step RFQ method. At this point, the consultants from the shortlist are issued an additional RFP. The remaining steps are the same as the later steps followed in the One-Step RFP method. The combination of these steps is indicated in Figure 10-4: Consultant Selection Flowchart. Because it is a combination of the One-Step RFQ and One-Step RFP methods, this method of consultant selection requires more work and time than the other two methods. Consequently, the combined RFQ/RFP method is recommended for use only when the scope of work is not clearly known, very complex or unusual.

The Two-Step RFQ/RFP is also well suited for procuring multiple on-call contracts through a single solicitation. The outcome of the first step RFQ will be multiple contracts, or on-call list of consultants. For multiple on-call contracts, project work will be procured thru subsequent competition or mini-RFPs amongst the on-call consultants. The mini-RFP or the task order will be negotiated with first ranked firm from each competition. Task order (mini-RFP) cost will be based on wage rates established in the master on-call contract, and the time and deliverable requirements in the task order.

Local agencies may also use this method to:

1. Develop and maintain a pre-qualified file/list of consultant firms by specific work categories or areas of expertise. This list includes all consultants that meet the minimum published pass/fail requirements. The pre-qualified list can be updated annually or at least every two years and must be maintained by the agency. This list has not gone through the evaluation process.
2. Create a short list of evaluated and ranked consultants that leads to executed contracts

The mini-RFP contains evaluation criteria that matches the strengths of the qualified firms to the specifics of the known tasks, thereby selecting the most qualified firm for each task. The evaluation can include: availability of personnel, staff capabilities, DBE (10% or less of overall

score), completion time, experience of consultant, specialized expertise, and past performance. The overall DBE goal was established at the master on-call contract.

Because it is a combination of the One-Step RFQ and One-Step RFP methods, this method of consultant selection requires more work and time than the other two methods. Consequently, the combined RFQ/RFP method is recommended for use when the scope of work is very complex or unusual.

Categorize work

Descriptions of the categories of work, deliverables and the minimum qualification standards for each category must be clearly identified.

The local agency may prequalify consulting firms in the following (or more) categories:

- Roadway Design
- Bridge Design
- Bridge Inspection
- Traffic Engineering
- Environmental Services
- Roadway Construction Inspection and Administration
- Landscape Architecture
- Land Surveying
- Intelligent Transportation System (ITS)
- Federal-aid Highway Project Development Support Services

Establish Minimum Qualifications

In an effort to ensure quality performance and results, a consultant should be required to meet certain minimum qualifications to be eligible for consideration in the pre-qualification process.

General criteria guidelines should be established for consultant selection for a pre-qualified list. The criteria may be established by an individual or a panel of subject matter experts for the specific task of developing the criteria. Some agencies also establish appropriate weights for each criterion. It may be necessary to modify the criteria to fit specific cases. When a RFQ is published, it should state the criteria that will be used in the selection process.

Criteria for evaluating statements of qualifications, may include but are not limited to:

- Special expertise and experience of the firm's key employees
- Proposed staffing (include number of licensed and specialized staff) for the project and previous experience of those identified
- Experience of the firm and their personnel on previous projects similar to the one under consideration
- Consultant DBE Commitment document (see Exhibit 10-O1)
- Professional references by the firm with the local agency

- Understanding of the project by the firm as demonstrated by their approach to organizing and management of the work
- Current workload of the firm and their ability to meet the proposed project schedule
- Quality of previous performance by the firm with the local agency
- Use of sub-consultants to accomplish work on the project
- Equipment the firm has available and proposes to use as compatibility with Computer-Aided Drafting and Design (CADD) and other equipment proposed to be used in accomplishing the work
- Familiarity with federal, state, and local codes, requirements, standards, and procedure
- Examples of minimum qualifications for work categories above are provided here based on Caltrans best practices

Issue RFQ

The need for services of a consulting firm may be advertised in appropriate national, state, and local publications and web sites. Notices can also be sent to firms known to be qualified to do specific work, to professional societies, and to recognized Disadvantaged Business Enterprises (DBE) organizations. The advertisements and notices seek statements of interest and qualifications from consultants who are interested in the project. The DBE goal is established at the master on-call contract and included in the solicitation document.

The SOQ should list consulting firm details, names of principals, office locations, personnel by discipline, project experience and examples, current workload, types of service the firms are qualified to perform, and previous performance. Also, resumes of key persons, specialists, and other associates that may be assigned to the project or projects should be included. This information should be the basis for evaluating and placing a consulting firm on a general pre-qualification list.

Federal regulations require that any procedures related to pre-qualifying consultant cannot restrict competition.

Pre-qualification of consultants may be allowed as a condition for submitting a technical proposal for a contract only if the period between the date of the issuance of the RFP and the deadline for submitting a technical proposal affords sufficient time to enable a consultant to obtain pre-qualification status.

Another practice is to qualify consultants on a project-by-project basis. This is accomplished for some agencies by advertising or publishing notices in national, state, and local publications for needed services for specific, individual projects. These notices include a precise project location, a defined preliminary scope of services to be performed, a specific schedule within which the work is to be completed, and a list of products and deliverables to be provided by the consultant. Specific project advertisements usually are published when the proposed project is large and complex, in-house resources are not available, special expertise is required, or the objectivity of an outside authority is desired.

Appropriate Federal-aid requirements should be complied with on Federal-aid projects.

Set-Up Evaluation Process

The first step in the evaluation process is to determine that each SOQ contains all forms, qualifications and other information required by the RFQ. Otherwise, the submittals may be considered nonresponsive and rejected without evaluation. Documentation of when each SOQ was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

If all required information is not provided, a SOQ may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed.

Local agency must establish a process by which SOQs are evaluated and consultants who are deemed meeting the minimum qualifications are accepted and placed on a pre-qualified list. Whether the Local agency has a "committee" of experts evaluating the SOQs or individuals responsible for the evaluation, the process must be well defined, open and transparent. The pre-qualification process must also allow for consultants to be re-evaluated in cases of denials. The local agency must specify how long the pre-qualified list last, not to exceed two years. Federal regulation recommends refreshing the SOQs on an annual basis.

Local agency Contract Administrator ensures that all committee members meet the conflict of interest requirements (*23 CFR 172*) by completing and signing a conflict of interest statement prior to selection process initiation. A sample conflict of interest form is provided in Exhibit 10-T.

Evaluate Qualifications and Add Firm to List

All SOQs received should first be reviewed for completeness. Each response must contain all required forms and any other information requested in the advertisement. The response may be considered incomplete and rejected without further evaluation if all required information is not provided or if the submittal is late.

The qualifications of all responding firms are then reviewed according to established evaluation criteria or factors. The agency then establishes a short list of at least three consultants that are determined to be the most highly qualified to perform the required work. Firms not selected should be notified in writing.

Maintain List

Pre-qualification of a consultant expires in two years. Pre-qualified consultants must renew their pre-qualification status every two years. Firms can apply to be on the list at any time. After a period of two years, firms should re-apply (repeat the process of submitting SOQs) to be on the list. In addition to the required two-year renewal process, the consultant should also be required to update the firm's organizational structure within one year when there is a corporate/affiliate change, ownership control, type of work expertise, capacity, or any other major change.

If the consultant does not meet the minimum requirements and their SOQ is rejected, the committee must respond to the consultant explaining the reason for their rejection. The consultant is allowed to reapply to be on the list again provided the reasons for rejection are corrected.

The list of qualified firms can be maintained online through the agency's website. Firms can also apply to be on the list through the agency website for ease of operation.

Issue RFP to Pre-Qualified Consultants on List

An RFP is sent to the short-listed firms. The RFP should indicate the content of the technical proposal, technical review procedures, anticipated schedule of activities, scope of work, project description, where the technical proposals are to be delivered, the number of copies required, and the due date.

Some agencies receive the technical proposal orally as part of an interview conducted for this purpose. In these cases, written documentation may not be required.

Items typically required in a technical proposal include:

- Work plan
- Organization plan
- Schedule for meeting time frame
- Available computer equipment and programs
- Staffing plan and resumes including sub-consultants
- Pre-award audit/financial package information (if deemed appropriate)
- Examples of similar work previously completed
- Sub-consultants, DBE, their proposed participation, and other related information

Conduct Proposer's Conference or Answer Written Questions

The local agency may allow for clarification of the RFP by inviting submittal of written questions or by conducting a proposer's conference, or by doing both. The local agency must publish or mail their responses to any written questions to all consultants receiving the RFP. No response should be given to verbal questions. It is important that all competing consultants receive the same information. If a proposer's conference is to be held, the exact time and place must be specified in the RFP. Attendance at a proposer's conference normally is not mandatory. However, consultants not attending the conference do not receive notes from the meeting unless they request the notes.

Receive and Evaluate Technical Proposals

The Contract Administrator must verify that each technical proposal contains all forms and other information required by the RFP. If all required information is not provided, a technical proposal may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed. Documentation of when each technical proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The members of the consultant selection committee must evaluate each technical proposal according to the technical criteria listed in the RFP. A minimum of three technical proposals must be received and evaluated.

If only two technical proposals are received, a justification must be documented to proceed with the procurement. If only one technical proposal is received, a Non-Competitive process must be

justified and a Public Interest Finding (LAPM Exhibit 12-F) must be documented. In either case, the re-advertisement of the RFP should be considered as an option.

The committee must also evaluate reference checks and other information gathered independently. Reference checks shall be completed and other information gathered before the interviews are conducted. If necessary, the results of the reference checks or other information may be discussed with the highest ranked qualified consultants at the interviews.

Develop Final Ranking and Notify Consultants of Results

The selection committee discusses and documents the strengths and weaknesses of each technical proposal, interviews the three or more highest ranked consultants (shortlisted), and develops a final ranking of the highest ranked consultants. All consultants that submitted technical proposals must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not the highest ranked. Therefore, the selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not being selected must be objective reasons. The consultant should not be compared to others and should not be provided with information about other consultants during this debriefing. Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

Request Cost Proposal and Negotiate Contract with Top-Ranked Consultant

The first-ranked consultant is asked to provide a cost proposal to perform the work described in the draft contract and discussed at the scoping meeting. The work is to be performed according to the conditions described in the draft contract using the payment method described therein. Alternatively, if time is of the essence and it can be justified, sealed cost proposals may be requested from all of the consultants on the shortlist.

If the contract involves more than one project, the consultant must provide a separate cost proposal for each project in addition to a summary cost proposal for the total contract. If the contract involves milestones, the consultant must furnish a separate cost proposal for each milestone with a summary cost proposal for the total costs. If the contract involves subconsultants, the prime consultant must include a separate cost proposal for each subconsultant. Each subconsultant's cost proposal must follow the same format as the prime consultant's cost proposal.

Cost proposal (for both prime and all subconsultants) and contract audit and review documents, such as Exhibit 10-K and Exhibit 10-A, whichever applicable (see Section 10.1.3: A&E Consultant Audit and Review Process), will be submitted in a separate sealed envelope.

After the top-ranked consultant submits a sealed cost proposal, the local agency reviews the cost proposal and enters into negotiations. The goal of negotiation is to agree on a final contract that delivers to the local agency the services or products required at a fair and reasonable cost. The independent cost estimate, developed by the local agency in advance of requesting a cost proposal from the top-ranked consultant, is an important basis and tool for negotiations.

Negotiations should commence with the most qualified consultant. If agreement on a fair and reasonable price cannot be reached, negotiations should then be formally terminated.

Negotiations then proceed to the next most qualified consultant, and so on. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant. At the completion of successful cost negotiations, all remaining sealed envelopes containing cost proposals shall be returned to consultants.

A contract audit and review may be required (see Section 10.1.3: A&E Consultant Audit and Review Process). The local agency Contract Administrator is responsible for the submittal of all required documentations to Caltrans IOAI in a timely fashion, including all documents for a Conformance Review, if applicable. Negotiations may be completed after receipt of the Caltrans IOAI Conformance Letter. An indirect cost audit may be performed within the record retention period of the contract.

Items typically negotiated include:

- Work plan
- Schedule and deadlines (for deliverables and final duration of contract)
- Products to be delivered
- Classification, wage rates, and experience level of personnel to be assigned
- Other Direct Cost items, and profit or fee

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the local agency.

The local agency and the consultant will agree on the final cost proposal and incorporate into final contract.

Before executing the consultant contract, the local agency must review contract to ensure that all federal and state requirements have been met (see A&E Consultant Procurement Checklist at <https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement>).

10.1.8 COMPLETING THE PROJECT

Develop the Final Contract

The Contract Administrator requests a revised cost proposal from the consultant after: (1) negotiations have been completed, (2) the local agency and consultant have agreed to a fair and reasonable price, and (3) a letter, if applicable, is released by Caltrans IOAI that accepts, denies or makes an adjustment to the proposed ICR. The Contract Administrator should review the revised cost proposal to ensure that all the items and changes discussed during negotiation were included. This revised cost proposal then becomes the final cost proposal, is attached to and made a part of the consultant contract. Sample contract language and format have been included as Exhibit 10-R: A&E Boilerplate Agreement Language.

The Contract Administrator has responsibility to ensure that the final negotiated contract is complete and has verified that all required backup documents have been provided. Copies of the contract are sent to the consultant for signature first.

Review and Approval of Contracts

Proposed contracts for consultant services (including subcontracted work) must be reviewed by the local agency to verify that:

- Compensation is fair and reasonable and includes prevailing wage rates, if applicable;
- Work activities and schedules are consistent with the nature and scope of the project;
- DBE goal Exhibit 10-O2: Consultant Contract DBE Commitment is included for all contracts regardless of goal.;
- Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System (for Prime and Subs), and Exhibit 10-A: A&E Consultant Financial Document Review Request and Checklist and all supporting documents, if applicable (contracts above \$150,000), have been submitted to Caltrans IOAI;
- If applicable, adjustment or denial of the ICR identified in the Financial Review Letter have been included in the final cost proposal;
- Exhibit 10-C: A&E Consultant Contract Database must be used to ensure that required documentation has been provided;
- A cost proposal (see Exhibit 10-H: Sample Cost Proposal), must include the costs of materials, direct salaries, payroll additions, other direct costs, indirect costs, fees, and backup calculations.

Before approving a contract for consulting services, the Contract Administrator must be satisfied that the consultant's organization:

- Is qualified to perform the services required;
- Is in a position, considering other work commitments, to provide competent and experienced personnel to perform the services in the time allowed;
- Is fully aware of all applicable federal and state laws including implementing regulations, design standards, specifications, previous commitments that must be incorporated into the design of the project, and administrative controls including those of Caltrans and FHWA.
- Has an adequate financial management system as required by the applicable federal regulations.
- Is not disbarred or suspended from state or federally funded contracts. Per 23 CFR 172.7(b)(3) "A contracting agency shall verify suspension and debarment actions and eligibility status of consultants and subconsultants prior to entering into an agreement or contract in accordance with 2 CFR part 1200 and 2 CFR part 180.

The contract must provide for a defined level of acceptability and a statement to the effect that the consultant may be required to modify its work as necessary; to meet that level of acceptability as defined in the contract. The contract shall provide for local agency reviews at appropriate stages during performance of the work, to determine if any changes or other actions are warranted.

The contract shall provide that the consultant and subconsultants shall maintain all books, documents, papers, accounting records, and other information pertaining to costs incurred. Such materials must be available for inspection and audit by federal, State, and local agency authorized representatives; and copies thereof shall be furnished, if requested.

Following final settlement of the contract accounts with the State or FHWA, such records and documents may be archived at the option of the local agency and shall be retained for a three-year period after processing of the final voucher by FHWA.

Execute Contract and Issue Notice to Proceed to Consultant

The Contract Administrator sends the consultant a fully executed copy of the contract with an original signature and issues a notice to proceed. Funds may not be used to reimburse the agency for any work or costs incurred before the Authorization to Proceed is issued, or for consultant costs incurred prior to the execution of the consultant contract. All executed contracts shall have a begin and end date. Local agency consultant selection and contract execution costs may be reimbursable.

For on-call contracts, a fully executed copy of the contract with original signatures will be send to the consultant. Each subsequent task order (for individual project) will be accompanied with a copy of the signed task order and a Notice to Proceed, once it is negotiated and approved. Task order expiration dates may not exceed the Master On-call agreement end date.

Administer the Contract

Project work begins as specified in the contract after the notice to proceed is issued to the consultant. Thereafter, the local agency manages and administers the contract to ensure that a complete and acceptable product is received on time, within standards, and within budget and terms of the contract.

Contract administration activities help to ensure that contractual obligations are completed satisfactorily. Generally, these activities include:

- Monitoring project progress and compliance with contract requirements;
- Receiving, reviewing and assessing reports, plans, and other required products/deliverables;
- Receiving and reviewing state prevailing wages. (See Department of Industrial Relations websites below.
 - DIR FAQ website: http://www.dir.ca.gov/OPRL/FAQ_PrevailingWage.html
 - DIR Wage Determination website: <http://www.dir.ca.gov/oprl/DPreWageDetermination.htm>
- Reviewing invoices to ensure costs claimed are in accordance to the method of payment and contract cost proposal, approving payments;
- If new consultant personnel are added or substituted, labor rates must be verified prior to approving invoices.
- Record keeping and reporting;
- Controlling costs;

- Identifying changes to the scope of work and preparation of amendments (must ensure that any changes to the scope is within the constraints of the original RFP/RFQ;
- Completing the consultant performance evaluations (see Exhibit 10-S: Consultant Performance Evaluation).

Substitution of Consultant Personnel and Subconsultants

After contract execution the consultant should not substitute key personnel (project manager and others listed by name in the cost proposal) or subconsultants without prior written approval from the local agency. Refer to LAPM Chapter 9: Civil Rights & Disadvantaged Business Enterprise and Title 49 CFR 26 for DBE substitution requirements. To do so can result in the costs being ineligible for federal or state reimbursement. The consultant must request and justify the need for the substitution and obtain approval from the local agency prior to use of a different subconsultant on the contract.

The proposed substituted person must be as qualified as the original, and at the same or lower cost. For engineering types of consultant contracts, the consultant's project manager must be a registered engineer in the State of California.

Invoicing (or Progress Payments)

The frequency and format of the invoices/progress payments are to be determined by the contract. Program Supplement Agreements (see LAPM Chapter 3: Project Authorization) need to have been prepared prior to any payments being requested. Payments to the consultant are to be in arrears. In other words, the consultant must have actually incurred and paid the costs before invoicing the local agency.

For federal reimbursement of consultant costs on a project, the local agency must submit the following to the DLAE, for each consultant or consulting firm used on the project (failure to do so will result in the consultant's invoices for reimbursement being returned to the agency unprocessed):

- Copy of Executed Consultant contract;
- Exhibit 10-O1: Consultant Proposal DBE Commitment
- Exhibit 10-O2: Consultant Contract DBE Information

DLAE must confirm that the local agency has submitted copies of Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System (for Prime and Subconsultants) to Caltrans IOAI and agency has submitted Exhibit 10-C: Consultant Contract Database to Caltrans.

The local agency is to follow the procedures given in LAPM Chapter 5: Invoicing, to obtain reimbursement of federal or state funds.

Contract Amendments

Contract amendments are required to modify the terms of the original contract for changes such as extra time, added work, or increased costs. Only work within the original advertised scope of services shall be added by amendment to the contract. The addition of work outside the original advertised scope will make that work ineligible for federal or state reimbursement (see Q&As at: http://www.fhwa.dot.gov/programadmin/172qa_01.cfm).

There is no prescribed format for contract amendments. They may take the form of letter-type agreements meeting the legal requirements of the local agency, clearly outlining the changes and containing a mutually agreed upon method of compensation. Such agreements must conform to the requirements of this manual with regard to payment.

A consultant contract may be amended at any time prior to the expiration date of the original contract. The most common amendment is to extend the ending date of the contract. All contract amendments must be fully executed before the ending date of the contract by formal amendment. Failure to amend a contract prior to the ending date will make the subsequent costs ineligible for federal and state reimbursement. Task orders are not considered an amendment and therefore not appropriate to extend the terms of the contract.

All contract amendments shall be negotiated following the same procedures as the negotiation of the original contract and must be in writing and fully executed by the consultant and local agency before reimbursable work begins on the amendment. For any additional engineering and design related services outside of the scope of work established in the original solicitation, a contracting agency shall either procure the series under a new solicitation, perform the work itself using agency staff, or use a different, existing contract under which the services would be within the scope of work. Overruns in the costs of the work shall not automatically warrant an increase in the fixed fee portion of a cost plus fixed fee reimbursed contract. Permitted changes to the scope of work or duration may warrant consideration for adjustment of the fixed fee portion of cost plus fixed fee or lump sum reimbursed contracts. If an emergency exists of such magnitude that a delay cannot be tolerated, the local agency and the consultant may agree on an amendment initiating the work, so that reimbursable work may begin. The initiating amendment is then followed by a final amendment once the full scope of the emergency work is known and agreed to by both parties. In both cases, sufficient funding should be included in the amendments to pay for all work to be performed by the consultant. The final amendment must be executed as quickly as possible. Failure to fully comply with this section may result in the loss of local agency funding. Section 10.1.3: A&E Consultant Audit and Review Process of this chapter shall apply to the entire contract and must be completed prior to execution of the contract amendment. All amendments shall incorporate any current requirements of the federal regulations including the federal fiscal provisions and submit Exhibit 10-C: Consultant Contract Reviewers Checklist Database to <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C> (please use Firefox or Chrome if not supported by your browser).

Performance Evaluation

Pursuant to 23 CFR §172.9(d)(2) agencies are required to prepare an evaluation of the consultant when the project has been completed. The Contract Administrator evaluates the consultant's performance after the consultant's final report has been submitted, and the Contract Administrator has conducted a detailed evaluation with the consultant's project manager. See Exhibit 10-S: Consultant Performance Evaluation for a suggested format for use by the local agency.

Project Records

Federal-Aid Highway Program funding recipients and sub-recipients must maintain adequate and readily accessible project performance and financial records, supporting documents, and other records considered pertinent to the grant agreement and in compliance with Federal laws and regulations (e.g., 23 USC 112; 40 USC 1101-1104, 23 CFR 172, 48 CFR 31, and 2 CFR

Part 200). These records shall be maintained for a minimum of three (3) years following issuance of the final voucher from FHWA (forwarded by Caltrans) and the closure of all other pending matters (2 CFR Part 200.333).

For audit purposes, project records and documentation shall be kept for three (3) years after payment of the final federal or state voucher. Among the records to be retained are as follows (not an all-inclusive list):

- Copies of RFPs and RFQs, changes, addendums, etc. and bidder's list;
- Documentation of DBE participation (including Exhibit 10-O1: Consultant Proposal DBE Commitment, Exhibit 10-O2: Consultant Contract DBE Commitment), Exhibit 10-G: Individual A&E Task Order DBE Tracking Sheet, Exhibit 17-F: Final Report – Utilization of DBE and First-Tier Subcontractors, and Exhibit 17-O: DBE Certification Status Change).
- Solicitation and advertisement records;
- Identification of selection committee members;
- Record of receiving proposals, statement of qualifications;
- Evaluation and ranking records such as original score sheets from all panel members, short list questions and other documentation (see Exhibit 10-B: Suggested Consultant Evaluation Sheet);
- Independent cost estimate (prepared in advance of requesting a cost proposal from the top-ranked consultant);
- Record of negotiations (to include a separate negotiation of profit in accordance with federal guidelines);
- Financial Review Letter and Cognizant Agency Letter, when applicable;
- CPA-audited ICR Audit Report or Approved State DOT Cognizant Indirect Rate Letter, if any;
- Consultant Certification of Costs and Financial Management (Exhibit 10-K: Consultant Certification of Contract Costs and Financial Management System) for contracts over \$150,000 or more;
- A&E Consultant Audit Request Letter and Checklist (Exhibit 10-A: A&E Consultant Audit Request Letter and Checklist) for contracts over \$150,000 and all supporting documentation.
- Executed consultant contracts, cost proposals and amendments (see Exhibit 10-R: A&E Boilerplate Agreement Language and Exhibit 10-H: Sample Cost Proposal);
- Contract oversight and progress meeting documents;
- Progress and final payments, and supporting documentation;
- Performance evaluation (see Exhibit 10-S: Consultant Performance Evaluation);
- Consultant contract checklists (see Exhibit 10-C: A&E Consultant Contract Database);

- Accounting records documenting compliance with State and federal administrative requirements;
- Certifications and Conflict of Interest forms (Exhibit 10-T: Conflict of Interest & Confidentiality Statement, all personnel involved in the procurement of the agreement should complete Exhibit 10-T Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement and Exhibit 10-Q: Disclosure of Lobbying Activities, as appropriate). Exhibit 10-Q is included in the solicitation and shall be completed if the consultant needs to disclose any lobbying activities.

Retention Clauses

At the option of the local agency, a retention clause may be included in the consultant contract. A retention clause in the consultant contract is recommended (see Exhibit 10-R: A&E Boilerplate Agreement Language, Article XXXI).

Review of Local Agency Actions

Federal-aid or state reimbursement is contingent on meeting the federal or state requirements and can be withdrawn, if these procedures are not followed and documented. The local agency files are to be maintained in a manner to facilitate future FHWA or Caltrans process reviews and audits. As specified in the Review and Approval of Contracts above, the Contract Administrator must review the proposed consultant contract before execution.

Exhibit 10-C: A&E Consultant Contract Database is to be completed prior to award, or after contract award but no later than the first invoice. A copy of Exhibit 10-C must be retained in the local agency project files.

10.1.9 MISCELLANEOUS CONSIDERATIONS

Agreements with Other Governmental Agencies

Intergovernmental or inter-entity agreements are encouraged if appropriate. If another governmental agency is requested to do work or provide services to an agency, an interagency agreement is needed. See 2 CFR 200 and CA Government Codes 10340 and 11256.

Small Purchase Contracts

Contracts that are less than \$250,000 are considered small contracts in accordance with federal regulations. However, within the State of California, there is not a recognized small purchase procedure and all A&E contracts are procured using qualifications based selection and not cost. For federal contracts that are less than \$250,000 and are not anticipated to exceed this amount, the agency shall use Section 10.2: State-Only Funded A&E Contracts or the federal guidance for contracts greater than \$250,000. If the contract is anticipated to exceed \$250,000, use one of the accepted procurement procedures listed in the previous sections. Small contracts using the simplified acquisition procedure (State-Only funded section) shall not exceed \$250,000 or the additional costs are considered not reimbursable. The entire contract could also be considered ineligible by FHWA depending on circumstances. The scope of work, project phases, and contract requirements shall not be broken down into smaller components to permit the use of small purchase procedure. DBE requirements apply for all federally funded projects.

Noncompetitive Negotiated Contracts (Sole-Source)

Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under sealed bids or competitive proposals (23 CFR 172.7(a)(3)).

FHWA considers these types of contracts as Sole Source contracts and should be used only in very limited circumstances. A Public Interest Finding prepared by the local agency and approved by Caltrans is required before establishing these services (23 CFR 172.7(a)(3); also see Exhibit 12-F: Cost-Effectiveness/Public Interest Finding).

Conditions under which noncompetitive negotiated contracts may be acceptable include:

- Only one organization is qualified to do the work;
- An emergency exists of such magnitude that cannot permit delay;
- Competition is determined to be inadequate after solicitation of a number of sources.

The local agency shall:

- Follow its defined process for noncompetitive negotiation;
- Develop an adequate scope of work, evaluation factors, and cost estimate before solicitation;
- Conduct negotiations to ensure a fair and reasonable cost.

The local agency must carefully document details of the special conditions, obtain Caltrans approval on a Public Interest Finding and retain all documents in the project files for future Caltrans' or FHWA's review.

Retaining a Consultant as an Agency Engineer or in Management Support Role

A local agency may retain qualified consultants in a management support role on its staff in professional capacities for federal-aid projects such as:

- A City Engineer (or equivalent) who manages the engineering unit for the city, providing oversight of a project, series of projects, managing or directing work of other consultants or contractors on behalf of the City.
- A County Engineer (or equivalent) who manages the engineering unit for the county such as duties described above.
- A Project Manager (or equivalent) who manages and oversees a project, series of projects or the work of other consultants and contractors on behalf of the public agency.
- A Program Manager (or equivalent) who manages and oversees an element of a highway program, function, or service on behalf of the public agency.

However, typically a consultant in a management support role is not:

- A consultant engineer performing project-specific design, and/or construction contract administration and construction engineering for the public agency.
- A consultant providing support to administrative duties such as federal authorization process, labor compliance activities, and other management and administrative tasks.

The use of a consultant in a management support role should be limited to unique or very unusual situations. These situations require a thorough justification as to why the local agency cannot perform the management. Consultants used in management support roles must be selected using the same procedures as those for other consultants specified in this chapter. Consultants in a Management Support Role funded by local or state funds must have approval from FHWA to be considered qualified to manage federal projects or consultants providing services on federal projects.

Eligibility for federal or state reimbursement for a consultant in a management support role requires the following:

- Compliance with the selection procedures specified in this chapter;
- Existence of a contract between the local agency and the consultant specifying the local agency engineering services to be performed;
- Written designation by the local agency of the responsibilities and authority of the consultant as an agency engineer;
- For a federal-aid project, completion of Exhibit 10-T: Conflict of Interest & Confidentiality Statement by all members (both consultants and employees) prior to participating in the Architect & Engineering (A&E) Selection Panel pertaining to the specific selection process and the firms being considered;
- Selection of consultants for A&E management positions shall be by the use of qualification based selection procedures on an open and competitive basis resulting in a contract with defined beginning and ending dates not to exceed five (5) years;
- For a federal-aid project, a local agency consultant in a management support role shall not:
 - Participate in, or exercise authority over the A&E selection process, if that consultant's firm is one of the proposing firms, or subconsultant to a proposing firm;
 - Participate in, or exercise authority over management of work performed by the consultant's firm, or to a consultant's firm of which the local agency consultant firm is a subconsultant. This would include, but not be limited to, managing or directing the work, approving changes in the schedule, scope, or deliverables; and approving invoices.
 - Apply for or receive reimbursement of federal-aid funds for the local agency's federal-aid project if either of the foregoing has occurred. However, reimbursement for the construction contract portion of the project will still be allowed provided all other federal-aid requirements have been met.
 - Where benefiting more than a single federal-aid project, allocability of consultant contract costs for services related to a management support role shall be distributed consistent with the cost principles applicable to the contracting agency in 23 CFR 172.7(b)(5).

If engineering services for a project are within the scope of the services described in the retained consultant's contract, these services may be performed by the person or firm designated as an agency engineer. If the services are not within the scope, eligibility for federal

reimbursement for these services require a new consultant contract to be developed using the selection procedures in this chapter. Retained consultants involved in the preparation of the RFP or RFQ shall not be considered in the selection of consultants for the resulting project specific work.

When engineering or architectural consultants in a management support role are procured with federal-aid funds, the local agency (subgrantee) shall fully comply with the following:

- Subparagraphs of 2 CFR 200.318 maintain a contract administration system and maintain a written code of standards. No employee, officer or agent of the subgrantee shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.
- Subparagraph of 23 CFR §172.7(b) requires that the local agency shall receive approval from FHWA. In addition, any federal-aid projects designated as Projects of Division Interest may also need approval from FHWA.
- Liability insurance should normally be required from the consultant (errors and omissions, etc.).

For federally funded projects, local agencies that solicit to hire A&E consultant(s) in a management support role must obtain FHWA approval prior to contract execution.

In order for a contract for a consultant in a management support role to be federally eligible, the following are required prior to contract execution:

- The local agency shall submit a request for approval via email, the Scope of Work (SOW) and Conflict of Interest (COI) Policy to the Division of Local Assistance-Headquarters (DLA-HQ) at aeoversight@dot.ca.gov, prior to solicitation.
- Once the local agency receives FHWA's written response, the local agency may need to revise the documents reflecting FHWA's opinions and can proceed with the RFQ.
- After consultant selection, the local agency shall submit the completed Exhibit 10-U: Consultant in Management Support Role Conflict of Interest and Confidentiality Statement to the DLA-HQ at aeoversight@dot.ca.gov. Local agency will receive FHWA's approved Exhibit 10-U via email.

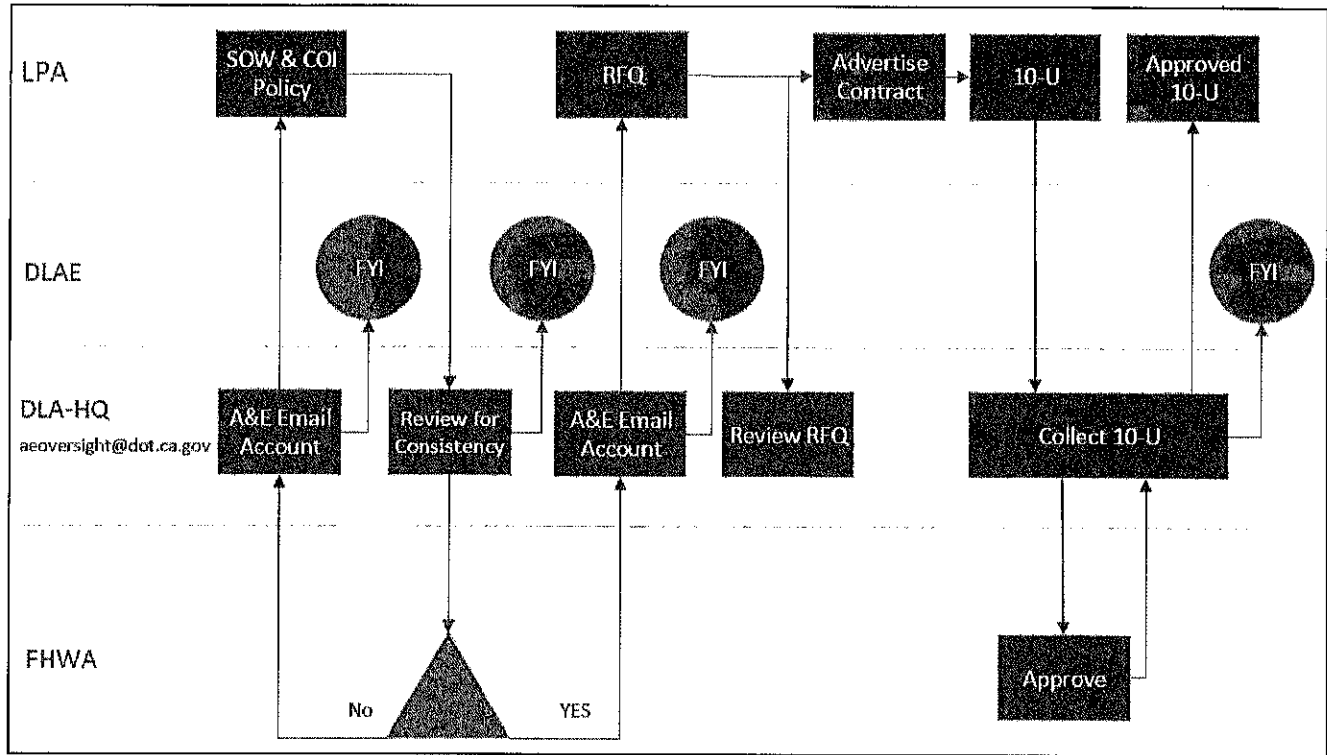


Figure 10-5: Consultant in a Management Support Role Flowchart

Construction Engineering Services

Under federal-aid regulations and state policy, the primary responsibility for general supervision of construction must remain with the local agency. The local agency must also ensure that the work is performed in accordance with the approved plans and specifications, by employing or retaining as a consultant a registered engineer for construction engineering services on the project.

All construction engineering activities performed by a consultant must be under the overall supervision of a full-time employee of the agency who is in responsible charge. These activities may include preparation of contract change orders, construction surveys, foundation investigations, measurement, and computation of quantities, testing of construction materials, checking of shop drawings, preparation of estimates, reports, and other inspection activities necessary to ensure that the construction is being performed in accordance with the plans and specifications. The construction engineering consultant's contract defines the relative authorities and responsibilities of the full-time employee of the local agency in charge of the project and the consultant's construction engineering staff.

If a technical inspection consultant is to provide professional assistance to the local agency, a formal consultant contract must be executed which follows this chapter's requirements. The contract shall provide for reviews at appropriate stages during performance of the work to determine if any changes or other actions are warranted. These reviews are to be made by the local agency.

10.1.10 PROGRAM MANAGEMENT

According to 23 CFR §172.5, local agencies are required to adopt written policies and procedures prescribed by Caltrans. The local agency shall adopt Caltrans Local Assistance Chapter 10: Consultant Selection. Local agencies are responsible for providing all resources necessary for the procurement, management, and administration of A&E consultant contracts including subcontracts. Ensuring consultant costs billed are allowable in accordance with the Federal cost principles and consistent with the contract terms as well as the acceptability and progress of the consultant's work;

- Monitoring the consultant's work and compliance with the terms, conditions, and specifications of the contract;
- Preparing a consultant's performance evaluation when services are completed and using such performance data in future evaluation and ranking of consultant to provide similar services;
- Closing-out a contract;
- Retaining supporting programmatic and contract records, as specified in 2 CFR 200.333 and the requirements of this part;
- Determining the extent to which the consultant, which is responsible for the professional quality, technical accuracy, and coordination of services, may be reasonably liable for costs resulting from errors and omissions in the work furnished under its contract;
- Assessing administrative, contractual, or legal remedies in instances where consultants violate or breach contract terms and conditions, and providing for such sanctions and penalties as may be appropriate; and
- Resolving disputes in the procurement, management, and administration of engineering and design related consultant services.

An example resolution is located at: <https://dot.ca.gov/programs/local-assistance/environmental-and-other-policy-issues/consultant-selection-procurement>.

10.1.11 REFERENCES

23 CFR, Part 172 Administration of Engineering and Design Related Service Contracts

<http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=23:1.0.1.2.3>

40 USC, Section 1104 Brooks Act

<http://www.fhwa.dot.gov/programadmin/121205.cfm>

41 CFR Public Contracts and Property Management

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title41/41tab_02.tpl

41 USC Public Contracts

<http://law.onecle.com/uscode/41/index.html>

23 USC Letting of Contracts

<http://www.fhwa.dot.gov/map21/docs/title23usc.pdf>

- 48 CFR, Chapter 1, Part 15.404
<https://www.acquisition.gov/far/html/FARTOCP15.html>
- 48 CFR, Chapter 1, Part 31
<https://www.acquisition.gov/far/html/FARTOCP15.html>
- Title 48, Part 16 – Types of Contracts
<http://www.elaws.us/subscriber/signin?returnurl=http://federal.elaws.us/cfr/title/4/10/2013/title48/chapter1/part16&lsHistory=1&AspxAutoDetectCookieSupport=1>
- 48 CFR 27, Subpart 27.3 – Patent Rights under Government Contracts
<https://www.law.cornell.edu/cfr/text/48/part-27/subpart-27.3>
- 48 CFR 31.201-3
<https://www.gpo.gov/fdsys/pkg/CFR-2011-title48-vol1/pdf/CFR-2011-title48-vol1-sec31-201-6.pdf>
- 48 CFR, Chapter 99 – Cost Accounting Standards, Subpart 9900
<https://www.gpo.gov/fdsys/granule/CFR-2002-title48-vol7/CFR-2002-title48-vol7-chap99>
- 2 CFR Part 200
http://www.ecfr.gov/cgi-bin/text-idx?SID=eb0db4a32ce93fdc5815e6fe58791d9d&mc=true&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- 49 CFR, Part 26 Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title49/49cfr26_main_02.tpl
- American Association of State Highway and Transportation Officials (AASHTO) Uniform Audit and Accounting Guide
<http://audit.transportation.org/Pages/default.aspx>
- Caltrans Division of Procurement and Contracts Website
<http://www.dot.ca.gov/dpac/index.html>
- California Labor Code, Section 1775
<http://law.onecle.com/california/labor/1775.html>
- Government Auditing Standards (GAS) issued by the United States Government Accountability Office
<http://www.gao.gov/yellowbook/overview>
- Government Code Sections 4525 through 4529.5
<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=04001-05000&file=4525-4529.5>
- OMB Circular A-110 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
https://www.whitehouse.gov/omb/circulars_a110
- Standard Environmental Reference (SER)
<http://www.dot.ca.gov/ser/>

10.2: STATE-ONLY FUNDED A&E CONTRACTS

A&E State-Only	<i>Division of Local Assistance Minimum Requirements for State-only funded A&E Contracts</i>
■	A. Written Procedures
■	B. Conflict of Interest
■	C. Records
■	D. Full & Open Competition
■	E. Selection Basis
■	F. Publication
■	G. Solicitation
■	H. Cost Analysis
■	I. Negotiations
■	J. Audit and Review Process
■	K. Exhibit 10-C: A&E Consultant Contracts Database

10.2.1 GENERAL

Local Agencies are required to follow all applicable local and state regulations including those listed in LAPM Chapter 10 in accordance with their State Master Agreement. Although the requirements listed in this section are minimum requirements, the local agency shall use good engineering judgment and best practices to document their processes and procedures when procuring A&E contracts utilizing qualifications based selections.

All consultants must comply with 48 Code of Federal Regulations (CFR) Part 31: Contract Cost Principles and Procedures. Also, consultants and Local Agencies must comply with 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, excluding sections §200.318-200.326 Procurement Standards (reference Federal Highway Administration December 4, 2014 Memorandum Action: 2 CFR 200 Implementation Guidance).

Agency state-only funded (SOF) agreements must contain the required federal fiscal provisions from 2 CFR 200 in all Division of Local Assistance funded agreements. Exhibit 10-R: A&E Boilerplate Agreement Language contains 2 CFR 200 requirements and may also be used in SOF agreements. Depending upon the scope of work, the required contract provisions may need to include the California State Prevailing Wages.

All proposed A&E contracts and supporting documents (including state-only funded) are subject to audit or review by Caltrans' Independent Office of Independent Office of Audits and Investigations (IOAI), other state audit organizations, or the federal government and required to follow LAPM Section 10.1.3 A&E Consultant Audit and Review Process.

For consultant contracts, procured with local or state funds, to provide services for federal-aid projects, or to oversee or manage other consultants providing these services, the Consultant in Management Support Role process must be completed to be eligible for reimbursement. Refer to Chapter 10.1.9 Miscellaneous Considerations: Retaining a Consultant as an Agency Engineer or in a Management Support Role.

DBE contract goals are not required for state-only funded contracts.

This guidance is for contracts utilizing state funds only. If any federal funds are added or reimbursed, the federal process must be followed.

Non-A&E consultant contracts reference LAPM Section 10.3: Non-A&E Contracts.

Reference: California Government Code Title 1, Division 5, Chapter 10, Contracts with Private Architects, Engineering, Land Surveying, and Construction Project Management Firms §4525-4529.5.

10.2.2 DEFINITION OF A&E

Architectural, landscape architectural, engineering, environmental, and land surveying services includes those professional services of an architectural, landscape architectural, engineering, environmental, or land surveying nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform.

Construction project management means those services provided by a licensed architect, registered engineer, or licensed general contractor. Any individual or firm proposing to provide construction project management services shall provide evidence that the individual or firm and its personnel carrying out onsite responsibilities have expertise and experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

Environmental services mean those services performed in connection with project development and permit processing in order to comply with federal and state environmental laws.

Reference: California Government Code §4527

10.2.3 MINIMUM AUDIT REQUIREMENTS

A. Written Procedures

Local agencies shall follow the minimum requirements listed below in addition to any local laws and regulations.

Reference: California Government Code §4526

B. Conflict of Interest

The local agency must develop and maintain a written code of conduct governing the performance of its employees engaged in the award and administration of state funded contracts, including the prevention of conflicts of interest.

References:

California Government Code §4526

California Government Code §1090

California Government Code §4529.12

C. Records

Local agencies shall keep adequate records of all contracts including the procurement, project management, accounting and financial administration.

References:

California Government Code §4529.14

California Government Code §4006

D. Full & Open competition

All A&E contracts shall be procured through a qualifications based selection utilizing open and fair competition. Evaluate at least three consultants using published evaluation criteria and rank these firms in order of preference. If less than three consultants are evaluated, provide justification for agency file.

References:

California Government Code §4526

California Government Code §4527

E. Selection Basis

Selection of a firm shall be based on qualifications and the order of ranked preference.

References:

California Government Code §4526

California Government Code §4527

F. Publication

Solicitations for A&E contracts shall be in a manner that is open and competitive.

Reference: California Government Code §4527

G. Solicitation

The solicitations shall include published evaluation criteria to rank in order of preference. Clearly define expectations in the solicitation in order to evaluate firms.

Reference: California Government Code §4527

H. Cost Analysis

An independent cost comparison to the consultant's cost proposal shall be done in order to ensure the contract is negotiated at a fair and reasonable price.

Reference: California Government Code §4528

I. Negotiations

Negotiations must be documented to verify a fair and reasonable contract has been executed using public funds.

Reference: California Government Code §4528

J. Audit and Review Process

A&E contracts procured by public agencies shall be subject to standard accounting practices and may require financial and performance audits. All agencies shall follow the Audit and Review Process as stated in LAPM Section 10.3: A&E Consultant Audit and Review Process.

<http://www.dot.ca.gov/hq/LocalPrograms/lam/LAPM/ch10.pdf>

<http://www.dot.ca.gov/hq/LocalPrograms/lam/forms/chapter10/10a.pdf>

Reference: California Government Code §4529.14

K. Exhibit 10-C: A&E Consultant Contract Database

Exhibit 10-C: A&E Consultant Contract Database must be completed at <http://dlaaeoversight.dot.ca.gov/fmi/webd/Exhibit%2010-C> (please use Firefox or Chrome if not supported by your browser) prior to contract award, or after contract award but no later than the first invoice.

CA Government Code References**California GOV §1090**

(a) Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

(b) An individual shall not aid or abet a Member of the Legislature or a state, county, district, judicial district, or city officer or employee in violating subdivision (a).

(c) As used in this article, "district" means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

California GOV §4006

Plans, specifications, work authorizations describing work to be performed, and all other information referred to in this chapter are open to inspection and examination as a public record.

California GOV §4525

For purposes of this chapter, the following terms have the following meaning:

(a) "Firm" means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice the profession of architecture, landscape architecture, engineering, environmental services, land surveying, or construction project management.

(b) "State agency head" means the secretary, administrator, or head of a department, agency, or bureau of the State of California authorized to contract for architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services.

(c) "Local agency head" means the secretary, administrator, or head of a department, agency, or bureau of any city, county, city and county, whether general law or chartered, or any district which is authorized to contract for architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services.

(d) "Architectural, landscape architectural, engineering, environmental, and land surveying services" includes those professional services of an architectural, landscape architectural, engineering, environmental, or land surveying nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform.

(e) "Construction project management" means those services provided by a licensed architect, registered engineer, or licensed general contractor which meet the requirements of Section 4529.5 for management and supervision of work performed on state construction projects.

(f) "Environmental services" means those services performed in connection with project development and permit processing in order to comply with federal and state environmental laws. "Environmental services" also includes the processing and awarding of claims pursuant to Chapter 6.75 (commencing with Section 25299.10) of Division 20 of the Health and Safety Code.

California GOV §4526

Notwithstanding any other provision of law, selection by a state or local agency head for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. In order to implement this method of selection, state agency heads contracting for private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services shall adopt by regulation, and local agency heads contracting for private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services may adopt by ordinance, procedures that assure that these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public agencies. Furthermore, these procedures shall assure maximum participation of small business firms, as defined by the Director of General Services pursuant to Section 14837.

In addition, these procedures shall specifically prohibit practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when those employees have a relationship with a person or business entity seeking a contract under this section which would subject those employees to the prohibition of Section 87100.

California GOV §4527

In the procurement of architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services, the state agency head shall encourage firms engaged in the lawful practice of their profession to submit annually a statement of qualifications and performance data.

(a) When the selection is by a state agency head, statewide announcement of all projects requiring architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services shall be made by the agency head through publications of the respective professional societies. The agency head, for each proposed project, shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select therefrom, in order of preference, based upon criteria established and published by him or her, no less than three of the firms deemed to be the most highly qualified to provide the services required.

(b) When the selection is by a local agency head, the agency head may undertake the procedures described in subdivision (a). In addition, these procedures shall specifically prohibit practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when these employees have a relationship with a person or business entity seeking a contract under this section.

California GOV §4528

(a) When the selection is by a state agency head the following procedures shall apply:

(1) The state agency head shall negotiate a contract with the best qualified firm for architectural, landscape architectural, engineering, environmental, land surveying, and construction project management services at compensation which the state agency head determines is fair and reasonable to the State of California or the political subdivision involved.

(2) Should the state agency head be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price the agency head determines to be fair and reasonable to the State of California or the political subdivision involved, negotiations with that firm shall be formally terminated. The state agency head shall then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the state agency head shall terminate negotiations. The state agency head shall then undertake negotiations with the third most qualified firm.

(3) Should the state agency head be unable to negotiate a satisfactory contract with any of the selected firms, the state agency head shall select additional firms in order of their competence and qualification and continue negotiations in accordance with this chapter until an agreement is reached.

(b) When the selection is by a local agency head, the local agency head may undertake the procedures described in subdivision (a).

California GOV §4529

This chapter shall not apply where the state or local agency head determines that the services needed are more of a technical nature and involve little professional judgment and that requiring bids would be in the public interest.

California GOV §4529.12

All architectural and engineering services shall be procured pursuant to a fair, competitive selection process which prohibits governmental agency employees from participating in the selection process when they have a

financial or business relationship with any private entity seeking the contract, and the procedure shall require compliance with all laws regarding political contributions, conflicts of interest or unlawful activities.

California GOV §4529.14

Architectural and engineering services contracts procured by public agencies shall be subject to standard accounting practices and may require financial and performance audits as necessary to ensure contract services are delivered within the agreed schedule and budget.

California GOV §4529.20

This act seeks to comprehensively regulate the matters which are contained within its provisions. These are matters of statewide concern and when enacted are intended to apply to charter cities as well as all other governmental entities.

Federal Highway Administration Memorandum 2 CFR 200 Implementation Guidance 12/4/2014

Attachment A: FHWA 2 CFR 200 Uniform Guidance – Questions and Answers

Question 21: “Will the FHWA/USDOT provide a waiver of the requirements in 2 CFR 200.317 for subrecipients to comply with State procurement requirements or other policies and procedures approved by the State (200.317)?”

Answer: Yes. The USDOT requested and received an OMB waiver of the requirements in 2 CFR 200.317 concerning procurement by subrecipients. This waiver provides an exception to the requirement for all subrecipients of a state to follow the procurement requirements in Sections 200.318 through 200.326. The waiver will allow States and subrecipients to continue to use state-approved procurement procedures as they did under part 18 prior to the adoption of the Uniform Guidance.

Figure 10.2 State-Only Funded Procurement Criteria

To comply with CA Government Code (GC) 4525-4529.5, 48 Code of Federal Regulations (CFR) Part 31: Contract Cost Principles and Procedures, 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (excluding sections 200.318-200.326), Caltrans Local Assistance Procedures Manual (LAPM) and other applicable STATE and FEDERAL regulations.

A&E Consultants		
Requirements for LGAs that use State funding		Use State requirements below
A.	Written Procedures	GC 4526
B.	Conflict of Interest	GC 1090, GC 4527(b), GC 4529.12
C.	Records	GC 4529.14, 4006
D.	Full & Open Competition	GC 4526, GC 4527, GC 4529.12
E.	Selection Basis	GC 4526*, 4527
F.	Publication	GC 4527
G.	Solicitation	GC 4527
H.	Cost Analysis	GC 4528
I.	Negotiations	GC 4528
J.	A&I Audit & Review Process	GC 4529.14, LAPM Ch. 10, 2 CFR 200
K.	Exhibit 10-C: A&E Consultant Contract Database	LAPM Ch. 10.2

*Mini Brooks Act - State regulation requiring the initial selection of engineering and architecture firms be based upon qualifications and experience rather than by price. Price is then later negotiated.

10.3: NON-A&E CONTRACTS

Scope

This section covers the procurement requirements for the services that are not included in Section 10.1 Federal and Section 10.2 State-Only. This guidance is for contracts utilizing federal-aid funds and state funds. Federal regulations refer to state and local regulations for non-A&E type contracts. Although local agencies are required to follow 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards for all contracts, the Procurement Standards section §200.318-200.326 is exempt. The guidance in this section follows the established regulations in the California Public Contract Code. Depending upon the scope of work, the required contract provisions may need to include the California State Prevailing Wages.

Local agency shall designate one person within the local agency as a contract manager.

(PCC 10348.5)

Determining Non-A&E

After identifying that there is a need for consulting services, the local agency shall determine that the services needed are more of a technical nature and involve minimal professional judgement and that requiring a cost proposal would be in the public's best interest. These type of consultant services that are not directly related to a highway construction project or that are not included in the definition of engineering and design related services are considered non-A&E. The services must not be included in Section 10.2.2 Definition of A&E.

The determining factor is whether the services being procured are related to a specific construction project and whether the services require work to be performed, provided by, or under the direction of a registered engineer or architect.

Example of Determining Non-A&E

Material testing has been requested to ensure quality assurance on a construction project. The service includes only performing the material test and providing material test data. Although the service is related to a construction project, the overall service did not provide an evaluation or a discipline report. In this example, the local agency can determine that the service provided is more of a technical nature and is therefore a non-A&E service.

The following is a list of the more common non-A&E services:

- Right-of-Way Appraisal
- Right-of Way acquisition activities
- Conducting public outreach during environmental clearance or construction
- Active Transportation Program educational and outreach activities
- Intelligent Transportation System (ITS)
- Non-Infrastructure

Intelligent Transportation System (ITS) Projects

Intelligent Transportation System (ITS) means electronic, communications, or information processing used singly or in combination to improve the efficiency or safety of a surface transportation system. ITS projects are those that in whole or in part, funds the acquisition of technologies or systems of technologies that provide significant contributions to the provision of one or more ITS user services as defined in the National ITS Architecture.

The federal-aid procurement regulations identify three possible contract procurement procedures for ITS projects including engineering and design related services (A&E), construction, and non-engineering/non-architectural (non-A&E).

If ITS projects include physical installation of field devices and/or communications infrastructure, such as new traffic signals, new controller cabinets, changeable message signs, radio and computers, vehicle detectors, and conduits for cabling in the roadway, then that work and required equipment usually meets the definition of construction. The construction contract must be procured based on competitive bidding. If the ITS project involves software development, system integration, hiring engineers and specialists for ITS design and installation support, inspection, design documentation, training and deployment, it may be considered an engineering and design services contract and the contract must be procured as an A&E consultant contract. If the scope of work is unclear as to whether it is an A&E type of work, contact aeoversight@dot.ca.gov for assistance.

However, if an ITS project does not meet either the definition of construction or engineering and design services, then the contract may be considered to be a non-A&E consultant contract.

Examples of non-A&E consultant contracts are:

- The procurement of hardware and software associated with incident management system;
- Software systems for arterial and freeway management systems;
- Operating the 511 traveler information service;
- Nonprofessional services for system support such as independent validation and verification, testing and specification development;

For more information regarding Intelligent Transportation Systems (ITS) Program procurement requirements, refer to LAPG, Chapter 13 LAPG Chapter 13: Intelligent Transportation Systems.

Non-Infrastructure Projects

Non-infrastructure (NI) projects are those transportation-related projects that do not involve either engineering design, Right-of-Way acquisition (for additional guidance refer to LAPM Chapter 13), or the eventual physical construction of transportation facilities.

Procurement of non-A&E consultant contracts associated with non-infrastructure projects must follow Non-A&E procurement procedures described in this chapter. For more information on NI projects, refer to LAPM Chapter 3: Project Authorization.

Governing Regulations and Codes for Non-A&E

When procuring non-A&E services with federal-aid funds, Local agencies must comply with 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, excluding sections §200.318-200.326 Procurement Standards (reference Federal Highway Administration December 4, 2014 Memorandum Action: 2 CFR 200 Implementation Guidance, Attachment A). Local agencies must follow the same policies and procedures that the State uses for procurement with its non-Federal funds. When procuring non-A&E services with federal-aid and state-only funds, the governing procurement code is Public Contract Code 10335-10381.

Procurement of Non-A&E Consultant Contracts

All non-A&E procurements contracts must be conducted in a manner providing full and open competition consistent with federal and state standards. Local agency must meet the code of conduct governing the performance of its employees engaged in the award and administration of federal-aid and state-funded contracts, including the preventions of conflict of interest in PCC 10410.

The following are the fundamental rules when procuring a non-A&E consultant contract.

1. The request for proposal (RFP) shall not limit the competition directly or indirectly to any one consultant. The RFP must be publicized and all evaluation factors and their relative importance identified. (PCC 10339)
2. Splitting a single transaction into a series of transactions for the purpose of evading the procurement requirements is not allowed. (PCC 10329)
3. Local agency shall secure at least three competitive proposals for each contract. (PCC 10340) When receiving less than three proposals, refer to the Cost-Effective/Public Interest Finding in this section as an alternative to re-advertisement.
4. No proposals shall be considered which have not been received at the place, and prior to the closing time as stated in the RFP. (PCC 10344(a))
5. Local agency must have a written procedure for evaluating proposals. (PCC 10344)

RFP Basic Requirements

- A. There are two general types of consulting service contract solicitations:
- B. Request for Proposal using Cost only
- C. Request for Proposal using Cost and Qualifications

The local agency must include the following in the request for proposal:

- A. A clear, precise description of the work to be performed or services to be provided.
- B. Description of the format that proposals shall follow and the elements they shall contain.
- C. The standards the agency will use in evaluating proposals. This includes qualifications and certifications if applicable.
- D. The date the proposals are due.

- E. The procurement schedule that the local agency will follow in reviewing and evaluating the proposals.

(PCC 10344)

Additional Requirements and Evaluation Criteria

Additional Requirements for Request for Proposal using Cost only

- A. Local agency must require consultants to submit their proposals and cost in a separate, sealed envelope.
- B. Local agency shall determine those that meet the format requirements and the standards specified in the request for proposal.
- C. The sealed envelopes containing the price and cost information for those proposals that meet the format requirements and standards shall then be publicly opened and read.
- D. Contract must be awarded to the lowest responsible consultant meeting the standards.

(PCC 10344(b))

Additional Requirements for Request for Proposal using Cost and Qualifications

- A. Local agency must include in the proposal the description of the evaluation and scoring method. Substantial weight in relationship to all other criteria utilized shall be given to the cost amount proposed by the consultant.
- B. Local agency shall determine those that meet the format requirements specified in the RFP.
- C. Local agency evaluation committee must evaluate and score the proposals using the methods specified in the RFP. All evaluation and scoring sheets shall be available for public inspection after the committee scoring process. Evaluation committee should comply to the prevention of conflict of interest in PCC 10410.
- D. The non-A&E contract shall be awarded to the consultant whose proposal is given the highest score by the evaluation committee.

(PCC 10344(c))

When using RFP (Cost and Qualifications), the criteria used to evaluate the consultant's proposals must have a logical foundation within the scope of work or within other technical requirements contained in the RFP. Each criterion must have a weight or level of importance, and it is recommended that total possible score for the evaluation criteria be one hundred (100) points. The proposed cost should be at least thirty percent (30%) of total points in evaluation criteria.

An example RFP for non-A&E is provided on the Local Assistance website at <https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/ae/files/rfp-example-non-ae.docx> and may be modified.

Submission of Exhibit 10-C: Consultant Contract Database to Caltrans HQ is not required for non-A&E consultant contracts.

Consultant's Proposal

The consultant's proposal should include the following information:

- Consultant Project Manager – qualifications, roles and responsibilities.
- Methodology - description of work and overall approach, specific techniques that will be used and specific administrative and operations expertise to be used.
- Workplan and Work Schedule - the technical proposal should include activities and tasks, and their delivery schedule.
- Personnel - List of personnel who will be working on the project, and their resumes.
- Facilities and resources (If applicable) - Explanation of where the services will be provided and what type of equipment is needed to perform services.
- Sub-contracts - Identify all sub-contracts that are to be used, description of each and the work by each sub-consultant/sub-contractor. No work shall be subcontracted unless listed in the technical proposal. Sub-consultant resumes should be provided.
- References - The technical proposal should provide at least three (3) clients for whom the proposer has performed work of similar nature to the request.

Cost Proposal Worksheet

The RFP should provide a standard format for cost proposal that all proposers must include in their proposal. The cost proposal format can be broken down by specific tasks, showing hourly labor rates, level of effort and material, and/or by milestones and deliverables.

Local agency is not required to award a contract if it is determined that the contract price is not reasonable. (PCC 10340(c))

DBE Consideration

DBE consideration is required on all federal-aid funded contracts including non-A&E.

Administrative Requirements

Advertisement for RFPs may be through the local agency website, local publications, and national publications. Minimum solicitation time is 14 calendar days. The solicitation should inform potential qualified consultants that questions must be submitted in writing to the Agency Contract Manager/Administrator by a specified date and time. All pertinent technical information and answers to consultant's questions shall be provided to all potential consultants. Written responses to all questions will be collectively compiled and provided as an addendum.

A proposal may be considered nonresponsive and rejected without evaluation if all required information is not provided. Proposals without information regarding, or not meeting, the required DBE utilization goal or without a Good Faith Effort documentation, late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed. Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

No consultant who has been awarded a consulting service contract may be awarded a subsequent contract for the services or goods which are required as an end product of the consulting service contract, unless the subcontract is no more than 10 percent of the total monetary value of the consulting services contract. Excludes A&E contracts.

(PCC 10365.5)

Contracts may be modified or amended only if the contracts so provide. Amendments must be requested and executed prior to the termination date of the most recently approved original or amended contract. All records of contract activities shall be kept for three years after federal final voucher E-76 or state final voucher for State-Only funds. Costs are reimbursable after state allocation by the California Transportation Commission (CTC) and/or the issuance of the federal E-76. The per diem rate shall not exceed the state rate. Contract Managers are responsible for monitoring expenditures on all contracts and verifying categories of work that require prevailing wage. A person in Responsible Charge of contract management is required for all federally funded projects.

Oral Presentations Optional

When oral presentations are required by the local agency, the evaluation criteria must include factors/sub-factors and weights used to score the proposers performance at the oral presentation. The evaluation committee will only be able to score each proposer based upon these criteria. The Contract Manager/Administrator should develop a set of questions related to the scope of work or the project to be asked during the evaluation committee question and answer (Q & A) section of the oral presentations. All proposers are asked the same questions for consistency.

The committee must also evaluate reference checks and other information gathered independently. Reference checks shall be completed and other information gathered before the interviews are conducted. If necessary, the results of the reference checks or other information may be discussed with the highest ranked qualified consultants at the interviews.

Cost-Effective / Public Interest Finding

A minimum of three proposal must be evaluated to establish effective competition. Any agency that has received less than three proposals on a contract shall document the names and addresses of the firms or individuals it solicited for proposals. Prepare an explanation as to why less than three proposals were received. When only two proposals are received, a justification must be documented to proceed with the procurement. When only one proposal is received, a Non-Competitive process must be justified and a Public Interest Finding (PIF) (LAPM Exhibit 12-F: Cost-Effective/Public Interest Finding) must be documented. In either case, the re-advertisement of the RFP should be considered as an option. Retain document as supporting documentation in the contract file.

(PCC 10340(c))

Protest / Appeals / Reinstatement Procedures

Both state and federal regulations require well-defined protest/reinstatement procedures. It is essential that the procedures include a reasonable opportunity for the prospective consultant to present his/her case. The appeals procedures strengthen the process by which the contracting agency reaches its ultimate goal and helps defends its action against a claim of lack of due process. A termination clause and a provision for settlement of contract disputes are required. Protest procedures and dispute resolution processes should be in accordance with PCC 10345.

RESOLUTION NO. 2020-

RESOLUTION OF THE CITY OF NATIONAL CITY APPROVING THE ADOPTION OF CALTRANS' LOCAL ASSISTANCE PROCEDURES MANUAL CHAPTER 10

WHEREAS, the City Council of the City of National City through the Engineering & Public Works Department is responsible for the execution of State and Federal funded project(s); and

WHEREAS, the provision of 23 CFR 172.5(b), subrecipients shall develop and sustain organizational capacity and provide the resources necessary for the procurement, management, and administration of engineering and design related consultant services, reimbursed in whole or in part with Federal-Aid Highway Program funding as specified in 23 U.S.C. 106(g)(4)(A); and

WHEREAS, 23 CFR 172.5(b)(1) requires subrecipients to adopt written policies and procedures prescribed by the awarding State Transportation Agency for the procurement, management, and administration of engineering and design related consultant services in accordance with applicable Federal and State laws and regulations; and

WHEREAS, the State of California Department of Transportation (Caltrans) has developed the Local Assistance Procedures Manual (LAPM), Chapter 10, Consultant Selection which sets forth policies and procedures for procurements and managements of contracts for engineering and design related consultant services contracts on federal and state funded transportation projects to ensure compliance with applicable Federal and State laws and regulations; and

WHEREAS, LAPM Chapter 10, Consultant Selection, describes the consultant selection and procurement process local agencies must follow to maintain eligibility for federal and state reimbursement.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of National City hereby adopts Caltrans LAPM Ch.10, Consultant Selection, and any updates thereto, in the procurement of A&E services for state and federal funded projects.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing the City Manager to execute a Confidentiality and Hold Harmless Agreement between the California Department of Transportation \(Caltrans\) and the City of National City for the sharing of electronic files, and designating the City Engineer as the person responsible for the security and confidentiality of the information provided by Caltrans. \(Engineering/Public Works\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the City Manager to execute a Confidentiality and Hold Harmless Agreement between the California Department of Transportation (Caltrans) and the City of National City for the sharing of electronic files, and designating the City Engineer as the person responsible for the security and confidentiality of the information provided by Caltrans.

PREPARED BY: Luca Zappiello, Assistant Civil Engineer

PHONE: 619-336-4360

LZ

DEPARTMENT: Engineering/Public Works

APPROVED BY:



EXPLANATION:

See attached.

FINANCIAL STATEMENT:

ACCOUNT NO.

N/A

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt Resolution authorizing the City Manager to execute a Confidentiality and Hold Harmless Agreement between Caltrans and the City of National City for the sharing of electronic files.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. Confidentiality and Hold Harmless Agreement
3. Resolution

EXPLANATION

In July 2018, the San Diego Associations of Governments (SANDAG) awarded a \$2.5 million Smart Growth Incentive Program (SGIP) grant to the City of National City to design and construct the Sweetwater Road Protected Bikeway project. The project will provide nearly 1.2 miles of protected bike facilities along Sweetwater Road and extend the Class I bike path on Plaza Bonita Road to Sweetwater Road (0.4 miles). The project will include a road diet, bicycle-friendly intersection improvements, and pedestrian enhancements. The proposed bicycle facilities will directly link the City's bike network to the regional network.

In order to complete final design for the portion of the bikeway project within the Caltrans right of way along Sweetwater Road at I-805, staff has requested survey data and right of way files from Caltrans. Since Caltrans has determined that the information requested is "confidential, privileged, protected, or exempted from public inspection," they are requiring the City to execute a Confidentiality and Hold Harmless Agreement before they can release the information. The terms and conditions of the Agreement are attached.

CONFIDENTIALITY and HOLD HARMLESS AGREEMENT
for the Sharing of Electronic Files

WHEREAS, the California Department of Transportation (herein "DEPARTMENT") agrees to provide the following entity certain information which is confidential, privileged, protected, or exempted from public inspection (herein "Information"):

City of National City, 1243 National City Blvd, National City, CA91950
619-336-4241, cmo@nationalcityca.gov

[Name of entity, address, telephone and fax number, and E-mail address] (herein "RECIPIENT").

The RECIPIENT represents and warrants that it is (check one):

- [] 1. A governmental agency, acting within the scope of its authority.
- [] 2. An encroachment permit applicant or holder who needs the Information for the following reasons: _____

3. Other entity that needs the Information for the following reasons: _____
City of National City needs the information for final design purposes regarding a project partially within Caltrans right-of-way

NOW THEREFORE, the parties hereto (herein collectively the "Parties") mutually agree to the following terms and conditions.

1. The DEPARTMENT agrees to furnish RECIPIENT with the Information described more particularly as follows (state whether the information is to be provided in a static or vector format): CAD files with the existing right-of-way and topo for the vicinity around Sweetwater Road from Prospect Street to Orange St.

List of files including file type (Use additional sheets if necessary.):

CAD Files will be in DWG. format

[NOTE: Electronic information provided hereunder is NOT intended to include the underlying meta-data or otherwise hidden data not readily accessible by normal on-screen viewing, nor shall RECIPIENT access such meta-data or hidden data.]

Said Information pertains to State Route I-805, located in San Diego County, from Post Mile 9.245 to Post Mile 8.912 only or Kilometer Post n/a to Kilometer Post n/a, and/or Project number 1100020271

2. RECIPIENT agrees to hold the above described Information in trust and confidence and agrees that it shall be used only in connection with improvements to DEPARTMENT facilities or State highway related purposes, and shall not be used for any other purpose or be disclosed to any third party, without the express prior written authorization of the DEPARTMENT.
3. It is understood and agreed to by the Parties that the Information provided under the terms of this Agreement is confidential, privileged, protected, or exempted from public inspection under Federal, State and local laws. By making the Information available to the RECIPIENT, the DEPARTMENT does not hereby waive or relinquish any rights to assert such confidentiality, privilege, protection, and exemption now or in the future, including but not limited to those exemptions set forth in California Government Code sections 6254, 6254.5, or other similar provisions of law. RECIPIENT shall have no obligation under this Agreement with respect to any part of the Information that is or becomes publicly available without breach of this Agreement by RECIPIENT; is rightfully received by RECIPIENT without obligations of confidentiality; or is developed by RECIPIENT without breach of this Agreement.
4. By accepting and using the above-described Information, RECIPIENT expressly agrees to treat such documents as confidential. All of the Information provided to RECIPIENT under this Agreement, including but not limited to that contained in records, writings and documents, whether in hard copy or electronic format, shall be properly safeguarded and protected by the RECIPIENT, its employees and agents, from unauthorized viewing, use and disclosure. The RECIPIENT and its employees and agents may be held civilly and criminally liable under State and Federal laws for breach of this provision. The RECIPIENT shall designate a person responsible for the security and confidentiality of the Information provided by the DEPARTMENT, and will immediately notify the DEPARTMENT in writing of such designee, and any designee changes.
5. If any of the Information, in whole or in part, is deemed to be public record by law, by court or governmental order to be disclosed, RECIPIENT shall give the DEPARTMENT prompt written notice thereof so that the DEPARTMENT may seek a protective order or other appropriate remedy prior to such disclosure and provide full and complete cooperation to the DEPARTMENT in seeking such order or remedy.
6. The Information provided hereunder is protected by copyright and/or other intellectual property laws. The Information shall not be copied or reproduced (including but not limited to paper copies and electronically formatted copies), or altered in any form without the express prior written authorization of the DEPARTMENT.
7. RECIPIENT acknowledges that the Information is proprietary property of the DEPARTMENT and that the DEPARTMENT retains all rights, title, and interests in the Information, including all copyrights as well as any additional intellectual property rights as may exist in the Information. RECIPIENT must retain all copyright notices

and any other proprietary notices on any permitted copies and/or reproductions of the Information. RECIPIENT shall not remove any trademark, copyright or other proprietary notices on the Information or on any materials provided by the DEPARTMENT.

8. At the conclusion of the proposed purposes for which the above-described Information was furnished, or upon demand by the DEPARTMENT, all such Information shall be returned to the DEPARTMENT, including any copies and reproductions. The DEPARTMENT, at its sole discretion, may demand that all written notes, photographs, sketches, models, or memoranda which were developed or derived from or reflect information obtained from the above -referenced Information be turned over to the DEPARTMENT.
9. The above-referenced Information shall not be disclosed to any employee, consultant, or third party unless they agree to execute and be bound by the terms of this Agreement and have been approved in advance, in writing, by the DEPARTMENT.
10. The Information is provided "As Is" or "As Available" with no warranty of any kind, expressed or implied, including, but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement. The DEPARTMENT shall not be liable for any special, incidental or consequential damages, including without limitation, loss of revenues, loss of profits, or loss from perspective economic advantage, resulting from the use or misuse of the Information, even if the DEPARTMENT has been advised of the possibility of such damages, or for any claim by another party. The DEPARTMENT assumes no responsibility whatsoever with respect to the completeness, sufficiency, accuracy, or interpretations set forth therein of any plans, documents or data that is provided pursuant to this Agreement. In addition, there is no warranty or guarantee, either express or implied, that the conditions indicated by such documents are representative of the actual existing site conditions or future as-built conditions of the subject location.
11. By accepting and using the above-referenced Information, RECIPIENT agrees to indemnify, defend, and hold the DEPARTMENT, its directors, officers, employees, or agents harmless from and against any claims, damages, losses, liabilities, and costs relating in any manner, directly or indirectly, to the use of the Information furnished by the DEPARTMENT pursuant to this Agreement.
12. With respect to any and all third party claims RECIPIENT further waives any and all rights to any type of express or implied indemnity against the DEPARTMENT, its directors, officers, employees or agents.
13. In the event that a suit is necessary to enforce any of the provisions of this Agreement, the DEPARTMENT shall be entitled to reasonable attorney's fees in addition to costs.

PD-06
Confidentiality and Hold Harmless Agreement
2/8/16

14. Severability. If any portion of this Agreement is ultimately determined not to be enforceable, that portion will be severed from the Agreement and the severability shall not affect the enforceability of the remaining terms of this Agreement.

15. The RECIPIENT'S signatory below represents and warrants that he/she is authorized to execute this Agreement to bind the RECIPIENT to the terms and conditions of this Agreement.

AGREED AND ACCEPTED BY:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
By: _____
Title: _____
Date: _____

RECIPIENT
By: _____
Title: _____
Date: _____

RESOLUTION NO. 2020 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE CITY MANAGER TO EXECUTE A CONFIDENTIALITY AND HOLD HARMLESS AGREEMENT BETWEEN THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) AND THE CITY OF NATIONAL CITY FOR THE SHARING OF ELECTRONIC FILES, AND DESIGNATING THE CITY ENGINEER AS THE PERSON RESPONSIBLE FOR THE SECURITY AND CONFIDENTIALITY OF THE INFORMATION PROVIDED BY CALTRANS

WHEREAS, in July 2018, the San Diego Associations of Governments (SANDAG) awarded a \$2.5 million Smart Growth Incentive Program (SGIP) grant to the City of National City to design and construct the Sweetwater Road Protected Bikeway project; and

WHEREAS, the project will provide nearly 1.2 miles of protected bike facilities along Sweetwater Road and extend the Class I bike path on Plaza Bonita Road to Sweetwater Road (0.4 miles); and

WHEREAS, the project will include a road diet, bicycle-friendly intersection improvements, and pedestrian enhancements that will directly link the City's bike network to the regional network; and

WHEREAS, in order to complete final design for the portion of the bikeway project within the Caltrans right of way along Sweetwater Road at I-805, staff has requested survey data and right of way files from Caltrans; and

WHEREAS, since Caltrans has determined that the information requested is “confidential, privileged, protected, or exempted from public inspection,” they are requiring the City to execute a Confidentiality and Hold Harmless Agreement before they can release the information.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of National City hereby authorizes the City Manager to execute a Confidentiality and Hold Harmless Agreement between the California Department of Transportation (Caltrans) and the City of National City for the sharing of electronic files, and designating the City Engineer as the person responsible for the security and confidentiality of the information provided by Caltrans.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing the installation of "30-minute parking" signs for 12 angle parking spaces located on the west side of "A" Avenue, south of East 7th Street, in front of 726 "A" Avenue \(Niederfrank's Ice Cream\), 724 "A" Avenue \(National Sewing Machines\), and 704 "A" Avenue \(Vee Parts & Accessories\) to increase parking turnover for customers \(TSC No. 2019-18\). \(Engineering/Public Works\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the installation of "30-minute parking" signs for 12 angle parking spaces located on the west side of "A" Avenue, south of E. 7th Street, in front of 726 "A" Avenue (Niederfrank's Ice Cream), 724 "A" Avenue (National Sewing Machines), and 704 "A" Avenue (Vee Parts & Accessories) to increase parking turnover for customers (TSC No. 2019-18).

PREPARED BY: Luca Zappiello, Assistant Engineer - Civil

DEPARTMENT: Engineering/Public Works

PHONE: 619-336-4360

LZ

APPROVED BY: _____

EXPLANATION:

See attached.

Luca Zappiello

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

N/A

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the Resolution authorizing the installation of "30-minute parking" signs for 12 angle parking spaces located on the west side of "A" Avenue, south of E. 7th Street.

BOARD / COMMISSION RECOMMENDATION:

At their meeting on December 11, 2019, the Traffic Safety Committee approved staff's recommendation to install "30-minute parking" signs on the west side of "A" Avenue, south of E. 7th Street.

ATTACHMENTS:

1. Explanation w/ Exhibit
2. Staff Report to the Traffic Safety Committee on December 11, 2019 (TSC No. 2019-18)
3. Resolution

EXPLANATION

Ms. Patti Finnegan, owner of Niederfrank's Ice Cream, located at 726 "A" Avenue, has requested time restricted parking on the west side of "A" Avenue between E. 7th Street and E. 8th Street in order to increase parking turnover for customers. Ms. Finnegan stated that customers are unable to find on-street parking nearby and are forced to drive out of the area in order to find available parking. Furthermore, Ms. Finnegan stated that parking spaces in front of her business are frequently occupied by vehicles parking all day and the installation of 15-minute parking spaces would increase parking turnover for her customers and allow for more efficient parking enforcement. Ms. Finnegan also stated that the owners of the two neighboring businesses located just north of Niederfrank's Ice Cream at 724 "A" Avenue (National Sewing Machines) and 704 "A" Avenue (Vee Parts & Accessories) were also in favor of having 15-minute parking on the west side of the block.

Staff visited the site and confirmed that there are 17 unrestricted angle parking spaces on the west side of "A" Avenue, between E. 7th Street and E. 8th Street. Staff notified all of the businesses and property owners located on the west side of the block, inviting them to attend the Traffic Safety Committee Meeting and/or contact staff with any questions. The business currently under construction on the northwest corner of "A" Avenue and E. 8th Street indicated they are not interested in time-restricted parking at this time. Therefore, only the 12 angle parking spaces in front of Niederfrank's Ice Cream, National Sewing Machines and Vee Parts & Accessories are being considered for conversion to time-restricted parking at this time.

This item was presented to the Traffic Safety Committee on December 11, 2019. Ms. Mary Ellen Faught, a representative of Niederfrank's Ice Cream, was in attendance to speak in support of the item. The Traffic Safety Committee members asked Ms. Faught if she would consider changing her proposal from "15-minute parking" to "30-minute parking" to allow sufficient time for customers to frequent the neighboring businesses. Ms. Faught agreed to change her request from "15-minute parking" to "30-minute parking". Afterwards, the Traffic Safety Committee voted unanimously to recommend the installation of "30-minute parking" signs for 12 parking spaces located on the west side of "A" Avenue, south of E. 7th Street, in front of Niederfrank's Ice Cream, National Sewing Machines and Vee Parts & Accessories to increase parking turnover for customers and allow for more efficient parking enforcement.

If approved by City Council, all work will be performed by City Public Works.

Location Map with Recommended Enhancements (TSC Item: 2019-18)



**NATIONAL CITY TRAFFIC SAFETY COMMITTEE
AGENDA REPORT FOR DECEMBER 11, 2019**

ITEM NO. 2019-18

ITEM TITLE: REQUEST TO INSTALL 148 FEET OF ANGLED "15-MINUTE PARKING" LOCATED ON THE WEST SIDE OF "A" AVENUE, SOUTH OF E. 7TH STREET, IN FRONT OF "NIEDERFRANK'S ICE CREAM", "NATIONAL SEWING MACHINES" AND "VEE PARTS & ACCESSORIES" TO INCREASE PARKING TURNOVER FOR CUSTOMERS

PREPARED BY: Luca Zappiello, Assistant Engineer - Civil Engineering & Public Works Department

DISCUSSION:

Ms. Patti Finnegan, owner of "Niederfrank's Ice Cream" (Niederfrank), located at 726 "A" Avenue, has requested time restricted parking on the west side of "A" Avenue, south of E. 7th Street, in front of Niederfrank in order to increase parking turnover for customers. Ms. Finnegan stated that customers are unable to find on-street parking nearby and are forced to drive out of the area in order to find available parking. Furthermore, Ms. Finnegan stated that parking spaces in front of her business are frequently occupied by vehicles all day and the installation of 15-minute parking spaces will increase parking turnover for her customers and allow for more efficient parking enforcement. Ms. Finnegan also stated that the two businesses "National Sewing Machines" and "Vee Parts & Accessories" located on the north side of Niederfrank would like to have the 15-minute parking spaces in front of their businesses as well.

Staff visited the site and verified that Niederfrank does not have off-street parking. There are approximately 220 feet of unrestricted angled parking (equal to seventeen (17) parking spaces) in front of the buildings located on the west side of "A" Avenue, between E. 7th Street and E. 8th Street. However, there are approximately 35 feet (equal to three (3) parking spaces) of unrestricted angled parking available directly in front of Niederfrank.

Staff spoke with the representative of "Vee Parts & Accessories" located on the north side of Niederfrank and they confirmed that parking spaces in front of the business are frequently occupied by vehicles all day and agreed that the installation of 15-minute parking spaces will increase parking turnover for their customers. Staff was unable to speak with the representative of "National Sewing Machines". However, staff notified all of the businesses and property owners located on the west side of "A" Avenue, between E. 7th Street and E. 8th Street, inviting them to attend the Traffic Safety Committee Meeting and/or contact staff with any questions. Staff measured the curb side in front of Niederfrank, National Sewing Machines" and "Vee Parts & Accessories" and confirmed that there are 148 feet of unrestricted angled parking available.

STAFF RECOMMENDATION:

Staff recommends the installation of 148 feet of angled "15-minute parking" (equal to 12 parking spaces) located on the west side of "A" Avenue, south of E. 7th Street, in front of "Niederfrank's Ice Cream", "National Sewing Machines" and "Vee Parts & Accessories" to increase parking turnover for customers.

EXHIBITS:

1. Correspondence
2. Public Notice
3. Location Map
4. Photos

2019-18



PUBLIC REQUEST FORM

Contact Information

Name: Patti Finnegan

Address: _____

Phone: _____ Email: _____

Request Information

Location: Niederfrank's Ice Cream

Request: I formally request as many as 15-minute parking spaces on A Avenue between 7th St. and 8th St.

We often have literally all spaces occupied for hours by people who are not frequenting the businesses on our block. I ask on behalf of Niederfrank's Ice Creams as well as, National Sewing and Vee Parks.

Attachments: Yes No Description: _____

Internal Use Only:

Request Received By: Luca Zappiello Date: November 20, 2019

Received via: Counter/In-Person Telephone Email Fax Referral: _____

Assigned To: _____

Notes: _____



December 4, 2019

RESIDENT/PROPERTY OWNER

Subject: TRAFFIC SAFETY COMMITTEE (TSC) ITEM NO. 2019-18

REQUEST TO INSTALL 148 FEET OF ANGLE "15-MINUTE PARKING" LOCATED ON THE WEST SIDE OF "A" AVENUE IN FRONT OF "NIEDERFRANK'S ICE CREAM", "NATIONAL SEWING MACHINES" AND "VEE PARTS & ACCESSORIES" TO INCREASE PARKING TURNOVER FOR CUSTOMERS

Dear Sir/Madame:

The City of National City would like to invite you to our next public Traffic Safety Committee Meeting scheduled for **Wednesday, December 11, 2019, at 1:00 P.M.** in the 2nd Floor Large Conference Room of the Civic Center Building, 1243 National City Boulevard, to discuss the above-referenced item.

The City Hall is ADA compliant. Please note that there are two disabled persons parking spaces in front of City Hall on the east side of National City that provide direct access on the 2nd Floor of City Hall via a pedestrian bridge.

If you have any questions, comments, and/or concerns, please contact the Engineering Department at 619-336-4380 and reference Traffic Safety Committee Item Number 2019-18.

Sincerely,

Stephen Manganiello
City Engineer

SM:lz

Enclosure: Location Map

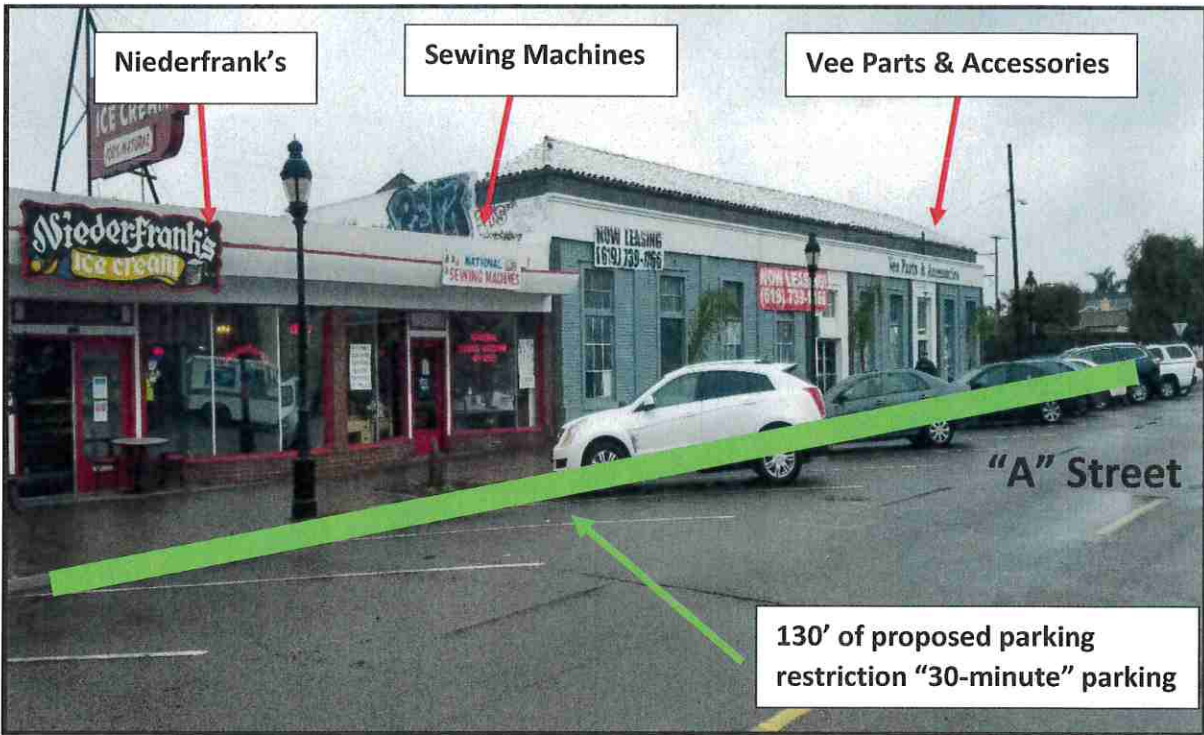
2019-18

Location Map with Recommended Enhancements (TSC Item: 2019-18)





Location of proposed parking restriction "15-minute" parking on "A" Avenue (looking north)



Location of proposed parking restriction "15-minute" parking on "A" Avenue (looking west)

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE INSTALLATION OF “30-MINUTE PARKING” SIGNS FOR 12
ANGLE PARKING SPACES LOCATED ON THE WEST SIDE OF “A” AVENUE,
SOUTH OF EAST 7TH STREET, IN FRONT OF 726 “A” AVENUE (NIEDERFRANK’S
ICE CREAM), 724 “A” AVENUE (NATIONAL SEWING MACHINES), AND 704 “A”
AVENUE (VEE PARTS & ACCESSORIES) TO INCREASE PARKING TURNOVER
FOR CUSTOMERS (TSC NO. 2019-18)**

WHEREAS, Ms. Patti Finnegan, owner of Niederfrank’s Ice Cream, located at 726 “A” Avenue, has requested time restricted parking on the west side of “A” Avenue between East 7th Street and East 8th Street in order to increase parking turnover for customers; and

WHEREAS, Ms. Finnegan stated that the owners of the two neighboring businesses located just north of Niederfrank’s Ice Cream at 724 “A” Avenue (National Sewing Machines) and 704 “A” Avenue (Vee Parts & Accessories) were also in favor of having 15-minute parking on the west side of the block; and

WHEREAS, staff visited the site and confirmed that there are 17 unrestricted angle parking spaces on the west side of “A” Avenue, between East 7th Street and East 8th Street; and

WHEREAS, staff notified all businesses and property owners located on the west side of the block, inviting them to attend the Traffic Safety Committee Meeting and/or contact staff with any questions; and

WHEREAS, the business currently under construction on the northwest corner of “A” Avenue and East 8th Street indicated they are not interested in time-restricted parking at this time, therefore, only 12 angle parking spaces in front of Niederfrank’s Ice Cream, National Sewing Machines and Vee Parts & Accessories are being considered for conversion to time-restricted parking at this time; and

WHEREAS, on December 11, 2019, per the Traffic Safety Committee, Ms. Faught, a Representative for Niederfrank’s Ice Cream agreed to change her request from “15-minute parking” to “30-minute parking” to allow sufficient time for customers to frequent the neighboring businesses; and

WHEREAS, on December 11, 2019, the Traffic Safety Committee voted unanimously to recommend the installation of “30-minute parking” signs for 12 parking spaces located on the west side of “A” Avenue, south of East 7th Street, in front of Niederfrank’s Ice Cream, National Sewing Machines and Vee Parts & Accessories to increase parking turnover for customers and allow for more efficient parking enforcement.

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**Resolution No. 2020 –
Page Two**

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the installation of “30-minute parking” signs for 12 angle parking spaces located on the west side of “A” Avenue, south of East 7th Street, in front of 726 “A” Avenue (Niederfrank’s Ice Cream), 724 “A” Avenue (National Sewing Machines), and 704 “A” Avenue (Vee Parts & Accessories) to increase parking turnover for customers (TSC No. 2019-18).

PASSED and ADOPTED this 18st day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing the installation of 36 feet of white curb "3-Minute Passenger Loading" on the east side of "V" Avenue in front of the church "Ni Christo" located at 2201 East 8th Street \(TSC No. 2019-19\). \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the installation of 36 feet of white curb "3-Minute Passenger Loading" on the east side of "V" Avenue in front of the church "Ni Christo" located at 2201 E. 8th Street (TSC No. 2019-19).

PREPARED BY: Luca Zappiello, Assistant Engineer - Civil

PHONE: 619-336-4360

DEPARTMENT: Engineering/Public Works

APPROVED BY: _____

EXPLANATION:

See attached.



FINANCIAL STATEMENT:

ACCOUNT NO.

| N/A |

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the Resolution authorizing the installation of 36 feet of white curb "3-Minute Passenger Loading" on the east side of "V" Avenue in front of the church "Ni Christo" located at 2201 E. 8th Street.

BOARD / COMMISSION RECOMMENDATION:

At their meeting on December 11, 2019, the Traffic Safety Committee approved staff's recommendation to install white curb "3-Minute Passenger Loading" on the east side of "V" Ave in front of the church "Ni Christo".

ATTACHMENTS:

1. Explanation w/ Exhibit
2. Staff Report to the Traffic Safety Committee on December 11, 2019 (TSC No. 2019-19)
3. Resolution

EXPLANATION

Mr. Luis Quiambao, representative of the Church “Ni Cristo” (Church) located at 2201 E. 8th Street has requested the installation of a white curb “Passenger Loading Zone” on the east side of “V” Avenue in front of the Church in order to provide a safer loading and unloading area for the members of the Church during mass hours. Mr. Quiambao stated that in addition to mass, the Church has several weekly activities that are attended by many members. Mr. Quiambao stated that since all of the on-street parking spaces located in front of the Church are occupied, vehicles traveling northbound must stop in the middle of “V” Avenue in order to drop off passengers, creating an unsafe condition.

In addition, Mr. Quiambao stated that this creates traffic congestion at the intersection where the Church is located because several vehicles must queue in the middle of “V” Avenue during the drop-off activity. Mr. Quiambao stated that the installation of a white curb “Passenger Loading Zone” in front of the Church would make passenger loading and unloading easier and safer, reducing traffic congestion at the intersection. In addition, Mr. Quiambao stated that he would like to have another white curb “Passenger Loading Zone” on the west side of V Avenue, in front of the parking lot of the Church, since there is a building located at 2219 E. 8th Street that is utilized by the Church for events on a weekly basis.

Staff visited the site and verified that the Church is located on the northeast corner of E. 8th Street and “V” Avenue. The Church has three different off-street parking lots (see location map). Parking lot #1 is located on the southwest side of the Church and has six parking spaces, including four disabled parking spaces. Parking lot #2 is located on the west side of “V” Avenue, south of the building located at 2219 E. 8th Street and has 56 parking spaces, including four disabled parking spaces. Parking lot #3 is located on the west side of “V” Avenue, north of the building located at 2219 E. 8th Street and has 28 parking spaces.

Staff agreed that the installation of a white curb “Passenger Loading Zone” on the east side of “V” Avenue in front of the Church would provide a safe loading and unloading area for Church members during mass hours. However, staff deferred to the Traffic Safety Committee regarding the request to install a white curb “Passenger Loading Zone” on the west side of “V” Avenue, in front of parking lot #2, since vehicles could use parking lot #2 for the passenger loading and unloading in order to access the building located at 2219 E. 8th Street.

This item was presented to the Traffic Safety Committee on December 11, 2019. Staff sent notices to the Church representatives inviting them to attend the Traffic Safety Committee Meeting and/or contact staff with any questions. Mr. Luis Quiambao and Mr. Albert Almazan were in attendance to speak in support of the item.

After discussing the item, the Traffic Safety Committee voted unanimously in support of staff’s recommendation to install 36 feet of white curb “3-Minute Passenger Loading” on the east side of “V” Avenue in front of the Church “Ni Cristo” located at 2201 E. 8th

Street. However, the Traffic Safety Committee voted unanimously against the option to install a white curb “Passenger Loading Zone” on the west side of “V” Avenue, in front of parking lot #2 since vehicles can use the parking lot for passenger loading and unloading to access the building located at 2219 E. 8th Street.

It should be noted that if the white curb “3-Minute Passenger Loading” is installed, the parking restriction will be in effect 24-hours a day.

If approved by City Council, all work will be performed by City Public Works.

Location Map with Recommended Enhancements (TSC Item: 2019-18)



**NATIONAL CITY TRAFFIC SAFETY COMMITTEE
AGENDA REPORT FOR DECEMBER 11, 2019**

ITEM NO. 2019-19

ITEM TITLE: REQUEST TO INSTALL 36 FEET OF WHITE CURB "PASSENGER LOADING ZONE" ON THE EAST SIDE OF "V" AVENUE IN FRONT OF THE CHURCH "NI CHRISTO" (CHURCH) LOCATED AT 2201 E. 8TH STREET AND 20 FEET OF WHITE CURB "PASSENGER LOADING ZONE" ON THE WEST SIDE OF "V" AVENUE IN FRONT OF THE PARKING LOT OF THE CHURCH

PREPARED BY: Luca Zappiello, Assistant Engineer - Civil
Engineering & Public Works Department

DISCUSSION:

Mr. Luis Quiambao, representative of the Church "Ni Christo" (Church) located at 2201 E. 8th Street has requested the installation of a white curb "Passenger Loading Zone" located on the east side of "V" Avenue in front of the Church in order to provide a safer loading and unloading area for the members of the Church during mass hours. Mr. Quiambao stated that in addition to mass, the Church has several weekly activities that are attended by many members. Mr. Quiambao stated that since all of the on-street parking spaces located in front of the Church are occupied, vehicles traveling northbound must to stop in the middle of "V" Street in order to drop off passengers, creating an unsafe situation. In addition, Mr. Quiambao stated that this creates traffic congestion at the intersection where the Church is located because several vehicles must queue in the middle of "V" Street during the drop off activity. Mr. Quiambao stated that the installation of a white curb "Passenger Loading Zone" in front of the Church would make passenger loading and unloading easier and safer, reducing the traffic congestion at the intersection. In addition, Mr. Quiambao stated that he would like to have another white curb "Passenger Loading Zone" located on the west side of V Avenue, in front of the parking lot of the Church since there is a building located at 2219 E. 8th Street that is utilized by the Church for events on a weekly basis.

Staff visited the site and verified that the Church is located on the northeast corner between E. 8th Street and "V" Avenue. The Church has three different off-street parking lots (see location map). Parking lot no. #1 is located on the southwest side of the Church with six (6) parking spaces, including four (4) disabled parking spaces. Parking lot no. #2 is located on the west side of "V" Avenue, south of the building located at 2219 E. 8th Street with fifty-six (56) parking spaces, including four (4) disabled parking spaces. Parking lot no. #3 is located on the west side of "V" Avenue, north of the building located at 2219 E. 8th Street with twenty-eight (28) parking spaces.

Staff agrees that the installation of a white curb "Passenger Loading Zone" located on the east side of "V" Avenue in front of the Church is necessary since it will provide a safer loading and unloading area for members of the Church during mass hours. However, Staff defers to the Traffic Safety Committee for the recommendation to install a white curb "Passenger Loading Zone" located on the west side of "V" Avenue, in front of parking lot no. #2 since vehicles can use parking lot no. #2 for the passenger loading and unloading in order to access the building located at 2219 E. 8th Street.

Staff notified the Church representatives to attend the Traffic Safety Committee Meeting and/or contact staff with any questions.

STAFF RECOMMENDATION:

Based on evaluation of existing conditions, staff recommends the installation of 36 feet of white curb "Passenger Loading Zone" on the east side of "V" Avenue in front of the Church "Ni Christo" located at 2201 E. 8th street. Furthermore, Staff defers to the Traffic Safety Committee for the recommendation to install 20 feet of white curb "Passenger Loading Zone" located on the west side of "V" Avenue, in front of parking lot no. #2.

If approved by City Council, all work will be performed by City Public Works.

EXHIBITS:

1. Correspondence
2. Public Notice
3. Location Map
4. Photos

2019-19



PUBLIC REQUEST FORM

Contact Information

Name:	<u>Luis Quiambao</u>
Address:	_____
Phone:	_____
Email:	_____

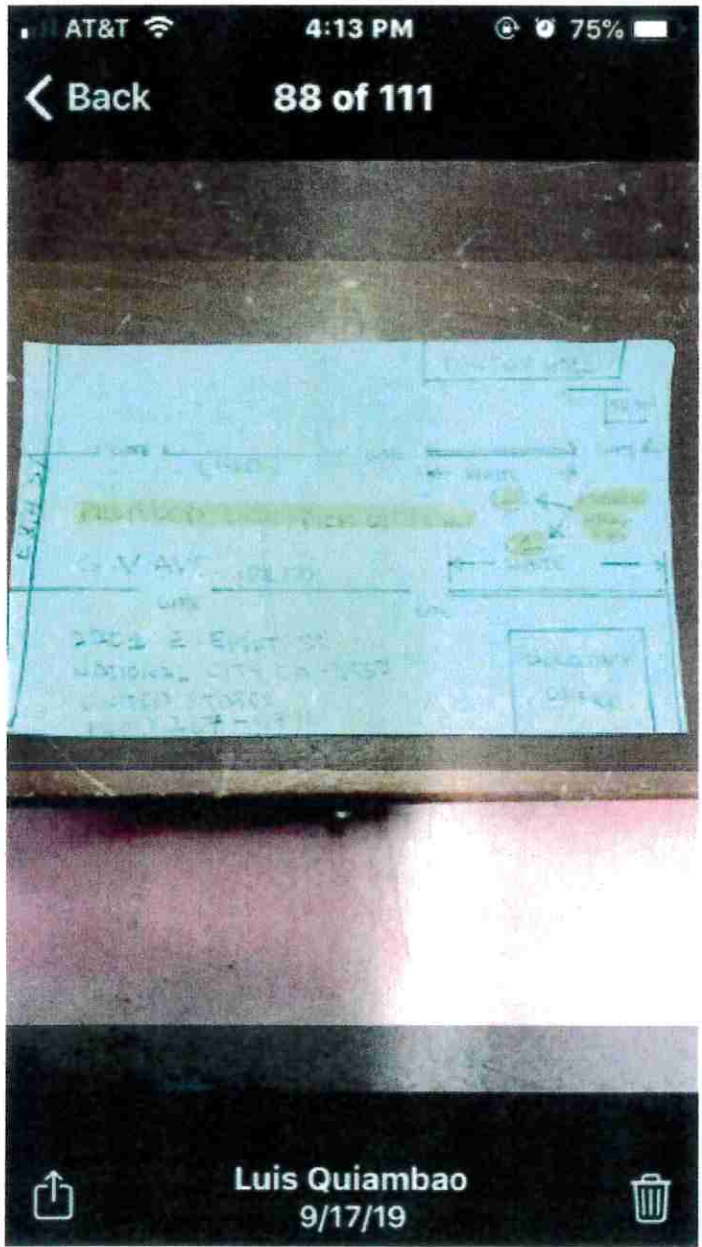
Request Information

Location:	<u>Church Ni Cristo</u>
Request:	<u>Request curb along the side walk along V Avenue be painted white as per sketch, to allow people to be drop-off and pick-up at designated area</u>

Attachments:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Description: <u>sketch</u>

Internal Use Only:

Request Received By:	<u>Luca Zappiello</u>	Date:	<u>September 18, 2019</u>
Received via:	<input type="checkbox"/> Counter/In-Person <input type="checkbox"/> Telephone <input checked="" type="checkbox"/> Email <input type="checkbox"/> Fax <input type="checkbox"/> Referral:		_____
Assigned To:	_____		
Notes:	_____		





December 4, 2019

RESIDENT/PROPERTY OWNER

Subject: TRAFFIC SAFETY COMMITTEE (TSC) ITEM NO. 2019-19

REQUEST TO INSTALL 36 FEET OF WHITE CURB "PASSENGER LOADING ZONE" ON THE EAST SIDE OF "V" AVENUE IN FRONT OF THE CHURCH "NI CHRISTO" (CHURCH) LOCATED AT 2201 E. 8TH STREET AND 20 FEET OF WHITE CURB "PASSENGER LOADING ZONE" ON THE WEST SIDE OF "V" AVENUE IN FRONT OF THE PARKING LOT OF THE CHURCH

Dear Sir/Madame:

The City of National City would like to invite you to our next public Traffic Safety Committee Meeting scheduled for **Wednesday, December 11, 2019, at 1:00 P.M.** in the 2nd Floor Large Conference Room of the Civic Center Building, 1243 National City Boulevard, to discuss the above-referenced item.

The City Hall is ADA compliant. Please note that there are two disabled persons parking spaces in front of City Hall on the east side of National City that provide direct access on the 2nd Floor of City Hall via a pedestrian bridge.

If you have any questions, comments, and/or concerns, please contact the Engineering Department at 619-336-4380 and reference Traffic Safety Committee Item Number 2019-19.

Sincerely,

Stephen Manganiello
City Engineer

SM:lz

Enclosure: Location Map

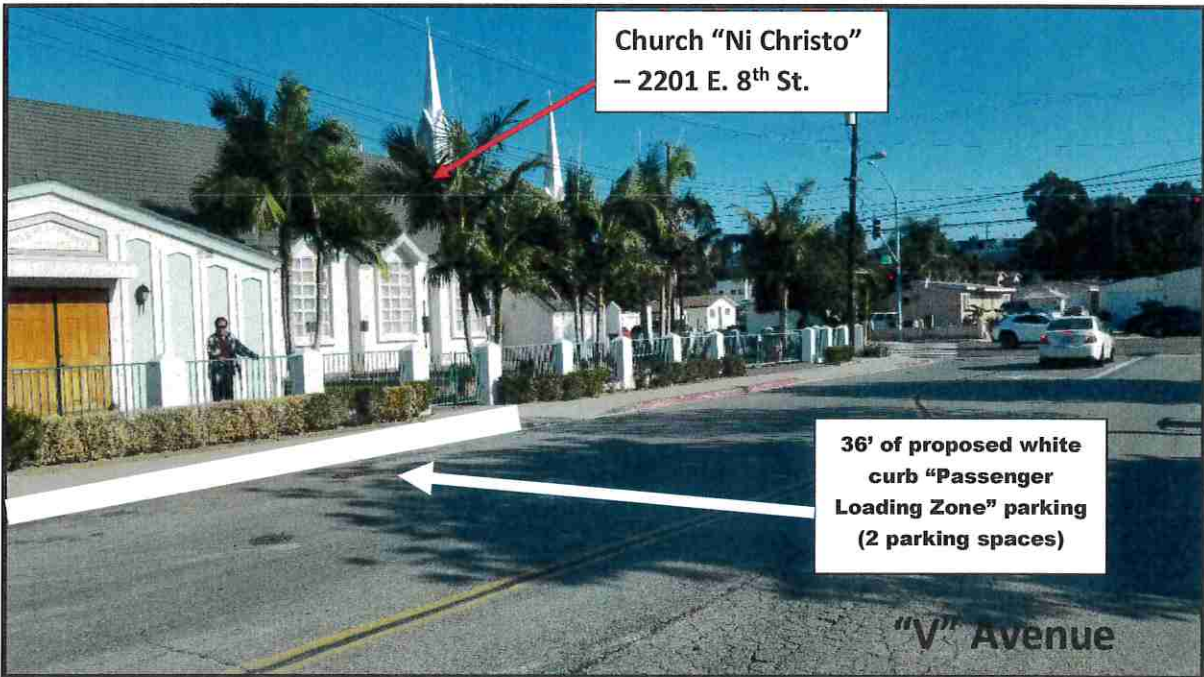
2019-19

Location Map with Recommended Enhancements (TSC Item: 2019-18)





Location of proposed parking white curb "Passenger Loading Zone" (looking east)



Location of proposed parking white curb "Passenger Loading Zone" (looking east)



Location of proposed parking white curb "Passenger Loading Zone" (looking west)

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE INSTALLATION OF 36 FEET OF WHITE CURB “3-MINUTE
PASSENGER LOADING” ON THE EAST SIDE OF “V” AVENUE IN FRONT OF THE
CHURCH ”NI CHRISTO” LOCATED AT 2201 EAST 8TH STREET (TSC NO. 2019-19)**

WHEREAS, Mr. Luis Quiambao, representative of the Church “Ni Christo” (Church) located at 2201 East 8th Street has requested the installation of a white curb “Passenger Loading Zone” on the east side of “V” Avenue in front of the Church and on the west side of V Avenue, in front of the parking lot of the Church in order to provide a safer loading and unloading area for the members of the Church during mass hour; and

WHEREAS, Mr. Quiambao stated that since all of the on-street parking spaces located in front of the Church are occupied, vehicles traveling northbound must stop in the middle of “V” Avenue in order to drop off passengers, creating an unsafe condition; and

WHEREAS, staff visited the site and verified that the Church is located on the northeast corner of East 8th Street and “V” Avenue and that the Church has three different off-street parking lots:

- Parking lot #1 is located on the southwest side of the Church and has six parking spaces, including four disabled parking spaces;
- Parking lot #2 is located on the west side of “V” Avenue, south of the building located at 2219 East 8th Street and has 56 parking spaces, including four disabled parking spaces;
- Parking lot #3 is located on the west side of “V” Avenue, north of the building located at 2219 East 8th Street and has 28 parking spaces; and

WHEREAS, staff agreed that the installation of a white curb “Passenger Loading Zone” on the east side of “V” Avenue in front of the Church would provide a safe loading and unloading area for Church members during mass hours; and

WHEREAS, staff deferred to the Traffic Safety Committee regarding the request to install a white curb “Passenger Loading Zone” on the west side of “V” Avenue, in front of parking lot #2, since vehicles could use parking lot #2 for the passenger loading and unloading in order to access the building located at 2219 East 8th Street; and

WHEREAS, on December 11, 2019, the Traffic Safety Committee voted unanimously against the option to install a white curb “Passenger Loading Zone” on the west side of “V” Avenue, in front of parking lot #2 since vehicles can use the parking lot for passenger loading and unloading to access the building located at 2219 East 8th Street; and

WHEREAS, on December 11, 2019, the Traffic Safety Committee voted unanimously to approve staff’s recommendation to install 36 feet of white curb “3-Minute Passenger Loading” on the east side of “V” Avenue in front of the Church “Ni Christo” located at 2201 East 8th Street.

///
///
///

**Resolution No. 2020 –
Page Two**

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the installation of 36 feet of white curb “3-Minute Passenger Loading” on the east side of “V” Avenue in front of the church “Ni Christo” located at 2201 East 8th Street that will be in effect 24 hours a day (TSC No. 2019-19).

PASSED and ADOPTED this 18st day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City authorizing the donation of a 1991 Chevrolet utility truck and 2004 Pierce fire engine to another public agency, the City of Tecate, in accordance with State Law and Municipal Code Section 2.42.040B. \(Fire\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO. |

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the donation of a 1991 Chevrolet utility truck and 2004 Pierce fire engine to assist the City of Tecate. (Fire)

PREPARED BY: Frank Parra

DEPARTMENT:

PHONE: 619-336-4551

APPROVED BY: 

EXPLANATION:

See attached Staff Report.

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO. |

APPROVED: _____ MIS

No cost to City; however, donating the fire engine and utility truck versus selling at auction impacts potential revenue of approximately \$15,000.

ENVIRONMENTAL REVIEW:

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Staff recommends the City Council approve the donation in order to assist the City of Tecate.

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

1. Staff Report
2. Municipal Code Chapter 2.42 – Disposal of Surplus City Property
3. Resolution

Resolution of the City Council of the City of National City authorizing the donation of a 1991 Chevrolet utility truck and 2004 Pierce fire engine to assist the City of Tecate. (Fire)

Staff Report:

The City of National City would like to donate a fire engine and utility truck that have been phased out of service to the City of Tecate. The surplus fire engine being recommended for donation is engine number 460, a 2004 Pierce fire engine with approximately 167,000 miles. The utility truck is vehicle number 218, a 1991 Chevrolet with approximately 37,000 miles. The total estimated value for both the fire engine and utility truck is \$15,000.

The City of National City and the National City Fire Department would not incur any liability related to the fire engine's or utility truck's ownership, operation, or use. The City of Tecate, as the owner of the fire engine and utility truck, would provide all maintenance and insurance surrounding its use.

Policy Requirements:

Pursuant to the California Government Code and Municipal Code Chapter 2.42 – Disposal of Surplus City Property Section 2.42.040B “Manner of Disposal”, if the surplus city property which is not required for city use has been assigned an estimated market value of one thousand dollars or more by the purchasing agent, he/she shall dispose of the property:

1. Through the solicitation of sealed bids, with the award going to the highest responsive, responsible bidder. All notices shall be published by the purchasing agent in a commercially reasonable manner, using any appropriate mediums of printed or electronic commerce which, in the opinion of the purchasing agent, are reasonably likely to ensure an optimum bidding process;
2. Through participation in the San Diego County cooperative auction;
3. Through consignment of items to a vendor to sell on behalf of the city. The purchasing agent shall enter into an agreement with the vendor that has the potential of generating the most market interest and, therefore, the highest net proceeds for the city. The consignment vendor shall, at its expense, advertise the item(s) for sale, in accordance with subsection (B)(1) of this section, and shall accept offers on behalf of the city, with the city having final acceptance authority;
4. Through a negotiated agreement with another public agency, public safety organization, government agency or other nonprofit agency which may have limited funds, and an expressed need for such item(s).

The donation of a surplus fire engine and utility truck to the City of Tecate meets requirement No. 4 as described above.

The items listed below have been designated for donation to the City of Tecate:

ITEM	SERIAL NUMBER
(1) 1991 Chevrolet utility truck	N/A
(1) 2004 Pierce fire engine	N/A

Financial Statement:

No cost to City; however, donating the fire engine and utility truck versus selling at auction impacts potential revenue of approximately \$15,000.

Staff Recommendation:

Staff recommends the City Council approve the donation in order to assist the City of Tecate.

Chapter 2.42 - DISPOSAL OF SURPLUS CITY PROPERTY

2.42.010 - Definitions.

- A. "Surplus city property" means supplies or equipment belonging to the city which are no longer used or which have become obsolete or worn out or which are otherwise of no further use.
- B. "Immediate family" means the husband, wife, mother and father of both husband and wife, son, daughter, brother and sister of the employee, or any relative by blood or marriage residing in the same household.

(Ord. 1673 § 1 (part), 1979)

2.42.020 - Duty to report surplus equipment and supplies.

All using agencies shall submit to the purchasing agent, at such times and in such forms as prescribed, reports listing all available surplus city property. The purchasing agent shall have authority to exchange for, or trade in, such property on new supplies and equipment in accordance with this chapter.

(Ord. 1673 § 1 (part), 1979)

2.42.030 - Disposal required.

The purchasing agent shall determine if any surplus city property can be used by any agency of the city. If such supplies or equipment cannot be used or are unsuitable for city use, the purchasing agent shall, in the manner provided in this chapter, dispose of such supplies and equipment that cannot be exchanged for or traded in on new equipment or supplies.

(Ord. 1673 § 1 (part), 1979)

2.42.040 - Manner of disposal.

- A. If the surplus city property which is not required for city use has been assigned an estimated market value of less than one thousand dollars by the purchasing agent, he/she may dispose of such property on the open market without advertising for bids.

- B. If the surplus city property which is not required for city use has been assigned an estimated market value of one thousand dollars or more by the purchasing agent, he/she shall dispose of the property:
1. Through the solicitation of sealed bids, with the award going to the highest responsive, responsible bidder. All notices shall be published by the purchasing agent in a commercially reasonable manner, using any appropriate mediums of printed or electronic commerce which, in the opinion of the purchasing agent, are reasonably likely to ensure an optimum bidding process;
 2. Through participation in the San Diego County cooperative auction;
 3. Through consignment of items to a vendor to sell on behalf of the city. The purchasing agent shall enter into an agreement with the vendor that has the potential of generating the most market interest and, therefor, the highest net proceeds for the city. The consignment vendor shall, at its expense, advertise the item(s) for sale, in accordance with subsection (B)(1) of this section, and shall accept offers on behalf of the city, with the city having final acceptance authority;
 4. Through a negotiated agreement with another public agency, public safety organization, government agency or other nonprofit agency which may have limited funds, and an expressed need for such item(s).
- C. The purchasing agent shall have the authority to combine any surplus city property with lost and unclaimed property for the purpose of disposal by public auction in accordance with Chapter 2.44 of this title.
- D. The amount received for any property sold pursuant to this chapter shall be deposited in the city's general fund.

(Ord. 2284, 2006; Ord. 2044, 1992; Ord. 1673 § 1 (part), 1979)

2.42.050 - City personnel prohibited from purchasing.

No city officer or employee or any member of the immediate family living in the same household of a city officer or employee shall purchase surplus city property sold in accordance with this chapter.

(Ord. 1673 § 1 (part), 1979)

RESOLUTION NO. 2020

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE DONATION OF A 1991 CHEVROLET UTILITY TRUCK AND A
2004 PIERCE FIRE ENGINE TO ANOTHER PUBLIC AGENCY, THE CITY OF
TECATE IN ACCORDANCE WITH STATE LAW AND
MUNICIPAL CODE SECTION 2.42.040B**

WHEREAS, the City of National City would like to donate a fire engine and a utility truck that have been phased out of service to another Public Agency, the City of Tecate; and

WHEREAS, the surplus fire engine being recommended for donation is engine number 460, a 2004 Pierce fire engine with approximately 167,000 miles and the utility truck is vehicle number 218, a 1991 Chevrolet with approximately 37,000 miles; and

WHEREAS, the total estimated value for both the fire engine and utility truck is \$15,000; and

WHEREAS, the City of National City and the National City Fire Department would not incur any liability related to the fire engine's or utility truck's ownership, operation, or use; and

WHEREAS, the City of Tecate, as the owner of the fire engine and utility truck, would provide all maintenance and insurance surrounding its use; and

WHEREAS, this donation is in accordance with California Government Code and Municipal Code Chapter 2.42 – Disposal of Surplus City Property Section 2.42.040B “Manner of Disposal”.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the donation of a 1991 Chevrolet utility truck and 2004 Pierce fire engine to another Public Agency, the City of Tecate in accordance with State Law and City Law.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Warrant Register #28 for the period of 1/1/20 through 1/7/20 in the amount of \\$1,067,876.73. \(Finance\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Warrant Register #28 for the period of 1/1/20 through 1/7/20 in the amount of \$1,067,876.73. (Finance)

PREPARED BY: Karla Apalategui, Accounting Assistant

DEPARTMENT: Finance

PHONE: 619-336-4572

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period 1/1/20 - 1/7/20. Consistent with Department of Finance's practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
---------------	-------------------	---------------	--------------------

	No Warrants for over \$50,000		
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	Processed for this period		
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FINANCIAL STATEMENT:

APPROVED:  **FINANCE**

ACCOUNT NO.

APPROVED: _____ **MIS**

Warrant total \$1,067,876.73.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Ratify warrants totaling \$1,067,876.73

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Warrant Register # 28



WARRANT REGISTER # 28
1/7/2020

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
ACEDO, I	RETIREE HEALTH BENEFITS / JAN 2020	345601	1/7/20	160.00
ANDERSON, E	RETIREE HEALTH BENEFITS / JAN 2020	345602	1/7/20	110.00
BEARD, P	RETIREE HEALTH BENEFITS / JAN 2020	345603	1/7/20	70.00
BECK, L	RETIREE HEALTH BENEFITS / JAN 2020	345604	1/7/20	140.00
BISHOP, R	RETIREE HEALTH BENEFITS / JAN 2020	345605	1/7/20	110.00
BOEGLER, C	RETIREE HEALTH BENEFITS / JAN 2020	345606	1/7/20	260.00
BULL, P	RETIREE HEALTH BENEFITS / JAN 2020	345607	1/7/20	580.00
CAMEON, C	RETIREE HEALTH BENEFITS / JAN 2020	345608	1/7/20	400.00
CARRILLO, R	RETIREE HEALTH BENEFITS / JAN 2020	345609	1/7/20	290.00
COLE, L	RETIREE HEALTH BENEFITS / JAN 2020	345610	1/7/20	165.00
COLLINSON, C	RETIREE HEALTH BENEFITS / JAN 2020	345611	1/7/20	420.00
CONDON, D	RETIREE HEALTH BENEFITS / JAN 2020	345612	1/7/20	280.00
CORDERO, E	RETIREE HEALTH BENEFITS / JAN 2020	345613	1/7/20	520.00
CORPUZ, T	RETIREE HEALTH BENEFITS / JAN 2020	345614	1/7/20	140.00
DANESHFAR, Z	RETIREE HEALTH BENEFITS / JAN 2020	345615	1/7/20	250.00
DEESE, L	RETIREE HEALTH BENEFITS / JAN 2020	345616	1/7/20	660.00
DESROCHERS, P	RETIREE HEALTH BENEFITS / JAN 2020	345617	1/7/20	110.00
DIAZ, M	RETIREE HEALTH BENEFITS / JAN 2020	345618	1/7/20	680.00
DILLARD, S	RETIREE HEALTH BENEFITS / JAN 2020	345619	1/7/20	480.00
DREDGE, J	RETIREE HEALTH BENEFITS / JAN 2020	345620	1/7/20	250.00
EISER III, G	RETIREE HEALTH BENEFITS / JAN 2020	345621	1/7/20	250.00
ESPIRITU, D	RETIREE HEALTH BENEFITS / JAN 2020	345622	1/7/20	620.00
ETZLER, J	RETIREE HEALTH BENEFITS / JAN 2020	345623	1/7/20	460.00
FABINSKI, D	RETIREE HEALTH BENEFITS / JAN 2020	345624	1/7/20	220.00
FERNANDEZ, R	RETIREE HEALTH BENEFITS / JAN 2020	345625	1/7/20	270.00
FIFIELD, K	RETIREE HEALTH BENEFITS / JAN 2020	345626	1/7/20	540.00
GAUT, A	RETIREE HEALTH BENEFITS / JAN 2020	345627	1/7/20	700.00
GELSKEY, K	RETIREE HEALTH BENEFITS / JAN 2020	345628	1/7/20	115.00
GIBBS JR, R	RETIREE HEALTH BENEFITS / JAN 2020	345629	1/7/20	120.00
GONZALES, M	RETIREE HEALTH BENEFITS / JAN 2020	345630	1/7/20	480.00
HANSON, E	RETIREE HEALTH BENEFITS / JAN 2020	345631	1/7/20	135.00
HARLAN, M	RETIREE HEALTH BENEFITS / JAN 2020	345632	1/7/20	500.00
HAUG, S	RETIREE HEALTH BENEFITS / JAN 2020	345633	1/7/20	120.00
HERNANDEZ, M	RETIREE HEALTH BENEFITS / JAN 2020	345634	1/7/20	600.00
HERNANDEZ, R	RETIREE HEALTH BENEFITS / JAN 2020	345635	1/7/20	400.00
HODGES, B	RETIREE HEALTH BENEFITS / JAN 2020	345636	1/7/20	200.00
IBARRA, J	RETIREE HEALTH BENEFITS / JAN 2020	345637	1/7/20	780.00
JAMES, R	RETIREE HEALTH BENEFITS / JAN 2020	345638	1/7/20	140.00
JONES, D	RETIREE HEALTH BENEFITS / JAN 2020	345639	1/7/20	480.00
JUNIEL, R	RETIREE HEALTH BENEFITS / JAN 2020	345640	1/7/20	50.00
KIMBLE, R	RETIREE HEALTH BENEFITS / JAN 2020	345641	1/7/20	300.00
KLOS, F	RETIREE HEALTH BENEFITS / JAN 2020	345642	1/7/20	480.00
LEACH, D	RETIREE HEALTH BENEFITS / JAN 2020	345643	1/7/20	600.00
LIMFUECO, M	RETIREE HEALTH BENEFITS / JAN 2020	345644	1/7/20	160.00
MATIENZO, M	RETIREE HEALTH BENEFITS / JAN 2020	345645	1/7/20	100.00
MC CABE, T	RETIREE HEALTH BENEFITS / JAN 2020	345646	1/7/20	280.00
MCDANIEL, P	RETIREE HEALTH BENEFITS / JAN 2020	345647	1/7/20	290.00
MEDINA, R	RETIREE HEALTH BENEFITS / JAN 2020	345648	1/7/20	105.00



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<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
MENDOZA, G	RETIREE HEALTH BENEFITS / JAN 2020	345649	1/7/20	290.00
MINER, D	RETIREE HEALTH BENEFITS / JAN 2020	345650	1/7/20	580.00
MORRISON, R	RETIREE HEALTH BENEFITS / JAN 2020	345651	1/7/20	520.00
NAGLE, D	RETIREE HEALTH BENEFITS / JAN 2020	345652	1/7/20	460.00
NOTEWARE, D	RETIREE HEALTH BENEFITS / JAN 2020	345653	1/7/20	120.00
OLIVARES, G	RETIREE HEALTH BENEFITS / JAN 2020	345654	1/7/20	280.00
OLIVERIA, H	RETIREE HEALTH BENEFITS / JAN 2020	345655	1/7/20	360.00
PAUU JR, P	RETIREE HEALTH BENEFITS / JAN 2020	345656	1/7/20	340.00
PEASE JR, D	RETIREE HEALTH BENEFITS / JAN 2020	345657	1/7/20	140.00
PETERS, S	RETIREE HEALTH BENEFITS / JAN 2020	345658	1/7/20	290.00
POST, R	RETIREE HEALTH BENEFITS / JAN 2020	345659	1/7/20	280.00
RAY, S	RETIREE HEALTH BENEFITS / JAN 2020	345660	1/7/20	190.00
ROARK, L	RETIREE HEALTH BENEFITS / JAN 2020	345661	1/7/20	135.00
RODRIGUEZ, M	RETIREE HEALTH BENEFITS / JAN 2020	345662	1/7/20	260.00
RUIZ, J	RETIREE HEALTH BENEFITS / JAN 2020	345663	1/7/20	310.00
SANCHEZ, L	RETIREE HEALTH BENEFITS / JAN 2020	345664	1/7/20	330.00
SERVATIUS, J	RETIREE HEALTH BENEFITS / JAN 2020	345665	1/7/20	340.00
SHORT, C	RETIREE HEALTH BENEFITS / JAN 2020	345666	1/7/20	300.00
SMITH, J	RETIREE HEALTH BENEFITS / JAN 2020	345667	1/7/20	320.00
STEWART, W	RETIREE HEALTH BENEFITS / JAN 2020	345668	1/7/20	200.00
STRASEN, W	RETIREE HEALTH BENEFITS / JAN 2020	345669	1/7/20	135.00
TIPTON, B	RETIREE HEALTH BENEFITS / JAN 2020	345670	1/7/20	250.00
VERRY, L	RETIREE HEALTH BENEFITS / JAN 2020	345671	1/7/20	280.00
VILLAGOMEZ, J	RETIREE HEALTH BENEFITS / JAN 2020	345672	1/7/20	480.00
WHITE, J	RETIREE HEALTH BENEFITS / JAN 2020	345673	1/7/20	230.00
RETIREE HEALTH BENEFITS TOTAL:				22,990.00
ACME SAFETY & SUPPLY CORP	10 X 1 3/4 UNI POST / PW	345675	1/7/20	481.55
ADAMOS, MAELIHINI R	TRAINING ADV POST SUB COMM/ PD	345676	1/7/20	640.00
BJ'S RENTALS INC	SCRUBBER AIR HEPA	345677	1/7/20	2,653.78
BOOT WORLD	MOP 64096 SAFETY WEARING APPAREL - PW	345678	1/7/20	367.43
BROADWAY AUTO GLASS	OFFSITE WINDOW TINT, REPAIR	345679	1/7/20	202.36
CABATU, E	TRAINING ADV SUB DISPATCH CABATU	345680	1/7/20	135.98
CALIFORNIA PARK & REC	COMM SERVICES CPRS MEMBERSHIP RENEWAL	345681	1/7/20	145.00
CALIFORNIA PARK & REC	COMM SERVICES CPRS MEMBERSHIP RENEWAL	345682	1/7/20	145.00
CASAS, LAURA	COUNCIL MEETING TRANSLATION 12-03-19	345683	1/7/20	125.00
CLAIMS MANAGEMENT ASSOCIATES	PROFESSIONAL SERVICES	345684	1/7/20	6,200.00
COSTAR REALTY INFORMATION INC	6 MONTH SUBSCRIPTION TO COSTAR REALTY	345685	1/7/20	2,889.42
COUNTYWIDE MECHANICAL	CITY WIDE CATCH BASIN/SUMP CLEANING	345686	1/7/20	6,155.92
CSA SAN DIEGO COUNTY	CDBG AGREEMENT: CSA SAN DIEGO COUNTY	345687	1/7/20	3,664.61
DANIELS TIRE SERVICE	TIRES FOR CITY FLEET FOR FY 2020	345688	1/7/20	1,319.45
DISCOUNT SPECIALTY CHEMICALS	PENETRANT LUBRICANT / PW	345689	1/7/20	491.62
FERGUSON ENTERPRISES 1350	MOP 45723 GENERAL SUPPLIES - PW	345690	1/7/20	220.13
GOLDEN, LAURIE	LIABILITY CLAIM COST	345691	1/7/20	110.00
GRAINGER	MOP 65179 GENERAL SUPPLIES - PW	345692	1/7/20	2,329.96
HAAKER EQUIPMENT COMPANY	PIVOT PIN / PW	345693	1/7/20	896.71
HD SUPPLY CONSTRUCTION	121HP54117, GRAPHITE RIDGELINE 4PT	345694	1/7/20	291.93
HOME DEPOT CREDIT SERVICES	SUPPLIES FOR KIMBALL HOLIDAY	345695	1/7/20	272.26
IRON MOUNTAIN	RECORD MANAGEMENT AND STORAGE FOR FY20	345696	1/7/20	213.21



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<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
LASER SAVER INC	KIMBALL SENIOR CENTER TONER	345697	1/7/20	59.76
LOPEZ, J	MEETINGS MILEAGE REIMBURSEMENT/ ENG	345698	1/7/20	29.12
LOPEZ, TERESA YOLANDA	TRANSLATION SERVICES AS NEEDED FOR FY20	345699	1/7/20	160.00
LUTH AND TURLEY INC.	LIABILITY CLAIM COST	345700	1/7/20	534.41
MASON'S SAW	MOP 45729 EQUIPMENT SUPPLIES AND REPAIR	345701	1/7/20	116.87
MEGLA MANUFACTURING INC	FABRICATION, WELDING, ALUMINUM PLATES	345702	1/7/20	723.25
MOSSY NISSAN	MOP 80703 AUTO SUPPLIES - PW	345703	1/7/20	59.90
MUNICIPAL CODE CORPORATION	MUNICODE SUPPLEMENT 53, UPDATE 2	345704	1/7/20	790.00
NAHRO	NAHRO ANNUAL MEMBERSHIP RENEWAL	345705	1/7/20	1,580.80
NATIONAL CITY CHAMBER	EMPOWERMENT ACADEMY/ANNUAL DINNER TABLE	345706	1/7/20	4,000.00
NATIONAL CITY TROPHY	FULL WRAP COVE 12 STD PACK	345707	1/7/20	92.17
O'REILLY AUTO PARTS	MOP 75888 GENERAL AUTO SUPPLIES - PW	345708	1/7/20	25.69
O'REILLY AUTO PARTS	MOP 75888 EQUIPMENT SUPPLIES AND REPAIR	345709	1/7/20	23.49
PARTS AUTHORITY METRO LLC	MOP 75943 GENERAL SUPPLIES - PW	345710	1/7/20	13.42
PENSKE FORD	R&M CITY VEHICLES FOR FY 2019	345711	1/7/20	1,103.29
POWERSTRIDE BATTERY CO INC	MOP 67839 GENERAL SUPPLIES - PW	345712	1/7/20	111.93
PRO BUILD COMPANY	MOP 45707 GENERAL SUPPLIES - PW	345713	1/7/20	2,614.26
PRUDENTIAL OVERALL SUPPLY	MOP 45742 LAUNDRY SERVICES - PW	345714	1/7/20	407.00
ROADONE	MOP 75948 AUTO SERVICES - PW	345715	1/7/20	225.00
SAM'S ALIGNMENT	WHEEL ALIGNMENT SERVICE FOR CITY	345716	1/7/20	428.00
SAN DIEGO COUNTY ASSESSOR	COUNTY ASSESSOR RECORDS / NSD	345717	1/7/20	2.00
SDG&E	GAS & ELECTRIC UTILITIES FOR PW FY 2020	345718	1/7/20	4,600.17
SITEONE LANDSCAPE SUPPLY LLC	MO69277 GENERAL SUPPLIES - PW	345719	1/7/20	489.83
SMART & FINAL	A KIMBALL HOLIDAYS MATERIALS	345720	1/7/20	157.04
SONSRAY MACHINERY LLC	SUPPORT, GAS STRUT / PW	345721	1/7/20	190.72
SOUTHERN CALIF TRUCK STOP	MOP 45758 GENERAL AUTO SUPPLIES - PW	345722	1/7/20	63.07
SOUTHWEST SIGNAL SERVICE	TECHNICIAN SERVICE CALLS NOV 2019	345723	1/7/20	19,805.73
STAPLES BUSINESS ADVANTAGE	OFFICE SUPPLIES / COUNCILMEMBERS OFFICE	345724	1/7/20	69.02
SWEETWATER AUTHORITY	WATER BILL FOR PARKS DIVISION FY 2020	345725	1/7/20	4,087.97
TRUE CUSTOMS	TINTED WINDOWS	345726	1/7/20	180.00
T'S & SIGNS	CASA DE SALUD BACK PACK EMBROIDERY	345727	1/7/20	15.23
UNITED ROTARY BRUSH CORP	STREET SWEEPER REPAIRS AND MAINTENANCE	345728	1/7/20	277.33
VISTA PAINT	020690155 -ON-LINE TRAFFIC FAST DRY	345729	1/7/20	5,939.56
WETMORES	M100 SHEPHERD GEARBOX	345730	1/7/20	710.31
ZUMAR INDUSTRIES INC	SIG ALERT 36 INCH FLASHER RING / PW	345731	1/7/20	3,917.28

A/P Total 106,544.94

SECTION 8 HAPS

Start Date
1/1/2020

End Date
1/7/2020

961,331.79

GRAND TOTAL

\$ 1,067,876.73

CERTIFICATION

IN ACCORDANCE WITH SECTIONS 37202, 37208, AND 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.

Mark Roberts

MARK ROBERTS, DIRECTOR OF FINANCE

BRAD RAULSTON, CITY MANAGER

FINANCE COMMITTEE

ALEJANDRA SOTELO-SOLIS, MAYOR/CHAIRWOMAN

MONA RIOS, VICE MAYOR

JERRY CANO, COUNCILMEMBER

GONZALO QUINTERO, COUNCILMEMBER

RONALD J. MORRISON, COUNCILMEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 18TH OF FEBRUARY 2020.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: [Warrant Register #29 for the period of 1/8/20 through 1/14/20 in the amount of \\$2,043,400.87. \(Finance\)](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.:

ITEM TITLE:

Warrant Register #29 for the period of 1/8/20 through 1/14/20 in the amount of \$2,043,400.87. (Finance)

PREPARED BY: Karla Apalategui, Accounting Assistant

PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: 

EXPLANATION:

Per Government Section Code 37208, attached are the warrants issued for the period 1/8/20 - 1/14/20. Consistent with Department of Finance's practice, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
Fordyce Construction Inc	345756	111,952.03	1430 Hoover Ave Warehouse
KTUA	345766	68,452.50	Waterfront to Homefront
National Auto Fleet Group	345770	89,465.83	2019 Ford Super Duty F-450 Drw
Tri-Group Constriction	345802	84,549.05	El Toyon Park Irrigation
US Bank	345827	62,642.81	PARS Benefit Conversion Plan / Ybarra

FINANCIAL STATEMENT:

ACCOUNT NO.

APPROVED: 

FINANCE

APPROVED: _____

MIS

Warrant total \$2,043,400.87.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION FINAL ADOPTION

STAFF RECOMMENDATION:

Ratify warrants totaling \$2,043,400.87

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Warrant Register # 29



**WARRANT REGISTER # 29
1/14/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
A REASON TO SURVIVE	ARTS / BIKE CORRALS	345732	1/14/20	12,890.22
ALDEMCO	FOOD NUTRITION	345733	1/14/20	7,105.23
ALL FRESH PRODUCTS	FOOD NUTRITION	345734	1/14/20	2,011.45
AMERICAN BACKFLOW SPECIALTIES	PURCHASE OF BACKFLOW, GUAGES, VALVES,	345735	1/14/20	286.28
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY20	345736	1/14/20	8,733.41
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY20	345737	1/14/20	2,286.60
AT&T	AT&T SBC ANNUAL PHONE SERVICE FOR FY20	345738	1/14/20	507.88
BALLARDO, D	TRAINING REIM MOTOR BALLARDO	345739	1/14/20	69.40
BAVENCOFF JR, D	TRAINING REIMBURSEMENT ATAP BAVENCOFF	345740	1/14/20	20.00
BOUND TREE MEDICAL LLC	INV 83209248/83255333 - SUPPLIES FOR FIRE	345741	1/14/20	899.00
BROWDER, M	TRAINING ADV POST SUB TD BROWDER	345742	1/14/20	407.94
C A P F	JAN 2020 - FIRE LTD	345743	1/14/20	1,062.00
CALIFORNIA LAW ENFORCEMENT	JAN 2020 - PD / LTD	345744	1/14/20	2,058.00
CAMARGO, C	REIMB CARMARGO CLEARS	345745	1/14/20	75.00
CASAS, LAURA	CITY COUNCIL MEETING TRANSLATION 12-17-19	345746	1/14/20	125.00
CHILDREN'S HOSPITAL	SR2S	345747	1/14/20	29,308.78
CIRCULATE SAN DIEGO	HOMEFRONT TO WATERFRONT	345748	1/14/20	6,716.09
COUNTY OF SAN DIEGO	NEXTGEN REGIONAL COMMUNICATIONS SYSTEM	345749	1/14/20	8,970.17
COX COMMUNICATIONS	COX DATA VIDEO SERVICES FY20	345750	1/14/20	618.16
DANIELS TIRE SERVICE	TIRES FOR CITY FLEET FOR FY 2020	345751	1/14/20	505.50
DENHAM, A	A KIMBALL HOLIDAY EMPLOYEE WORKING LUNCH	345752	1/14/20	250.13
DIAZ, E	EDUCATION REIMBURSEMENT	345753	1/14/20	384.74
ENTERPRISE FLEET MANAGEMENT	ENTERPRISE FLEET LEASE	345754	1/14/20	29,023.43
EXPRESS PIPE AND SUPPLY	CITYWIDE PLUMBING PARTS, MATERIALS TOOL	345755	1/14/20	236.17
FORDYCE CONSTRUCTION INC	1430 HOOVER AVE WARREHOUSE	345756	1/14/20	111,952.03
GEOSYNTEC CONSULTANTS INC	DUCK POND	345757	1/14/20	3,858.00
GONZALES, G	TRAINING ADV LDG CVSA GGONZALES	345758	1/14/20	843.35
GOVCONNECTION INC	VMWARE VSPHERE 6 ANNUAL RENWAL 01/20/20	345759	1/14/20	16,560.68
HAWTHORNE MACHINERY	TRANSPORT MACHINE / PW	345760	1/14/20	1,407.17
HERNANDEZ, A	TRAINING POST ADV SUB BUDGET ACDMY / PD	345761	1/14/20	384.00
IBARRA, S	TRAINING POST REIMB DISPTCH IBARRA	345762	1/14/20	306.90
IPS GROUP INC	ENFORCEMENT SERVICES	345763	1/14/20	5,285.66
IRON MOUNTAIN	RECORD MANAGEMENT AND STORAGE FOR FY20	345764	1/14/20	213.21
KIMLEY HORN	ROOSEVELT SMART GROWTH	345765	1/14/20	45,601.56
KTUA	WATERFRONT TO HOMEFRONT	345766	1/14/20	68,452.50
LASER SAVER INC	OFFICE SUPPLIES / NUTRITION	345767	1/14/20	861.85
LOPEZ, TERESA YOLANDA	TRANSLATION SERVICES AS NEEDED FOR FY20	345768	1/14/20	160.00
MOTOROLA SOLUTIONS INC	INV 16079316 / PORTABLE RADIOS / PD	345769	1/14/20	24,251.41
NATIONAL AUTO FLEET GROUP	2019 FORD SUPER DUTY F-450 DRW	345770	1/14/20	89,465.83
NERI LANDSCAPE ARCHITECTURE	PARADISE CREEKPARK	345771	1/14/20	9,145.00
NITV FEDERAL SERVICES LLC	TRAINING TUITION CVSA GONZALES	345772	1/14/20	1,295.00
NOWDOCS INTERNATIONAL INC	W2 FORMS & ENVELOPES / FINANCE	345773	1/14/20	215.33
NV5 INC	PARADISE CREEK PARK	345774	1/14/20	36,618.59
OFFICE SOLUTIONS BUSINESS	MOP83778. OFFICE SUPPLIES/ENG.	345775	1/14/20	82.55
OPTUM	HAS BANKING FEES GRP HB1966	345776	1/14/20	55.25
PENSKE FORD	R&M CITY VEHICLES FOR FY 2019	345777	1/14/20	76.73
PMW ASSOCIATES	TRAINING TUITION BUDGET FOR CPT HERNANDEZ	345778	1/14/20	393.00
PROFESSIONAL SEARCH GROUP LLC	TEMPORARY HELP - FINANCE	345779	1/14/20	4,172.40



**WARRANT REGISTER # 29
1/14/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
PROJECT PROFESSIONALS CORP	1430 HOOVER AVE. WAREHOUSE	345780	1/14/20	14,671.23
PRUDENTIAL OVERALL SUPPLY	UNIFORM CLEANING SERVICE	345781	1/14/20	309.08
PTS	PACIFIC TELEMAGEMENT SERVICES - PAY PHONE	345782	1/14/20	78.00
RANDALL LAMB ASSOCIATES INC	CAMACHO RECREATION CNTER	345783	1/14/20	22,422.50
RELIANCE STANDARD	DEC 2019 - GRP VA1826233 / VC1801146	345784	1/14/20	9,386.10
RIVERSIDE SHERIFF'S DEPT	TRAINING TUITION 2 DISPTCH ACADEMY / PD	345785	1/14/20	738.00
SAN DIEGO MIRAMAR COLLEGE	TRAINING CPT TUITION / PD	345786	1/14/20	92.00
SAN DIEGO MIRAMAR COLLEGE	TRAINING ROT TEC/ESTABROOK / PD	345787	1/14/20	46.00
SASI	ANNUAL BASE FEES / TRUST ACCOUNT / DEBIT	345788	1/14/20	441.00
SCST INC	EUCLID AVE. BICYCLE & PED.	345789	1/14/20	30,397.50
SDG&E	GAS AND ELECTRIC UTILITIES	345790	1/14/20	9,185.26
SEAPORT MEAT COMPANY	FOOD / NUTRITION	345791	1/14/20	1,316.46
SEGAL	TRAINING ADV LDG SUB SEGAL	345792	1/14/20	199.80
SHARP ELECTRONICS CORPORATION	MAINTENANCE 20 SHARP COPIERS FOR FY20	345793	1/14/20	3,022.29
SMART & FINAL	CAMACHO KIDS NIGHT OUT REC SUPPLIES	345794	1/14/20	41.78
SMART SOURCE OF CALIFORNIA LLC	BUSINESS LICENSE DECALS FOR FY20	345795	1/14/20	896.95
SOTELO SOLIS, A	REIMB / PAPER SUPPLIES / MAYOR'S OFFICE	345796	1/14/20	114.79
STC TRAFFIC	PROTECTED LEFT TURN	345797	1/14/20	35,799.12
SWAGIT PRODUCTION LLC	SWAGIT WEBCASTING FOR FY20	345798	1/14/20	1,920.83
SWEETWATER AUTHORITY	WATER BILL FOR FACILITIES FY 2020	345799	1/14/20	8,321.14
SYSCO SAN DIEGO INC	FOOD / NUTRITION	345800	1/14/20	9,445.59
THE LINCOLN NATIONAL LIFE INS	GRP# 415491 - JAN 2020	345801	1/14/20	9,540.06
TRI-GROUP CONSTRUCTION AND DEV	EL TOYON PARK IRRIGATION	345802	1/14/20	84,549.05
U S BANK	CREDIT CARD EXPENSES / POLICE	345803	1/14/20	1,231.70
U S BANK	ANNUAL SERVICE FEE ON THE 2005 & 2011 TAB	345804	1/14/20	750.00
VERIZON WIRELESS	VERIZON CELLULAR SERVICES FOR FY20	345805	1/14/20	4,891.23
VISION SERVICE PLAN	DEC 2019 - VISION SERVICE PLAN (CA)	345806	1/14/20	833.44
WAXIE SANITARY SUPPLY	MISCELLANEOUS JANITORIAL SUPPLIES / PW	345807	1/14/20	1,575.04
WEST COAST ARBORISTS INC	ARBORIST SERVICE	345808	1/14/20	16,940.00
WILLY'S ELECTRONIC SUPPLY	WILLY'S MOP FY20	345809	1/14/20	997.18
YOUNG, G	REIMB; YOUNG G. FLAG BOX PARKING	345810	1/14/20	76.15
ADDICTION MEDICINE	DOT EXAMS	345811	1/14/20	398.00
ADMINSURE INC	AGREEMENT TO PROVIDE MONTHLY SERVICES -	345812	1/14/20	7,631.25
AETNA BEHAVIORAL HEALTH	EMPLOYEE ASSISTANCE PROGRAM EAP - JAN	345813	1/14/20	1,020.30
ALTA LANGUAGE SERVICES INC	EMPLOYEE BILINGUAL TESTING	345814	1/14/20	66.00
BIDDLE CONSULTING GROUP INC	CRITICAL ANNUAL SOFTWARE MAINTENANCE	345815	1/14/20	1,539.00
CONCENTRA MEDICAL CENTERS	PRE-EMPLOYMENT PHYSICALS	345816	1/14/20	1,434.00
DEPARTMENT OF JUSTICE	NEW EMPLOYEE FINGERPRINT TEST RESULTS	345817	1/14/20	192.00
ERGOMETRICS	FIRE BATALLION CHIEF ASSESSMENT CENTER	345818	1/14/20	7,866.02
HUERTA JR, R	LICENSE REIMBURSEMENT	345819	1/14/20	60.00
IDEMIA IDENTITY & SECURITY USA	NEW EMPLOYEE FINGERPRINT TEST SUBMISSION	345820	1/14/20	12.00
REDDY, R	TRAVEL EXPENSE REPORT	345821	1/14/20	12.76
SHARP REES STEALY MED GROUP	PRE-EMPLOYMENT PHYSICAL	345822	1/14/20	108.00
SMART & FINAL	MOP #45756/OFFICE SUPPLIES/HR	345823	1/14/20	103.45
STAPLES BUSINESS ADVANTAGE	MOP #45704/COPY PAPER/HR	345824	1/14/20	295.78
STATE OF CALIFORNIA HCD	ASSESSMENT FOR FY 2019-2020 PUBLIC ANNUAL	345825	1/14/20	46,322.51
U S BANK	CREDIT CARD EXPENSES / HR	345826	1/14/20	607.16
US BANK	PARS BENEFIT CONVERSION PLAN / YBARRA	345827	1/14/20	62,642.81



**WARRANT REGISTER # 29
1/14/2020**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
			A/P Total	936,748.89
PAYROLL				
Pay period	Start Date	End Date	Check Date	
1	12/17/2019	12/30/2019	1/8/2020	1,106,651.98
		GRAND TOTAL		<u>\$ 2,043,400.87</u>

CERTIFICATION

IN ACCORDANCE WITH SECTIONS 37202, 37208, AND 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.

Mark Roberts

MARK ROBERTS, DIRECTOR OF FINANCE

BRAD RAULSTON, CITY MANAGER

FINANCE COMMITTEE

ALEJANDRA SOTELO-SOLIS, MAYOR/CHAIRWOMAN

MONA RIOS, VICE MAYOR

JERRY CANO, COUNCILMEMBER

GONZALO QUINTERO, COUNCILMEMBER

RONALD J. MORRISON, COUNCILMEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 18TH OF FEBRUARY 2020.

AYES _____

NAYS _____

ABSENT _____

The following page(s) contain the backup material for Agenda Item: [Public Hearing and Adoption of a Resolution of the City Council of the City of National City adding the property located at 555 East 1st Street to the City's List of Identified Historic Sites. \(Applicant: Justin Tjalma\) \(Case File 2020-01 HL\) \(Planning\) **Companion Item #17**](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO. |

ITEM TITLE:

Resolution adding the property located at 555 East 1st Street to the City's List of Identified Historic Sites. (Applicant: Justin Tjalma) (Case File 2020-01 HL)

MR

PREPARED BY: Martin Reeder, AICP - Principal Planner

DEPARTMENT: Community Development

PHONE: 619-336-4313

APPROVED BY: 

EXPLANATION:

The Land Use Code, Chapter 18.12.160 (Historic Properties) encourages the preservation of properties of historical significance and provides for the maintenance of a list of historic properties. The City Council is tasked with periodically updating the list, either by resolution or upon request by a property owner of a potentially historic property. As of October 2019, there are 55 properties contained on the Historic Sites List. The property owner of 555 East 1st Street is requesting that the Council add their property to the list and has provided documentation that substantiates the significance of the residence. The home is an excellent example of Prairie style architecture and was built by Ed Willoughby, the first president of the National City Chamber of Commerce. The applicant has concurrently applied for a Mills Act tax reduction, also on tonight's agenda.

The attached Background Report provides a description of the proposal in detail.

FINANCIAL STATEMENT:

ACCOUNT NO. |

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

Not a project under CEQA

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Approve the request to place the property on the City's List of Identified Historic Sites.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

- | | |
|--|---------------|
| 1. Background Report | 4. Overhead |
| 2. Description of Structure and its Historic Value | 5. Resolution |
| 3. Site Photos | |

BACKGROUND REPORT

Built in 1919 by Ed and Estella Willoughby, this house is an excellent example of Prairie Style architecture, described below. The home is situated at the intersection of East 1st Street and "F" Avenue, where "F" Avenue starts and heads south (see attached overhead view). This provides for a visual anchor down the corridor of "F" Avenue. The main (front) home is approximately 2,800 square feet in size with three bedrooms, two bathrooms, a formal dining, den, and more. The secondary (rear) home is approximately 1,000 square feet in size with two bedrooms, two bathrooms, and a den.

The residence is significant both in its architectural style and in its occupants:

The Prairie style is usually marked by horizontal lines, flat or hipped roofs with broad overhanging eaves, windows grouped in horizontal bands, integration with the landscape, solid construction, craftsmanship, and discipline in the use of ornament. Horizontal lines were thought to evoke and relate to the wide, flat, treeless expanses of America's native prairie landscape.

The owner who originally built this home, Ed Willoughby, was the first president of the National City Chamber of Commerce in 1911 & 1912 and was a significant founder of banking and commerce in National City; Mr. Willoughby was the president of National City State Bank in National City in 1912.

The current owners and applicants for this request have owned the home for approximately four years and are responsible for its current condition. The applicants are looking to have the property added to the City's List of Identified Historic Sites in order to continue to be good stewards of the property. In addition, the owners are pursuing a Mills Act tax reduction, which is also on tonight's agenda.

The Land Use Code does not provide criteria for the placing a property on the list, however typically a potential historic property should meet the criteria set out by the Office of Historic Preservation. Per the Office of Historic Preservation, a historic resource should be over 50 years old and meet, at a minimum, one of the following criteria:

- A. It is associated with events that have made a significant contribution to local or regional history;
- B. It is associated with the lives of persons important to local, California or national history;

- C. It embodies the distinctive characteristics of a type, period, region, or method of construction or represents the work of a master or possesses high artistic values;
- D. It has yield, or has the potential to yield, information important to the prehistory or history of the local area, California, or the nation.

The proposed historic resource meets criteria B. and C. above. The property meets criterion B. as it is associated with Ed Willoughby, the first president of the National City Chamber of Commerce and President of National City State Bank. The structure also meets criteria C. as an example of a well-preserved Prairie style architecture constructed when the arts and crafts style movement was just taking hold in National City.

The property was not included in either the 1989 or 1994 historic properties surveys, most likely due to the condition of the property at that time. However, in a database compile in 2010 for the City by Tierra Environmental Services, Inc., the property was listed and noted as "E", or excellent.

It is probable that, given its noted condition, the property would be added to the list if the City Council chose to initiate a "phase two" of adding multiple properties to the list (as most recently undertaken in October 2019). However, it is unknown if and when this process may happen. Therefore, the applicant has self-initiated the process and paid a fee to do so. Municipal Code section 18.12.160 (B) (2) allows for changes to the historic properties list either by initiation by resolution of the City Council or by application of the owner, as is the case here.

Based on the information prepared regarding the significance of the property and its overall contribution to National City, staff recommends that the Council approve the request to place the property on the List of Identified Historic Sites.

Description of Structure and its Historic Value

Built in 1919 by Ed and Estella Willoughby, this Prairie Style home is something to be cherished. The home is situated on the corner of E. 1st Street and F Street, providing for a visual anchor down the corridor of F street. The main front home is approximately 2,800 SF with 3 bedrooms, 2 ½ baths, formal dining, den and more. The back home is approximately 1,000 SF with 2 bedrooms, 2 baths and a den.

The owner who built this home, Ed Willoughby, was the first president of the National City chamber of Commerce in 1911 & 1912. In 1912, Ed was also the president of National City State Bank in National City. Ed Willoughby was a significant founder of banking and commerce in National City.

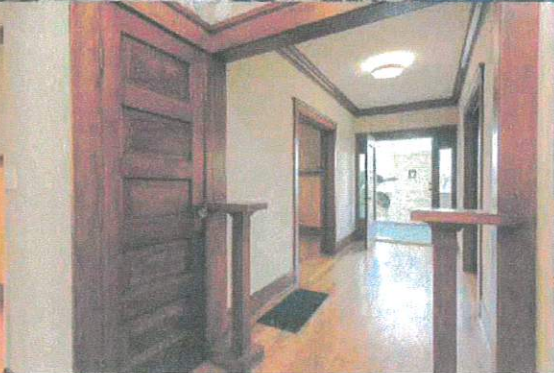
This fine home is significant in architectural style and in its occupants.

My wife and I have owned this homes for approximately 4 years and have put a labor of love into it cleaning it up and celebrating its history. We are now raising a family here and want to continue to be good stewards of this special residence.

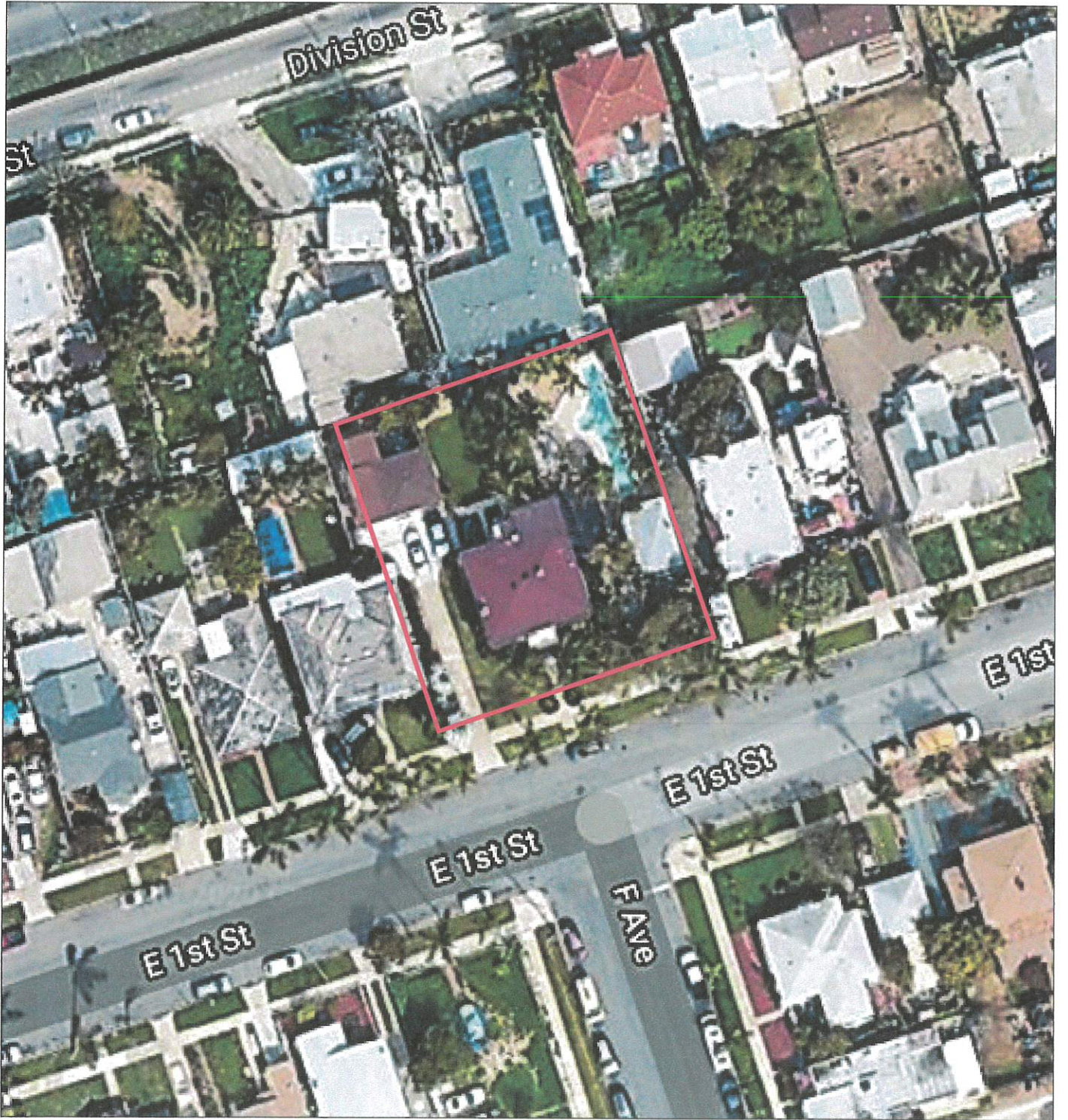
Sincerely,

Handwritten signatures of Justin and Heather Tjalma in blue ink. The signature for Justin is on the left and Heather's is on the right.

Justin & Heather Tjalma



ATTACHMENT 3



RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
ADDING THE RESIDENCE LOCATED AT 555 EAST 1ST STREET
TO THE CITY'S LIST OF HISTORIC PROPERTIES**

WHEREAS, application was made to place the historic property located at 555 East 1st Street on the City's list of historic properties on property commonly known as:

ALL OF LOTS 33, 34, AND 35, AND A PORTION OF LOT 36 IN BLOCK 1 OF COOMBES PLACE, IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 1486, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 23, 1912, TOGETHER WITH A PORTION OF THE ALLEY IN SAID BLOCK 1, WHICH LIES NORTHERLY OF AND ADJACENT TO SAID LOTS.

WHEREAS, the City Council of the City of National City considered said application at a Public Hearing held on February 18, 2020, at which time oral and documentary evidence was presented; and

WHEREAS, at said Public Hearing the City Council considered the staff report prepared for Case File No. 2020-01 HL which is maintained by the City, and incorporated herein by reference; along with evidence and testimony at said hearing; and

WHEREAS, this action is taken pursuant to all applicable procedures required by State and City law; and

WHEREAS, the action recited herein is found to be essential for the preservation of public health, safety and general welfare.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of National City, California, that it hereby approves the request to place a historic property on the Historic Sites List based on the following findings:

///
///
///

**Resolution No. 2020 –
Page Two**

1. The proposed historic resource is associated with the life of Ed Willoughby, the first president of the National City Chamber of Commerce and President of Nation City State Bank; and
2. The architecture of the structure is important to the community as it is an example of a well-preserved Prairie style architecture constructed when the arts and crafts style movement was just taking hold in National City.

BE IT FURTHER RESOLVED that based on the findings described hereinabove, said request to place a historic property on the City’s list of historic properties (2020-01 HL) located at 555 East 1st Street is hereby approved subject to the provisions of Chapter 18.12.160 (B) (2) of the Historic Properties Ordinance:

BE IT FURTHER RESOLVED that copies of this Resolution shall be transmitted forthwith to the applicant; and,

BE IT FURTHER RESOLVED that this Resolution shall become effective and final on the day following the City Council meeting wherein the resolution is adopted. The time within which judicial review of this decision may be sought is governed by the provisions of Code of Civil Procedure Section 1094.6.

PASSED and ADOPTED this 18th day of February 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Public Hearing and Adoption of a Resolution of the City Council of the City of National City authorizing the Mayor to execute a Mills Act Historic Preservation Contract for 555 East 1st Street. \(Applicant: Justin Tjalma\) \(Case File 2020-01 M\) \(Planning\) **Companion Item #16**](#)
Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO. _____

ITEM TITLE:

Resolution of the City Council of the City of National City authorizing the Mayor to execute a Mills Act Historic Preservation Contract for 555 East 1st Street. (Applicant: Justin Tjalma) (Case File 2020-01 M)

PREPARED BY: Martin Reeder, AICP – Principal Planner

DEPARTMENT: Community Development

PHONE: 619-336-4313

APPROVED BY: 

EXPLANATION:

The property owner of 555 East 1st Street is requesting a Mills Act contract. The structure is a two-story Prairie style home located on a 14,374 square-foot lot. The property is in the Small Lot Residential (RS-2) zone.

Mills Act contracts are historic preservation tools that provide property tax savings for owners in exchange for a commitment to maintain and/or restore a historic structure. This property will be eligible once added to the City's list of historic properties, which is addressed through a separate item on tonight's agenda. The property owner has been continually restoring the property since it was purchased approximately four years ago. The residence is now in its fully restored condition. The attached Maintenance Plan lists the proposed weekly, monthly, and annual items that will be undertaken. The Mills Act contract is valid for 10 years and automatically extends for one year on the anniversary date. The City may cancel the contract if breached or opt not to renew it if proper notice is provided. There are currently 15 properties in the City in the Mills Act Program.

According to the San Diego County Assessor, there will be a reduction of approximately 30% in the assessed value of the property, which translates into a property tax reduction of about \$2,180 annually with respect to the "1%" portion of the property tax bill (the amount that comes to the City). Because the property lies within the former redevelopment area, this reduction will be to property taxes available to the Successor Agency. The loss to the Successor Agency would in turn impact the amount of residual balance available for distribution to other agencies, including the City whose share would be about \$440.

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO. _____

APPROVED: _____ MIS

The action will result in a reduction in annual Successor Agency property tax revenue of approximately \$2,180. The impact on the City would be an approximate loss of \$440 in residual balance distribution revenue from the Successor Agency.

ENVIRONMENTAL REVIEW:

Not subject to CEQA

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the Resolution

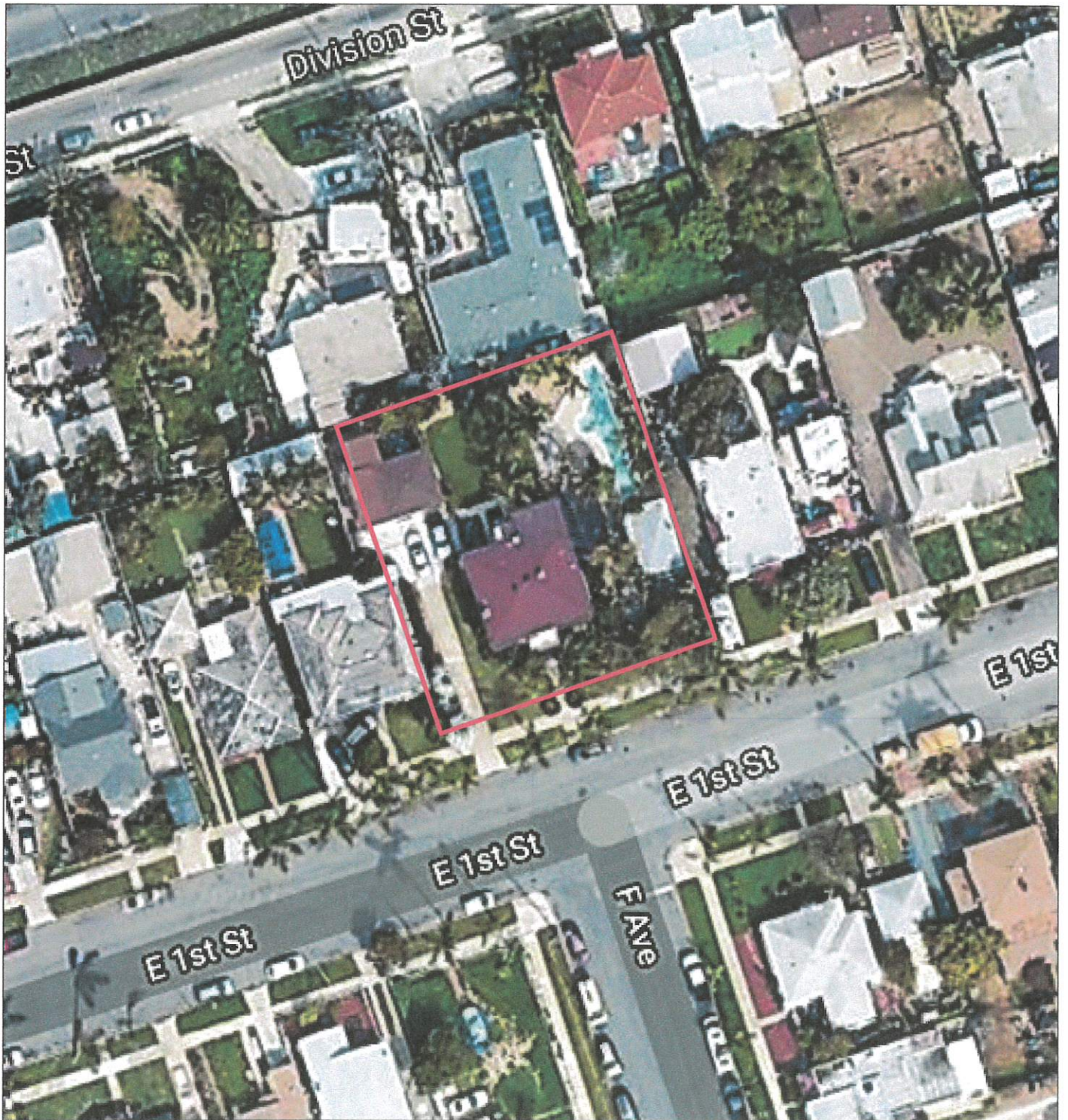
BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

- | | |
|---------------------|---|
| 1. Overhead | 4. Mills Act Contract |
| 2. Site Photos | 5. List of current Mills Act properties |
| 3. Maintenance Plan | 6. Resolution |

2020-01 M – 555 East 1st Street – Overhead





ATTACHMENT 2

Maintenance Plan for 555 E. 1st Street, National City

Items to be performed on a weekly basis:

- Visual inspection of structure and grounds.
- Removal of trash and debris.

Items to be performed on a bi-weekly basis:

- Landscaping maintenance including vegetation trimming as needed.

Items to be performed on a monthly basis:

- Inspect and treat for insect control.

Items to be performed on an annual basis:

- Visual inspection of grounds and structure.
 - If any issues are identified with either, a plan will be enacted to cure issue.

*Recording Requested by and When
Recorded Please Mail to:*

Michael R. Dalla
City Clerk
City of National City
1243 National City Boulevard
National City, CA 91950-4301

APN(s): 556-061-18

Above Space for Recorder's Use Only.

MILLS ACT CONTRACT

For property located at 555 East 1st Street

THIS MILLS ACT CONTRACT ("Contract") is entered into by and between THE CITY OF NATIONAL CITY, a municipal corporation ("CITY") and Justin Tjalma, an individual, and Heather Tjalma, an individual (collectively, "OWNERS").

RECITALS

WHEREAS, California Government Code Section 50280, et seq., referred to as the Mills Act, authorizes cities to enter into contracts with the owners of "qualified historic properties", defined in Government Code Section 50280.1, to provide for the use, maintenance, and restoration of such historic properties so as to retain their characteristics as properties of historic significance.

WHEREAS, Owners possess fee title to that certain real property, together with associated structures and improvements thereon, Assessor's Parcel No. 556-061-18, and located at the street address 555 East 1st Street, National City, California (the "Historic Site"), on property generally described as:

ALL OF LOTS 33, 34, AND 35, AND A PORTION OF LOT 36 IN BLOCK 1 OF COOMBES PLACE, IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 1486, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 23, 1912, TOGETHER WITH A PORTION OF THE ALLEY IN SAID BLOCK 1, WHICH LIES NORTHERLY OF AND ADJACENT TO SAID LOTS.

WHEREAS, the National City Council designated the above property as a Historic Site and it is so listed and currently eligible for listing in the "List of Identified Historic Sites in National City". A copy of such listing is attached to this Contract as **Attachment A**.

WHEREAS, City and Owners, for their mutual benefit, now desire to enter into this Contract both to protect and preserve the characteristics of historic significance of the Historic Site and to qualify the Historic Site for an assessment of valuation pursuant to the provisions of Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, and of Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of the California Government Code.

AGREEMENT

NOW THEREFORE, in consideration of the mutual benefits and covenants, CITY and OWNERS agree as follows:

1. Effective Date and Term of Contract. This Contract shall be effective and commence on February 18, 2020 ("Effective Date"), and shall remain in effect for a term of ten (10) years thereafter. The initial ten-year term, and any extension pursuant to Section 2, shall collectively be referred to hereafter as the "Term."
2. Automatic Renewal and Notice of Non-Renewal.
 - a. Renewal. Each year on the anniversary of the effective date of this Contract (the "Renewal Date"), a year shall automatically be added to the initial term of this Contract unless notice of non-renewal is mailed as provided herein.
 - b. Non-Renewal. If either OWNERS or CITY desires, in any year, not to renew this Contract, OWNERS or CITY shall serve written notice of non-renewal on the other party in advance of the annual Renewal Date of the Contract. Unless such notice is served by OWNERS to CITY, in writing to the City Council, at least ninety (90) days prior to the annual Renewal Date, or served by CITY to OWNERS at least sixty (60) days prior to the annual Renewal Date, one (1) year shall automatically be added to the Term as provided herein. If either CITY or OWNERS serve notice to the other of non-renewal in any year, the Contract shall remain in effect for the balance of the Term then remaining, either from its original execution or from the last renewal of the Contract, whichever may apply.
 - (1) Protest. Upon receipt by OWNERS of a notice of non-renewal from CITY, OWNERS may make a written protest of the notice to the City Council. Any protest must be received by the CITY no later than 15 days from the date of the notice of non-renewal.
 - c. Withdrawal of Non-Renewal. CITY may, at any time prior to the Renewal

Date of the Contract, withdraw its notice of non-renewal.

- d. City Non-Renewal. If CITY serves notice of non-renewal in any year, the existing Term of the Contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the Contract, as the case may be.

3. *[Reserved]*

4. Eligibility. To be eligible for this Contract, the Historic Site shall be listed and shall remain eligible for listing in the "List of Identified Historic Sites in National City."

5. Standards for Historic Site. During the Term, the Historic Site shall be subject to the following conditions, requirements, and restrictions:

- a. Owners shall preserve and maintain the characteristics of the cultural and historical significance of the Historic Site, and when necessary, restore and rehabilitate the Historic Site to conform to the rules and regulations of the Office of Historic Preservation of the Department of California State Parks, the United States Secretary of the Interior's Standards for Rehabilitation, and the State Historical Building Code, as amended from time to time. Work shall be done in accordance with the attached maintenance schedule drafted by the Owners attached to this Contract as **Attachment B**.

- b. OWNERS shall maintain all buildings, structures, yards and other improvements in a manner which does not detract from the appearance of the immediate neighborhood. The following conditions are prohibited:

- (1) Dilapidated, deteriorating, or unrepaired structures, such as: fences, roofs, doors, walls and windows;
- (2) Scrap lumber, junk, trash or debris;
- (3) Abandoned, discarded or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, cans, containers, or similar items;
- (4) Stagnant water or excavations, including swimming pools or spas;
- (5) Any device, decoration, design, structure or vegetation which is unsightly by reason of its height, condition, or its inappropriate location.

- c. Five years after the Effective Date, and every five years thereafter, City shall inspect the interior and exterior of the Historic Site to determine Owners' continued compliance with the Contract. Inspections required by this Section must:

- (1) Be scheduled by prior appointment between City and Owners, and
- (2) Occur no later than thirty days from the five-year anniversary

described in this Section.

- d. Owners shall allow visibility of the exterior of the structure from the public right-of-way. Owners shall not block the view to the exterior of structure with any new structure, such as walls, fences, or shrubbery.
 - e. If OWNERS apply to CITY for a permit for demolition, substantial exterior alteration, or removal of the Historic Site, OWNERS shall attend and participate in a scheduled hearing regarding such application before the board or commission designated by the City Council to oversee CITY'S historic resources prior to the issuance of such permit. CITY will endeavor to schedule such hearing within three (3) weeks after owners submit such application to CITY.
 - f. Notwithstanding the foregoing Section 5(e), if OWNERS apply to CITY for a permit for the demolition, substantial exterior alteration, or removal of the Historic Site, Owners shall comply with all CITY and State of California environmental regulations, policies and requirements prior to CITY'S issuance of the requested permit.
6. Information of Compliance. OWNERS hereby agrees to furnish CITY with any and all information requested by CITY which CITY deems necessary or helpful to determine compliance with the terms and provisions of this Contract.
 7. Breach of Contract; Cancellation. If CITY determines that the OWNERS have breached any of the conditions of the Contract, or have allowed the Historic Site to deteriorate to the point that it no longer meets the standards for a "qualified historical property", as defined by Government Code Section 50280.1, CITY shall do one of the following:
 - a. Public Hearing. Cancel this Contract after CITY has given written notice of, and has held, a public hearing on the proposed cancellation. Notice of such hearing shall be mailed to the last known address of each of the OWNERS within the historic zone and shall be published pursuant to Government Code Section 6061. If CITY cancels the Contract pursuant to Section 7(a), OWNERS shall pay those cancellation fees set forth in Government Code Section 50286.
 - b. Court Action. Bring any action in court, pursuant to Section 14(e) necessary to enforce the Contract, including, but not limited to, an action to enforce the Contract by specific performance or injunction.
 8. OWNERS' Cancellation Alternative. As an alternative to cancellation of the Contract, OWNERS may bring any action in court, pursuant to Section 14(e), necessary to enforce the Contract, including, but not limited to, an action to enforce the Contract by specific performance or injunction.

9. Binding Effect of Contract. OWNERS hereby subject the Historic Site to the covenants, reservations and restrictions set forth in this Contract. CITY and OWNERS hereby declare their specific intent that the covenants, reservations, and restrictions as set forth in this Contract shall be deemed covenants running with the land and shall pass to and be binding upon OWNERS' successors and assigns in title or interest to the Historic Site. Each and every contract, deed, or other instrument hereinafter executed, covering or conveying the Historic Site, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the covenants, reservations, and restrictions expressed in this Contract regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed, or other instrument. CITY and OWNERS hereby declare their understanding and intent that the burden of the covenants, reservations, and restrictions set forth herein, touch and concern the land, in that OWNERS legal interest in the Historic Site is rendered less valuable thereby. CITY and OWNERS hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the historic Site for the benefit of CITY, the public, and OWNERS.

10. Processing Fee. OWNERS shall pay to CITY a processing fee of \$2,207.

11. Notice. Any notice required to be given by the terms of this Contract shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by either party.

To CITY:

City of National City
Director of Community Development
1243 National City Boulevard
National City, CA 91950

To OWNERS:

Justin and Heather Tjalma
555 East 1st Street
National City, CA 91950

12. Indemnity and Hold Harmless of City. OWNERS shall defend, indemnify and hold harmless the City of National City, its officers, officials, agents, employees, and volunteers against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the OWNERS' performance or other obligations, including (a) maintenance of the Historic Site by OWNERS or any contractor, subcontractor, agent, lessee, or any other person under this Contract, and also arising out of (b) any restrictions on the use or development of the Historic Site, from application or enforcement of the National City Municipal Code or from enforcement of this Contract; provided, however, that this indemnification and hold harmless shall not

include any claims or liability arising from the established sole negligence or willful misconduct of the CITY, its agents, officers, employees or volunteers. CITY will cooperate reasonably in the defense of any action, and OWNERS shall employ competent counsel, reasonably acceptable to the City Attorney.

The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the Term of this Agreement and shall not be restricted to insurance proceeds, if any, received by City, officers, officials, agents, employees, and volunteers.

13. Eminent Domain. If the Historic Site is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the CITY to frustrate the purpose of this Contract, the Contract shall be canceled and no fee shall be imposed under Government Code Section 50286. The Contract shall be deemed null and void for all purposes of determining the value of the property so acquired.

14. General Provisions.

- a. None of the terms, provisions, or conditions of this Contract shall be deemed to create a partnership between the parties and any of their heirs, successors, or assigns, nor shall such terms, provisions, or conditions cause them to be considered joint ventures or members of any joint enterprise.
- b. All of the agreements, rights, covenants, reservations, and restrictions contained in this Contract shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Site, whether by operation of law or in any manner whatsoever.
- c. If any of the provisions of this Contract are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be effected thereby.
- d. This Contract shall not take effect unless and until OWNERS' signature is notarized by a notary public. Furthermore, if an agent or representative of OWNERS signs this Contract on behalf of OWNERS, the agent or representative must furnish proof to the satisfaction of CITY, that the agent or representative has authority to act on OWNERS' behalf.
- e. This Contract shall be governed by the laws of the State of California. The venue for any action shall be a court of competent jurisdiction in the County of San Diego, State of California.

18. Statutory References: A reference anywhere in this Contract to a Government Code section, or other statutory authority, means a reference to that section as may be later amended.

CITY OF NATIONAL CITY

OWNERS OF RECORD

Date: February 18, 2020

Date: _____

By: _____
Alejandra Sotelo-Solis, Mayor

By: _____
Justin Tjalma
(Notarized Signature)

Date: _____

Date: _____

Attest:

By: _____
Michael R. Dalla, City Clerk

By: _____
Heather Tjalma
(Notarized Signature)

APPROVED AS TO FORM:

ANGIL P. MORRIS-JONES
City Attorney

OWNERS PLEASE HAVE NOTARY PUBLIC ATTACH A SEPARATE PROOF OF NOTARY PAGE WITH SIGNATURE AND SEAL.

NATIONAL CITY MILLS ACT CONTRACTS

CASE FILE NO.	ADDRESS:	APPLICANT
M-2002-1	3600 E. 8 th Street	Moncrieff Family Limited Partnership
M-2002-2	926 A Avenue	Janice Martinelli
M-2002-3	1941 Highland Avenue	Celia, Josefina Hernandez
M-2003-1	916 A Avenue	Jeannette Salazar
M-2003-2	928 A Avenue	Jeannette Salazar
M-2003-3	1433 E. 24 th Street	Jim Ladd
M-2003-4	45 East Plaza Blvd.	Janice Martinelli
M-2003-5	907 A Avenue	Louise Branch
M-2005-1	906 A Avenue	Janice Martinelli
M-2006-1	910 A Avenue	Janice Martinelli
M-2006-2	934 A Avenue	Janice Martinelli
2007-44 M	2824 L Avenue	Sherri Steliga
2010-9 M	2525 N Avenue	ICF
2010-28 M	940 E. 16 th Street	Janice Martinelli
2018-10 M	1430 E. 24 th Street	Stephani Norton

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
AUTHORIZING THE MAYOR TO EXECUTE A MILLS ACT HISTORIC
PRESERVATION CONTRACT FOR 555 EAST 1ST STREET**

WHEREAS, the property owners of 555 East 1st Street requested to enter into a Mills Act Contract with the City of National City; and

WHEREAS, a Public Hearing was held on February 18, 2020 to considered whether a Mills Act contract should be executed for this property.

BE IT RESOLVED by the City Council of the City of National City that the Mayor is hereby authorized to execute a Mills Act Historic Preservation Contract for 555 East 1st Street with the property owners. Said contract is on file in the Office of the City Clerk.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Resolution of the City Council of the City of National City adopting National City's INTRA-Connect Plan \(Integrating Neighborhoods with Transportation Routes for All\), funded by a \\$330,000 Caltrans Sustainable Transportation Planning Grant. \(Engineering/Public Works\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Resolution of the City Council of the City of National City adopting National City's INTRA-Connect Plan (Integrating Neighborhoods with Transportation Routes for All), funded by a \$330,000 Caltrans Sustainable Transportation Planning Grant.

PREPARED BY: Stephen Manganiello, Director of Eng/PW

DEPARTMENT: Engineering/Public Works

PHONE: 619-336-4382

APPROVED BY: _____

EXPLANATION:

See attached.



FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

N/A

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt Resolution adopting National City's INTRA-Connect Plan.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. Explanation
2. INTRA-Connect Plan on file with the Office of the City Engineer
3. Resolution

EXPLANATION

On November 1, 2016, City Council adopted Resolution No. 2016-176 authorizing the filing of an application for Sustainable Transportation Planning Grant Program funds through the California Department of Transportation (Caltrans) for National City's INTRA-Connect Plan (Integrating Neighborhoods with Transportation Routes for All) and authorizing the City Manager to execute the grant agreement with Caltrans, if selected for grant award. In March 2017, staff was notified that National City had been awarded a \$330,000 Sustainable Communities Transportation Planning Grant for the project. The City Manager subsequently executed Grant Agreement Number 74A0956 with Caltrans, effective November 1, 2017. On May 15, 2018, City Council adopted Resolution No. 2018-73 authorizing appropriations and corresponding revenue budget to allow for reimbursement of eligible project expenditures through Caltrans' Sustainable Transportation Planning Grant Program for completion of the INTRA-Connect Plan.

National City's INTRA-Connect Plan expands upon National City's SMART Foundation Plan (Safe Multi-modal Accessible Routes To...transit, schools, parks, shops, services and recreation), which identified infrastructure enhancements to encourage multi-modal transportation in National City by taking a comprehensive and integrated look at Smart Growth Planning, Smart Mobility and Smart Parking elements. This strategic approach further supports infill development and seeks to create self-supporting neighborhoods in an effort to reduce vehicular miles traveled (VMT), thereby reducing greenhouse gas (GHG) emissions.

A central focus of the INTRA-Connect Plan is the concept of 10-minute "walk neighborhoods," 10-minute "drive communities" and 10-minutes to "transit connections." The 10-minute concept will encourage more compact development, enhance transit use, increase multi-modal transportation, reduce the distance and time people need to travel, and subsequently, reduce GHG emissions. The INTRA-Connect Plan provides a framework of active transportation strategies, overview of street classifications and design standards, refinement of community corridors, development of priority projects, including conceptual designs and preliminary cost estimates, identification of infill investment areas, and compatibility with adjacent land uses.

City staff and our consultant team will provide a presentation highlighting the key elements of the INTRA-Connect Plan, community outreach efforts, and recommendations. Caltrans requires City Council adoption of the Plan in order to close out the grant.

RESOLUTION NO. 2020 -

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY
ADOPTING NATIONAL CITY'S INTRA-CONNECT PLAN (INTEGRATING
NEIGHBORHOODS WITH TRANSPORTATION ROUTES FOR ALL), FUNDED BY A
\$330,000 CALTRANS SUSTAINABLE TRANSPORTATION PLANNING GRANT**

WHEREAS, the INTRA-Connect Plan (Integrating Neighborhoods with Transportation Routes for All) expands upon National City's SMART Foundation Plan (Safe Multi-modal Accessible Routes To...transit, schools, parks, shops, services and recreation), which identified infrastructure enhancements to encourage multi-modal transportation in National City, by taking a comprehensive and integrated look at Smart Growth Planning, Smart Mobility and Smart Parking elements; and

WHEREAS, this strategic approach will further support infill development as well as localize self-supporting neighborhoods that keep vehicular miles traveled (VMT) down, thereby reducing greenhouse gas (GHG) emissions and VMT, simultaneously; and

WHEREAS, a central focus of this project will be the concept of 10-minute "walk neighborhoods," 10-minute "drive communities", and 10-minutes to "transit connections to encourage more compact development, enhance transit use, increase multi-modal transportation, reduce the distance and time people need to travel, and subsequently reduce GHG emissions; and

WHEREAS, on November 1, 2016, the City Council adopted Resolution No. 2016-176 authorizing the filing of an application for Sustainable Transportation Planning Grant Program funds through the California Department of Transportation (Caltrans) for National City's INTRA-Connect Plan, and authorizing the City Manager to execute the grant agreement with Caltrans, if selected for grant award; and

WHEREAS, in March 2017, staff was notified that National City had been awarded a \$330,000 Sustainable Communities Transportation Planning Grant for the project, and the City Manager subsequently executed Grant Agreement Number 74A0956 with Caltrans, effective November 1, 2017; and

WHEREAS, on May 15, 2018, City Council adopted Resolution No. 2018 – 73 authorizing appropriations and corresponding revenue budget to allow for reimbursement of eligible project expenditures through Caltrans' Sustainable Transportation Planning Grant Program for completion of the INTRA-Connect Plan.

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**Resolution No. 2020 –
Page Two**

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of National City hereby authorizes the adoption of National City’s INTRA-Connect Plan (Integrating Neighborhoods with Transportation Routes for All), funded by a \$330,000 Caltrans Sustainable Transportation Planning Grant.

PASSED and ADOPTED this 18th day of February, 2020.

Alejandra Sotelo-Solis, Mayor

ATTEST:

Michael R. Dalla, City Clerk

APPROVED AS TO FORM:

Angil P. Morris-Jones
City Attorney

The following page(s) contain the backup material for Agenda Item: [Commercial Cannabis fiscal analysis, Outreach October survey results and discussion and seeking direction from the City Council to Staff regarding additions to the proposed Commercial Cannabis ordinance. \(City Manager\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO.

ITEM TITLE:

Commercial Cannabis fiscal analysis, Outreach October survey results and discussion and seeking direction from the City Council to Staff regarding additions to the proposed Commercial Cannabis ordinance.

PREPARED BY:

Megan Gamwell, Economic Development Specialist

DEPARTMENT:

City Manager's Office

PHONE: 619-336-4216

APPROVED BY:



EXPLANATION:

On September 17, 2019 City Council asked Staff to return with a detailed fiscal analysis based on the direction received at the September 17 City Council meeting and to share the results of the community workshop and survey held on October 22, 2019.

Staff is seeking direction from City Council on a Community Benefits fee; whether or not to include 3 locations in the Tourist Commercial (CT) zones west of I-5, in addition to the 3 originally proposed in the Industrial Zone, where commercial cannabis operations may be permitted; and to include consumption lounges as an allowable business type in the ordinance.

FINANCIAL STATEMENT:

APPROVED: _____

Finance

ACCOUNT NO.

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

n/a

ORDINANCE: INTRODUCTION:

FINAL ADOPTION:

STAFF RECOMMENDATION:

Staff recommends establishing a set Community Benefits fee rate of 5% of gross receipts for all cannabis businesses; expanding the proposed number of cannabis business operations from 3 to 6 (3 remaining in the originally proposed Industrial Zone and 3 being added to the areas zoned Tourist Commercial (CT) in the Marina District west of I-5); and to include consumption lounges as an allowable business type in the ordinance.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. City Staff Report
2. Survey Results
3. Fiscal Analysis

February 18, 2020

BACKGROUND REPORT

The City of National City currently prohibits all commercial cannabis activity, including cultivation, manufacturing, distribution, retail and delivery, and testing facilities. This prohibition is codified in section 10.14.020 of the National City Municipal Code (“Commercial marijuana activity—Prohibited”). In addition, medical marijuana dispensaries and cultivation are prohibited in sections 1830.340 and 18.30.345

Over the course of the past year the City has been exploring options for allowing limited commercial cannabis activity. On June 18, 2019 City Council authorized Staff to retain the services of HdL to assist with community outreach and development of a draft cannabis ordinance, an application review process and cost recovery fees. HdL worked with City staff to develop an initial evaluation of the potential cannabis industry in the City, including the number of different types of cannabis businesses that may be expected to locate in the City and their potential impacts.

On September 17, 2019, HdL presented its initial findings to the City Council, after which they provided direction to Staff to develop an ordinance that would allow up to three cannabis businesses, to be located in the City’s industrial zone west of I-5. The City Council did not limit the types of cannabis businesses that would be allowed, but retail uses would only be permitted as an accessory use to cultivation, manufacturing or distribution, due to existing allowable land uses in the industrial zone. The City also made clear that each of these three businesses may conduct multiple cannabis activities at a single location, so that they could each conceivably include a combination of cultivation, manufacturing, distribution and retail. The City determined will generate revenue from these businesses through development agreements rather than a cannabis tax.

HdL further assisted the City in developing a survey to gather input from the community to help guide the development of its cannabis regulatory program, including community impacts to be addressed through regulations and programs to be funded through a Community Benefits fee. As part of the City’s Outreach October campaign, the survey was posted online from October 16th through November 5th and was also provided in hardcopy form at an October 22nd community workshop on cannabis issues.

Staff is returning to the City Council to provide a detailed fiscal analysis based on the direction received at the September 17th meeting and results of the community workshop and survey. Based on the results of the fiscal analysis and cannabis outreach, Staff will also be seeking direction from the City Council on whether or not to include an additional 3 locations in the Tourist Commercial zone west of I-5 in which commercial cannabis operations may be permitted and whether consumption lounges should be as an allowable business type in the ordinance.

Discussion Item #1: Fiscal Analysis

To further assist with development of its cannabis program, the City has requested that HdL provide a detailed fiscal analysis to specifically consider the amount of revenue that could be generated through a Community Benefits fee as a part of the development agreement for each of the 3 permitted cannabis businesses. The City has requested that this analysis also provide recommended Community Benefits fee or a fee structure that would approximate the same fiscal burden that would be imposed on cannabis businesses using a cannabis business tax with common tax rates, so as to be competitive with other jurisdictions. This study also includes a discussion of general economic impacts in the form of jobs, supporting businesses, and other economic activity.

Since the City is proposing to allow just three cannabis businesses, without specifying what types they may be, HdL anticipates that the limited number of licenses available would tend to attract businesses that conduct more than one type of commercial cannabis activity at a single location. HdL recommends that the City establish a Community Benefits fee with a rate between 2.5% and 5% of gross receipts for all cannabis businesses, regardless of type. This range would be slightly higher than the standard tax rates HdL commonly recommends for some types of businesses but would be somewhat lower for others. Applying a single rate to all cannabis business activities provides for a fee structure for businesses conducting more than one type of licensed activity. HdL has provided revenue estimates using rates of 2.5%, 4.0% and 5.0%, based upon three different scenarios. These scenarios indicate a range of potential revenues from \$275,000 up to \$1,050,000 in projected annual revenue.

Staff's Recommendation #1: Establish a rate of 5% of gross receipts for all cannabis businesses, regardless of type.

Discussion Item #2: Locations in Tourist Commercial Zone

Based on community feedback, Staff is seeking direction on expanding the proposed number of cannabis business locations from 3 to 6 with 3 remaining in the originally proposed Industrial Zone and 3 being added to the areas zoned Tourist Commercial (CT) in the Marina District west of I-5. Expanding the number of business locations to 3 within the CT Zone would open up the opportunity for additional revenue through consumption lounges and retail. Visitor serving, tourist commercial, and recreational uses are prioritized in the coastal zones and includes restaurant facilities and tourist-commercial retail. The CT Zone currently allows for the types of uses consistent with consumption lounges and retail without having to make changes to the current zoning. Based on community feedback and consultation with HdL, Staff is proposing to include consumption lounges as an allowed business type in the ordinance.

The proposed CT zone is part of the Balanced Plan area being studied by the City of National City, the San Diego Unified Port District (SDUPD), GB Capital Holdings LLC, and Pasha Automotive. The Balanced Plan for the National City Marina District identifies mitigations and enhancements to “balance” industrial uses with commercial and public uses to increase access to National City’s Bayfront. City Staff has had preliminary conversations with SDUPD about commercial cannabis businesses since most of the Marina District is within State Tidelands. If approved, Staff will continue to work with key stakeholders within the Marina District area to ensure that the addition of commercial cannabis activity in the CT Zone is consistent with the goals of the Balanced Plan.

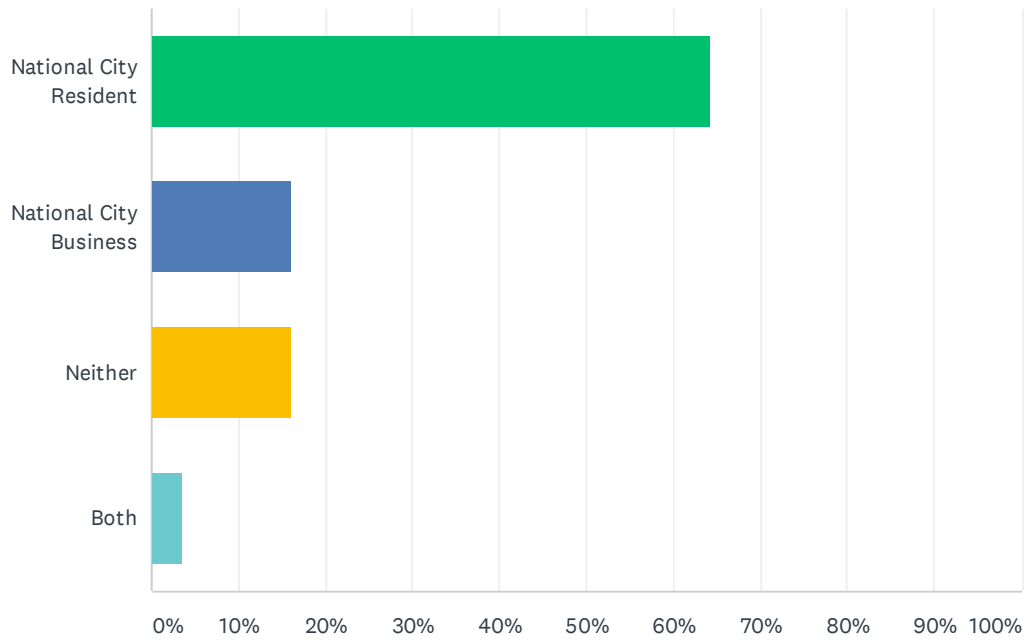
Staff's Recommendation #2: Expand allowed cannabis business locations from 3 to 6 with 3 remaining in the originally proposed Industrial Zone and 3 being added to the areas zoned Tourist Commercial (CT) in the Marina District west of I-5; and include Consumption Lounges as an allowable use in the ordinance.

Discussion Item #3: Next Steps

If City Council directs Staff to move forward with the recommendations as presented, Staff will return with a detailed Commercial Cannabis Ordinance and changes to title 18.30.340-Commercial marijuana activity. The detailed ordinance will address the rules and regulations surrounding commercial cannabis activity within the City, initial application procedures and security requirements. Following the adoption of an ordinance Staff will begin drafting a boiler plate Development Agreement and outline a fee structure for full cost recovery of the application and review process.

Q1 Please select one category that best describes your relationship to National City.

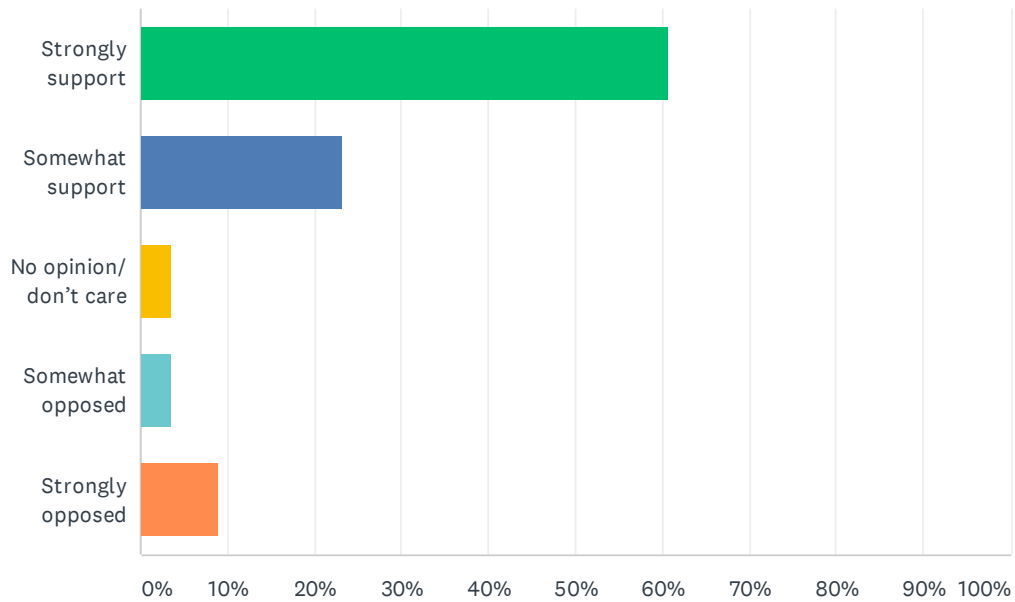
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ANSWER CHOICES	RESPONSES	
National City Resident	64.29%	36
National City Business	16.07%	9
Neither	16.07%	9
Both	3.57%	2
TOTAL		56

Q2 In general, do you support or oppose legalized cannabis for medicinal use?

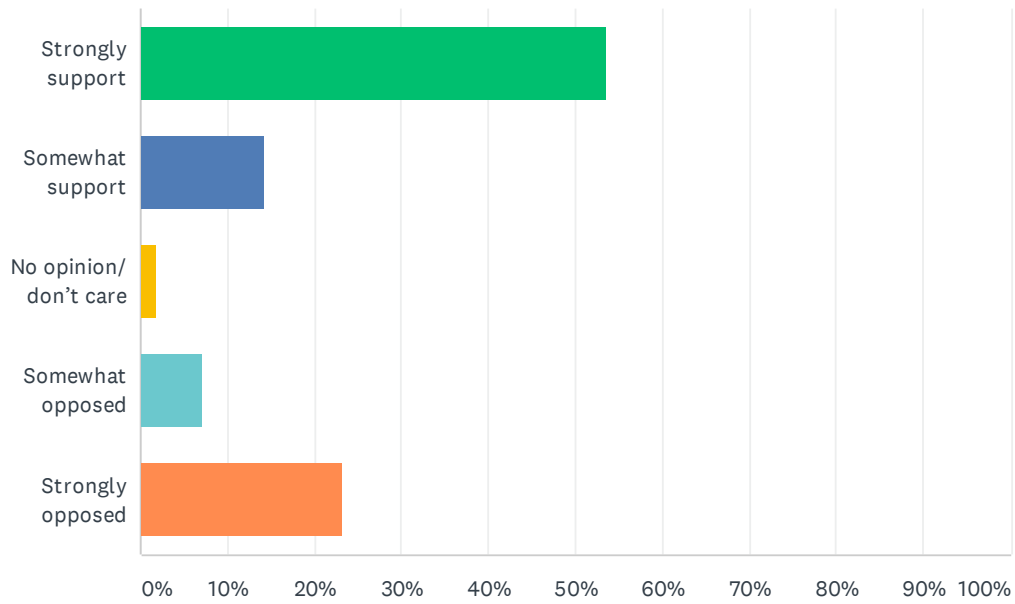
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ANSWER CHOICES	RESPONSES	
Strongly support	60.71%	34
Somewhat support	23.21%	13
No opinion/ don't care	3.57%	2
Somewhat opposed	3.57%	2
Strongly opposed	8.93%	5
TOTAL		56

Q3 In general, do you support or oppose legalized cannabis for adult recreational use?

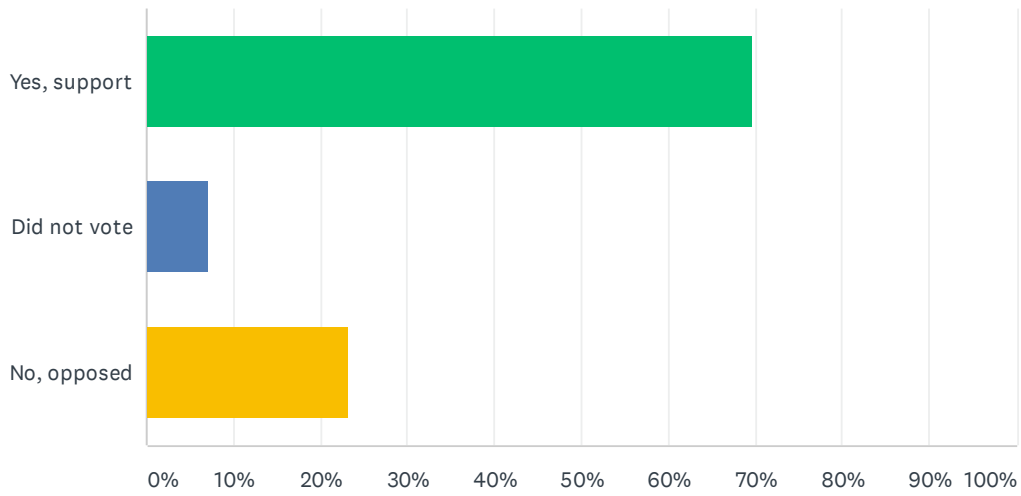
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ANSWER CHOICES	RESPONSES	
Strongly support	53.57%	30
Somewhat support	14.29%	8
No opinion/ don't care	1.79%	1
Somewhat opposed	7.14%	4
Strongly opposed	23.21%	13
TOTAL		56

Q4 How did you vote on Proposition 64, the Adult Use of Marijuana Act of 2016?

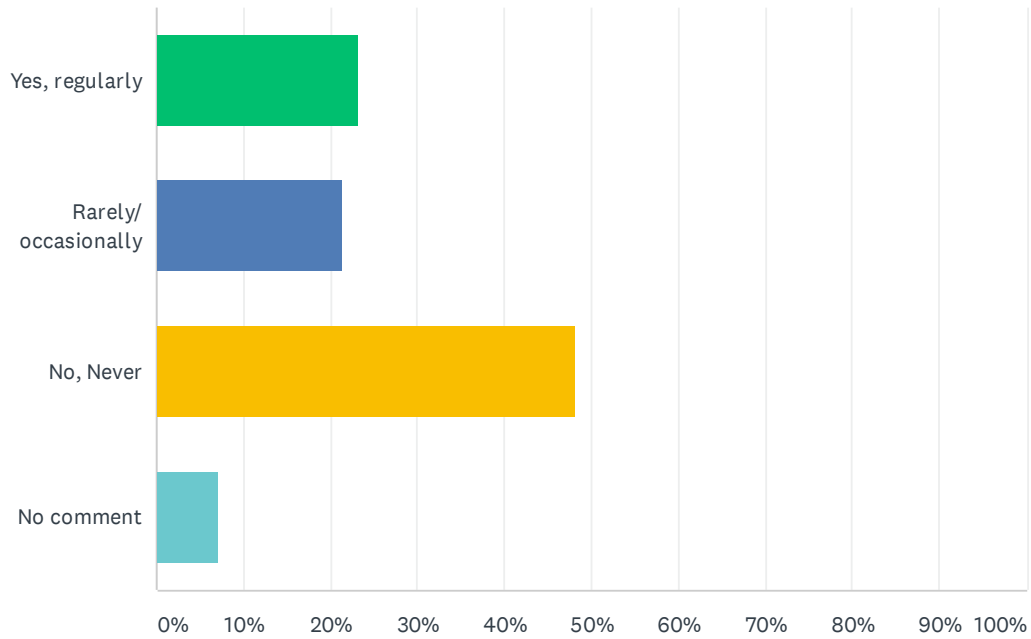
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ANSWER CHOICES	RESPONSES	
Yes, support	69.64%	39
Did not vote	7.14%	4
No, opposed	23.21%	13
TOTAL		56

Q5 Do you personally use cannabis for medicinal use?

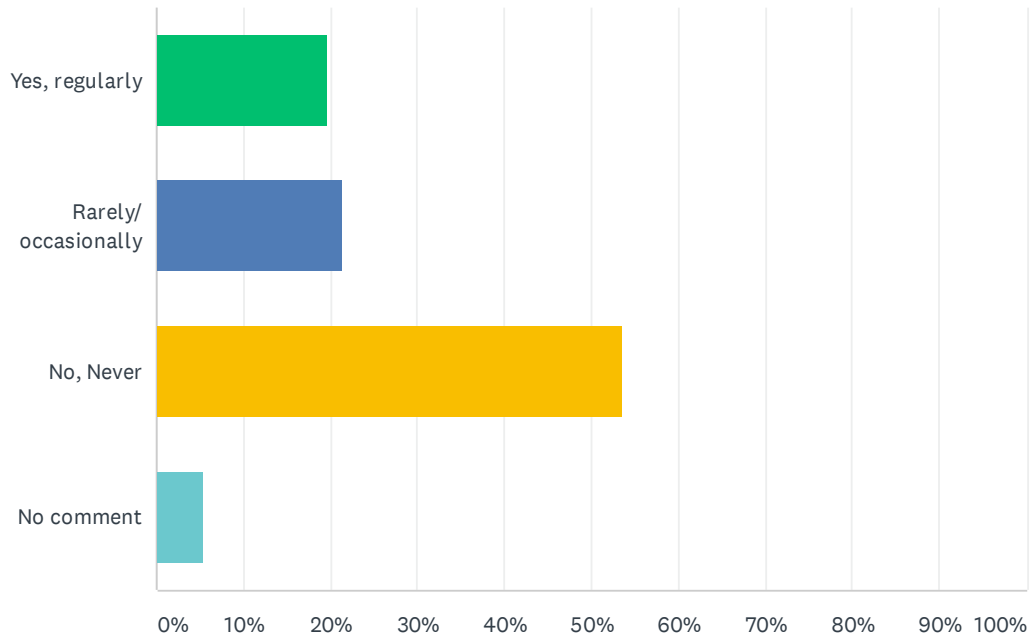
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ANSWER CHOICES	RESPONSES	
Yes, regularly	23.21%	13
Rarely/ occasionally	21.43%	12
No, Never	48.21%	27
No comment	7.14%	4
TOTAL		56

Q6 Do you personally use cannabis for adult recreational use?

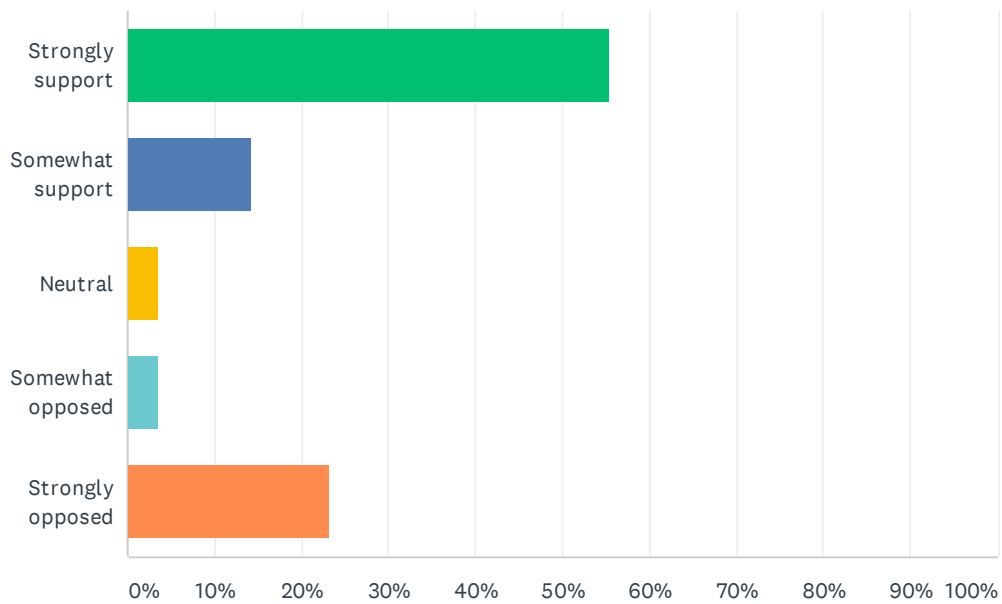
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ANSWER CHOICES	RESPONSES	
Yes, regularly	19.64%	11
Rarely/ occasionally	21.43%	12
No, Never	53.57%	30
No comment	5.36%	3
TOTAL		56

Q7 In general, do you support or oppose allowing cannabis businesses in National City?

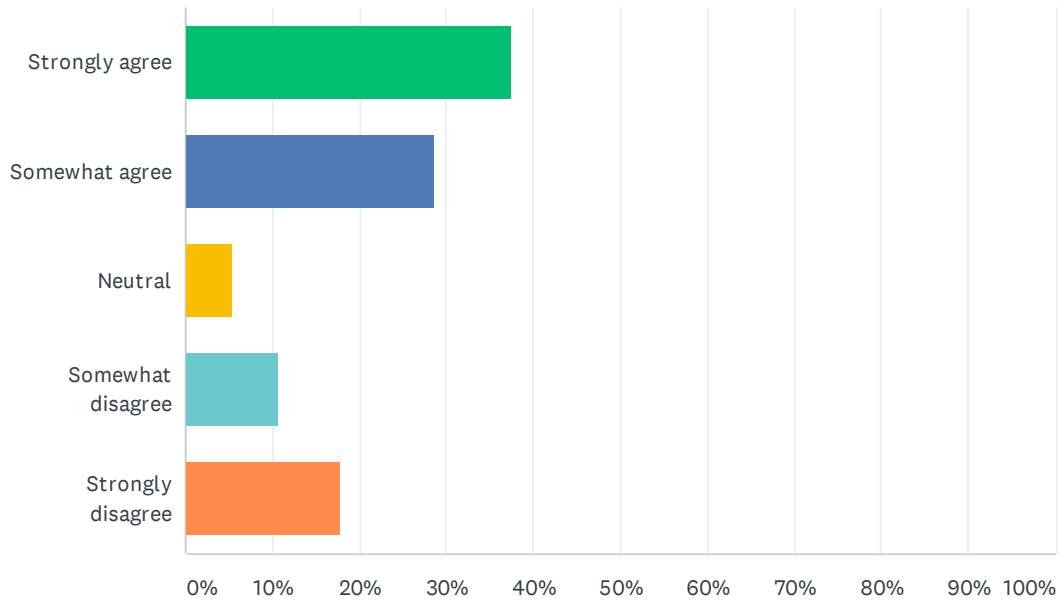
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ANSWER CHOICES	RESPONSES	
Strongly support	55.36%	31
Somewhat support	14.29%	8
Neutral	3.57%	2
Somewhat opposed	3.57%	2
Strongly opposed	23.21%	13
TOTAL		56

Q8 I am informed about the City Council direction on September 17th for staff to draft an ordinance to permit up to 3 cannabis businesses in the industrial zones.

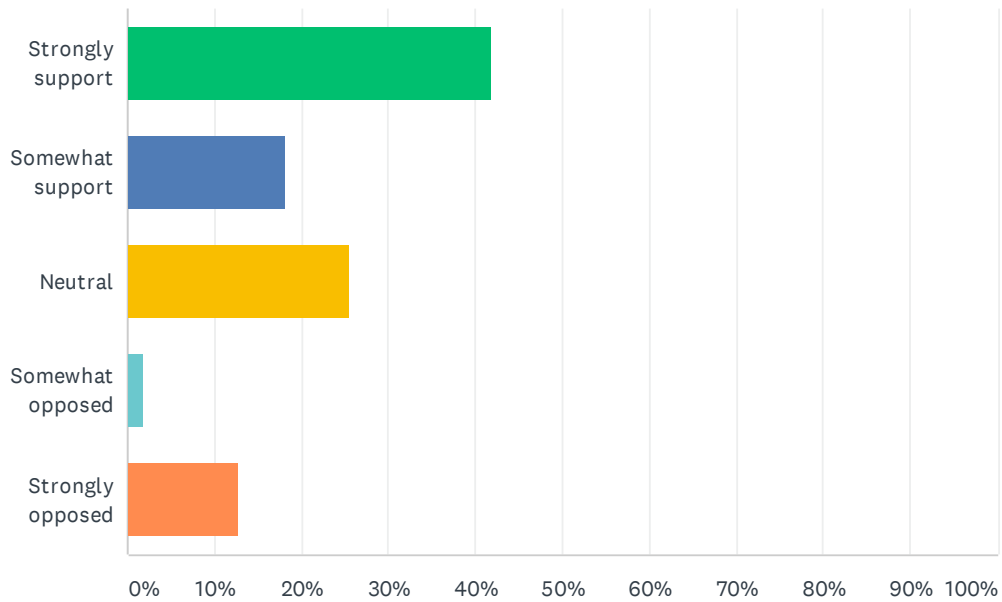
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ANSWER CHOICES	RESPONSES	
Strongly agree	37.50%	21
Somewhat agree	28.57%	16
Neutral	5.36%	3
Somewhat disagree	10.71%	6
Strongly disagree	17.86%	10
TOTAL		56

Q9 I am informed about the City's Commercial Cannabis Community Forum on October 22.

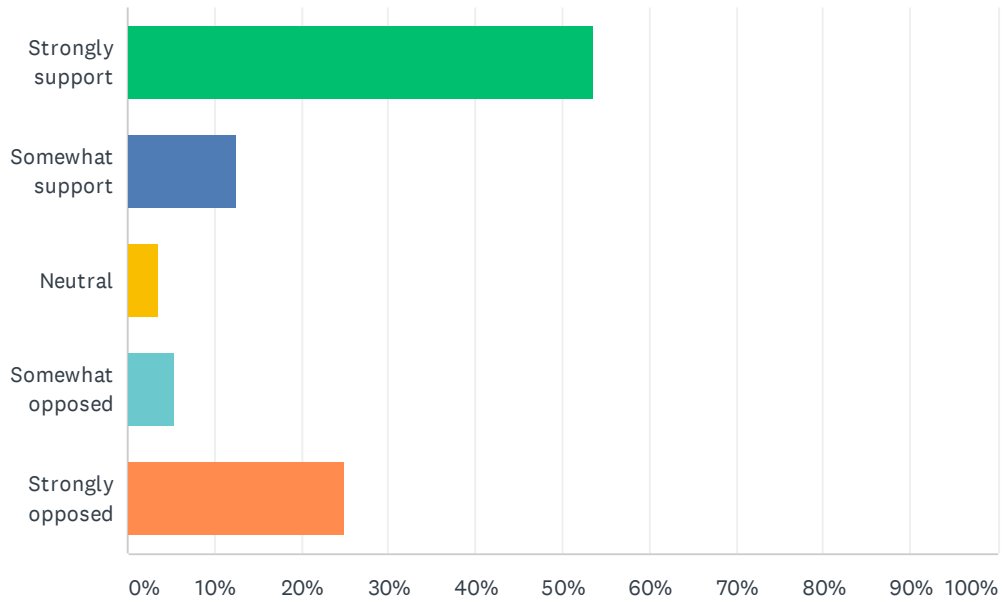
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ANSWER CHOICES	RESPONSES	
Strongly support	41.82%	23
Somewhat support	18.18%	10
Neutral	25.45%	14
Somewhat opposed	1.82%	1
Strongly opposed	12.73%	7
TOTAL		55

Q10 Based on the above information, how strongly would you support or oppose allowing the following type of cannabis business in the City's Industrial Zone: Indoor cannabis cultivation businesses

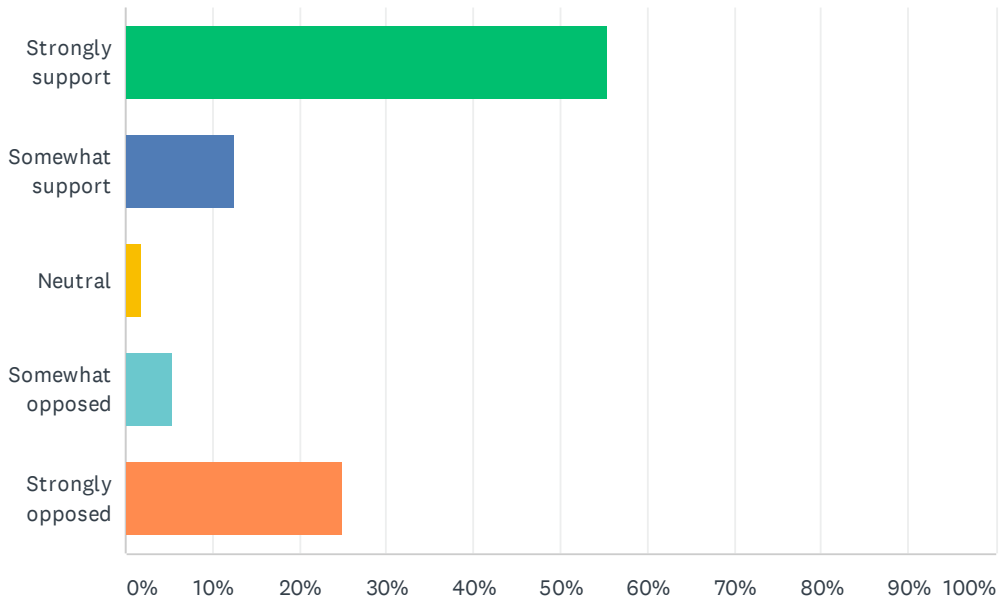
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ANSWER CHOICES	RESPONSES	
Strongly support	53.57%	30
Somewhat support	12.50%	7
Neutral	3.57%	2
Somewhat opposed	5.36%	3
Strongly opposed	25.00%	14
TOTAL		56

Q11 Based on the above information, how strongly would you support or oppose allowing the following type of cannabis business in the City's Industrial Zone: Cannabis manufacturing businesses

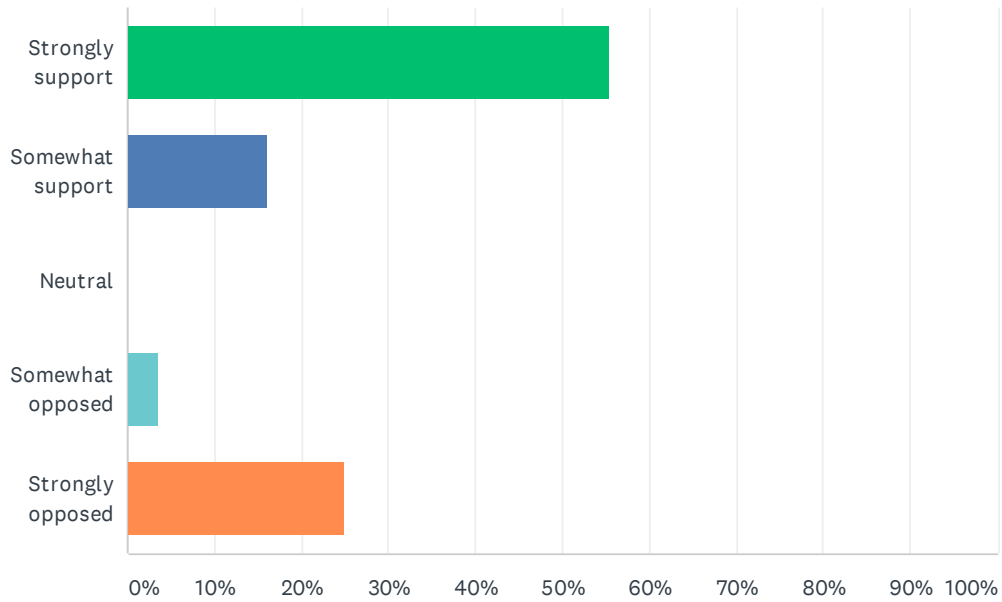
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ANSWER CHOICES	RESPONSES	
Strongly support	55.36%	31
Somewhat support	12.50%	7
Neutral	1.79%	1
Somewhat opposed	5.36%	3
Strongly opposed	25.00%	14
TOTAL		56

Q12 Based on the above information, how strongly would you support or oppose allowing the following type of cannabis business in the City's Industrial Zone: Cannabis distribution businesses

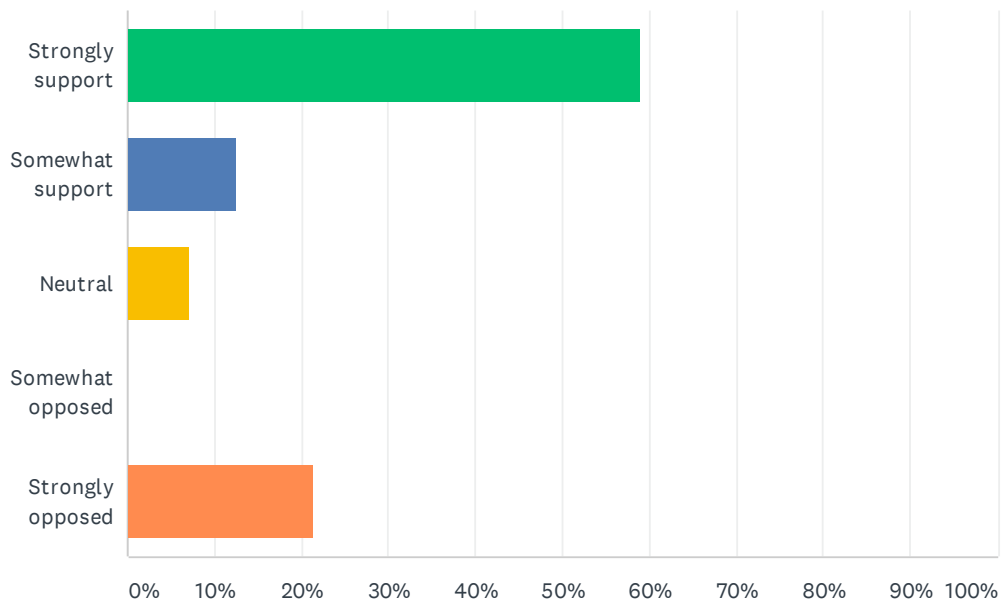
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ANSWER CHOICES	RESPONSES	
Strongly support	55.36%	31
Somewhat support	16.07%	9
Neutral	0.00%	0
Somewhat opposed	3.57%	2
Strongly opposed	25.00%	14
TOTAL		56

Q13 Based on the above information, how strongly would you support or oppose allowing the following type of cannabis business in the City's Industrial Zone: Cannabis testing laboratories

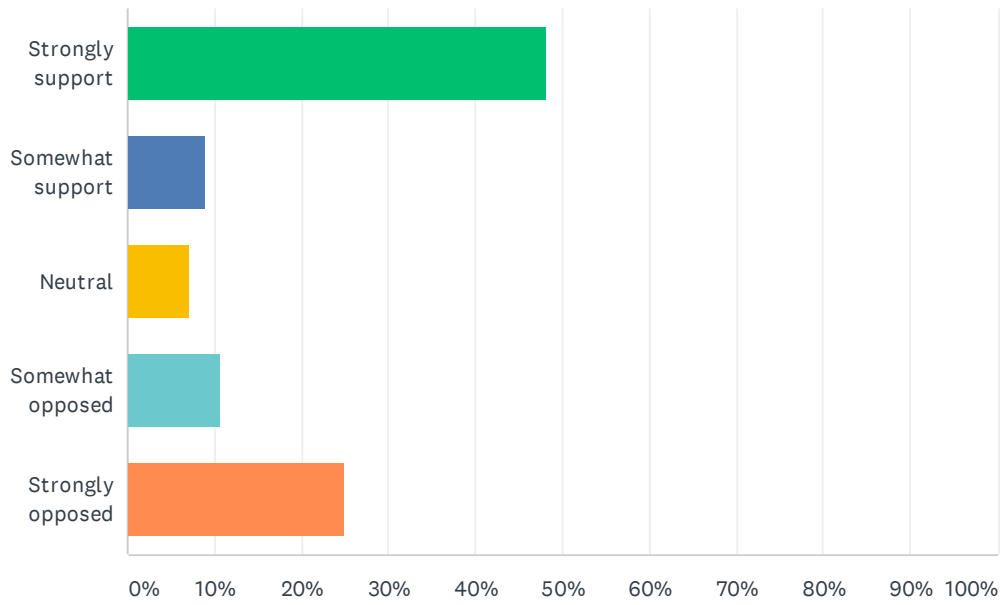
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ANSWER CHOICES	RESPONSES	
Strongly support	58.93%	33
Somewhat support	12.50%	7
Neutral	7.14%	4
Somewhat opposed	0.00%	0
Strongly opposed	21.43%	12
TOTAL		56

Q14 Based on the above information, how strongly would you support or oppose allowing the following type of cannabis business in the City's Industrial Zone: Cannabis retailers as an accessory use to other commercial cannabis activities

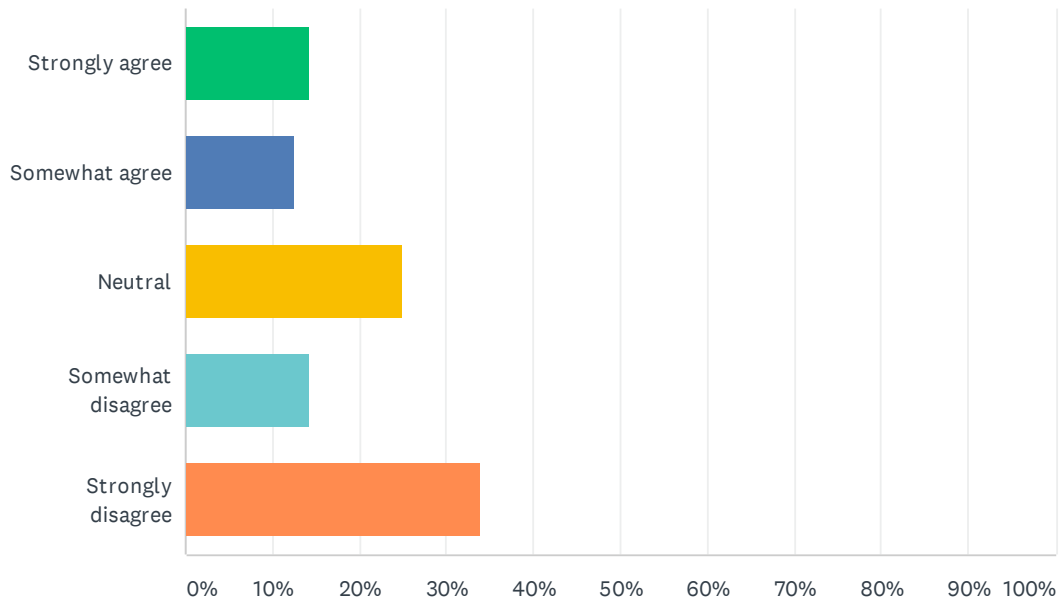
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ANSWER CHOICES	RESPONSES	
Strongly support	48.21%	27
Somewhat support	8.93%	5
Neutral	7.14%	4
Somewhat opposed	10.71%	6
Strongly opposed	25.00%	14
TOTAL		56

Q15 I am concerned about traffic impacts from cannabis businesses in the Industrial Zones

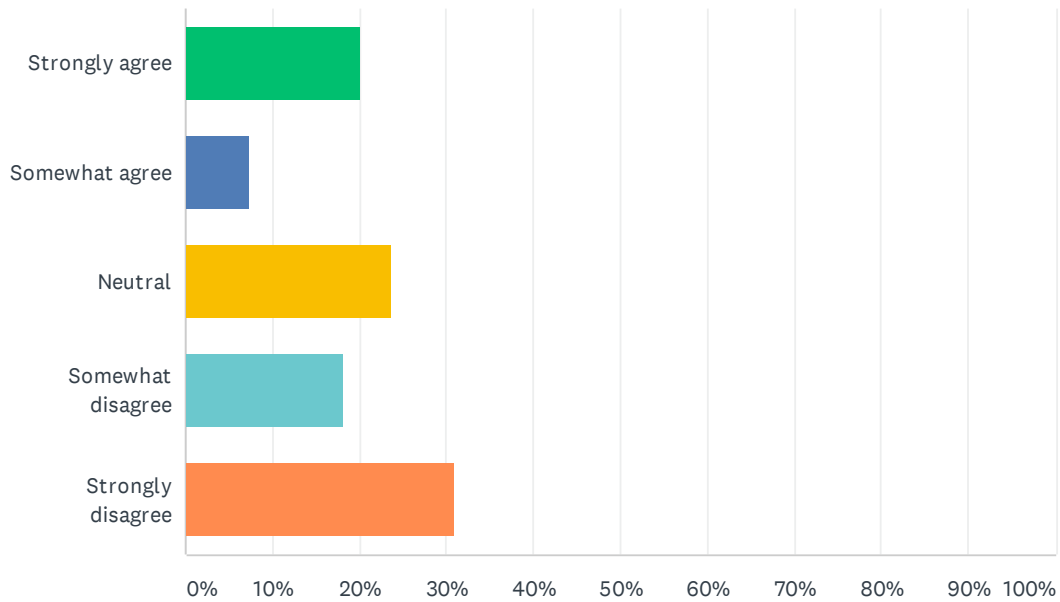
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ANSWER CHOICES	RESPONSES	
Strongly agree	14.29%	8
Somewhat agree	12.50%	7
Neutral	25.00%	14
Somewhat disagree	14.29%	8
Strongly disagree	33.93%	19
TOTAL		56

Q16 I am concerned about environmental impacts from cannabis businesses in the Industrial Zones

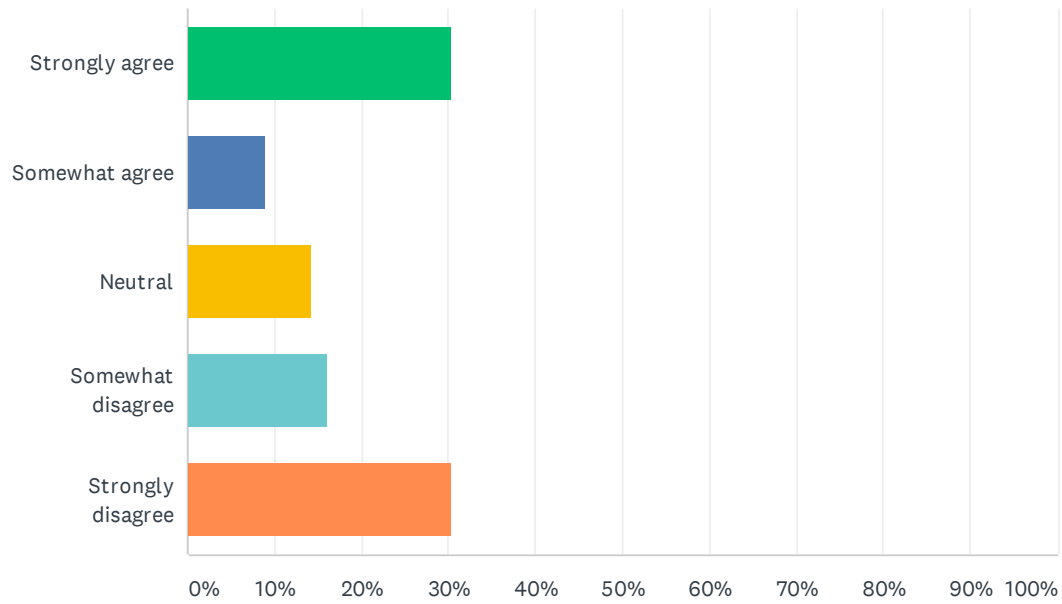
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ANSWER CHOICES	RESPONSES	
Strongly agree	20.00%	11
Somewhat agree	7.27%	4
Neutral	23.64%	13
Somewhat disagree	18.18%	10
Strongly disagree	30.91%	17
TOTAL		55

Q17 I am concerned about public safety impacts from cannabis businesses in the Industrial Zones

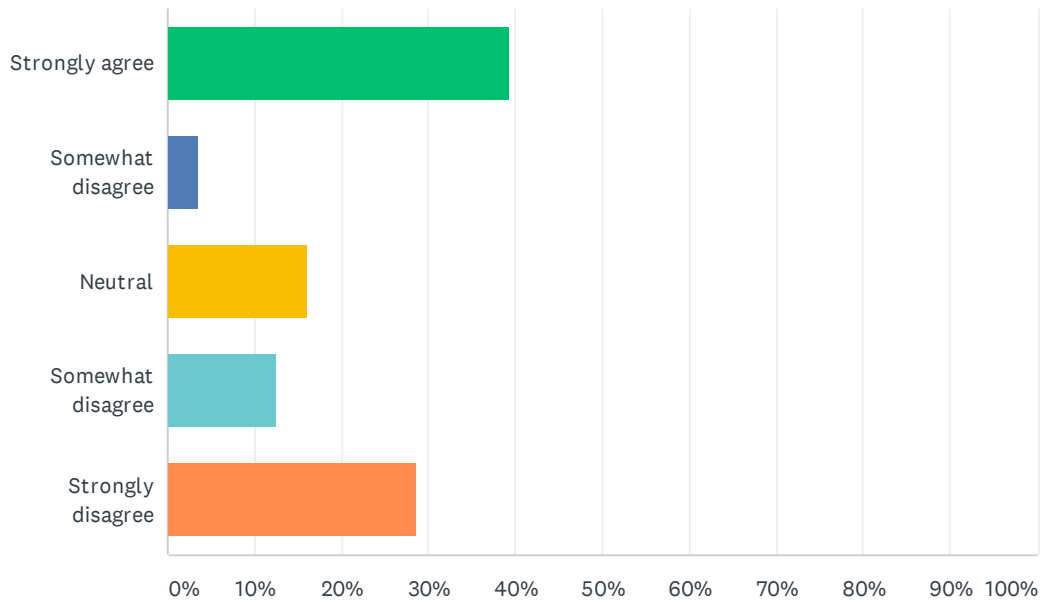
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ANSWER CHOICES	RESPONSES	
Strongly agree	30.36%	17
Somewhat agree	8.93%	5
Neutral	14.29%	8
Somewhat disagree	16.07%	9
Strongly disagree	30.36%	17
TOTAL		56

Q18 I am concerned about impacts on youth from cannabis businesses in the Industrial Zones

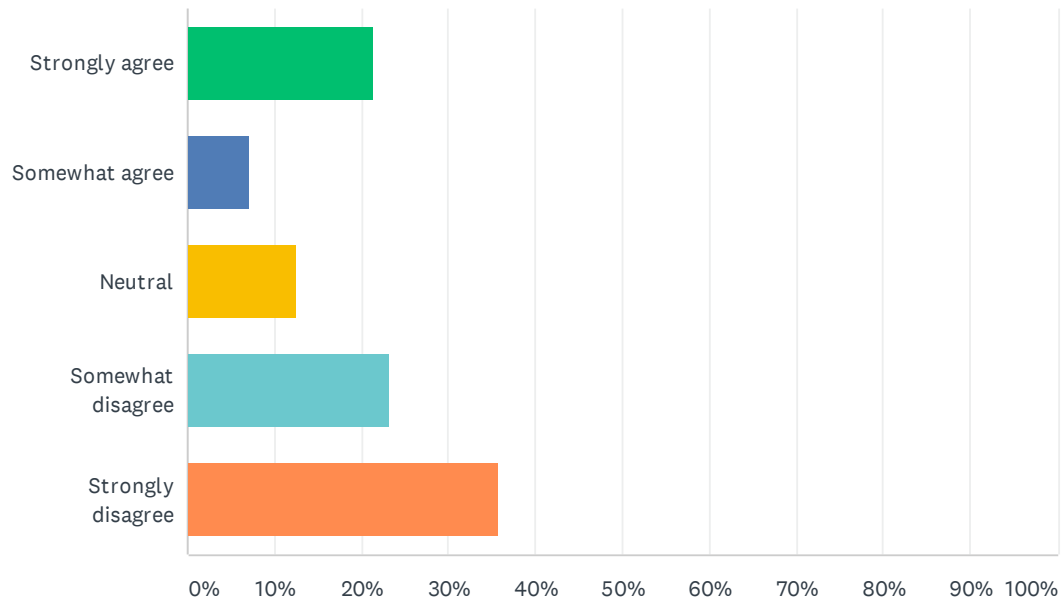
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ANSWER CHOICES	RESPONSES	
Strongly agree	39.29%	22
Somewhat disagree	3.57%	2
Neutral	16.07%	9
Somewhat disagree	12.50%	7
Strongly disagree	28.57%	16
TOTAL		56

Q19 I am concerned about noise and odor impacts from cannabis businesses in the Industrial Zones

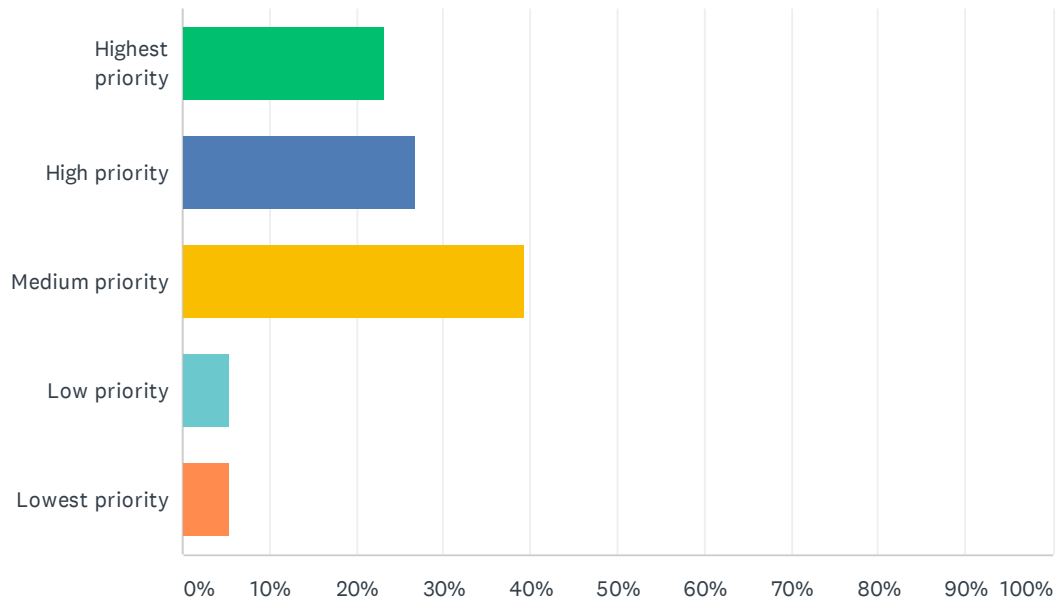
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ANSWER CHOICES	RESPONSES	
Strongly agree	21.43%	12
Somewhat agree	7.14%	4
Neutral	12.50%	7
Somewhat disagree	23.21%	13
Strongly disagree	35.71%	20
TOTAL		56

Q20 Community benefit fees should fund drug prevention, awareness and treatment programs

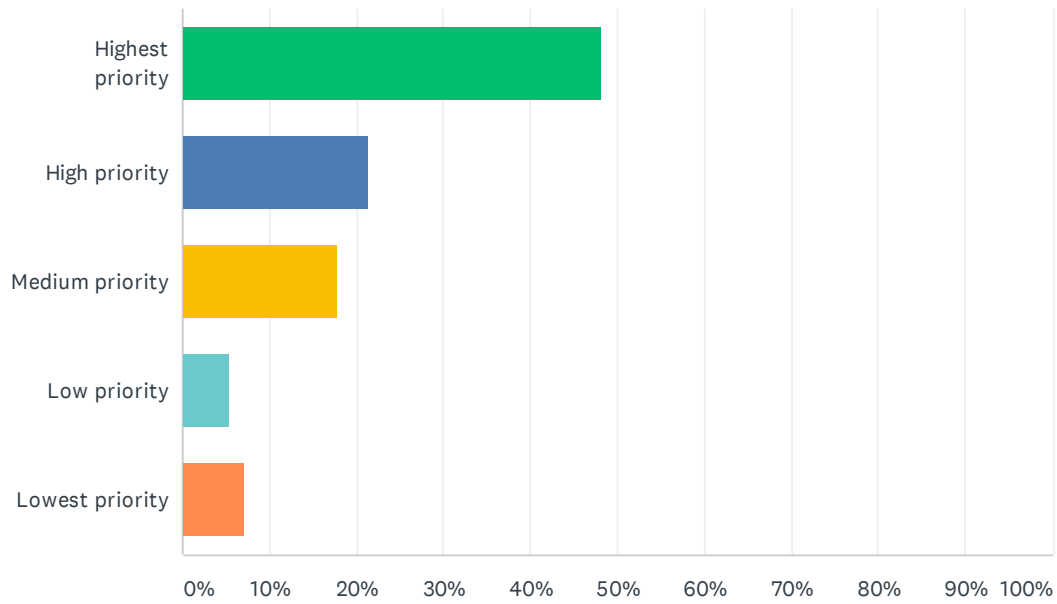
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ANSWER CHOICES	RESPONSES	
Highest priority	23.21%	13
High priority	26.79%	15
Medium priority	39.29%	22
Low priority	5.36%	3
Lowest priority	5.36%	3
TOTAL		56

Q21 Community benefit fees should fund schools and educational programs

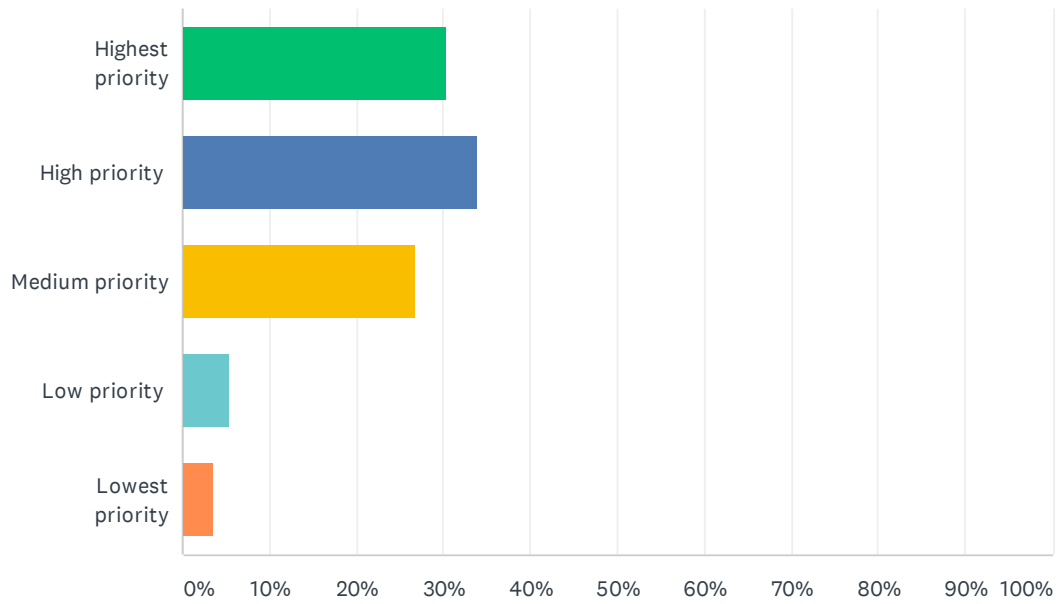
Answered: 56 Skipped: 0



ANSWER CHOICES	RESPONSES	
Highest priority	48.21%	27
High priority	21.43%	12
Medium priority	17.86%	10
Low priority	5.36%	3
Lowest priority	7.14%	4
TOTAL		56

Q22 Community benefit fees should fund public health, safety and law enforcement

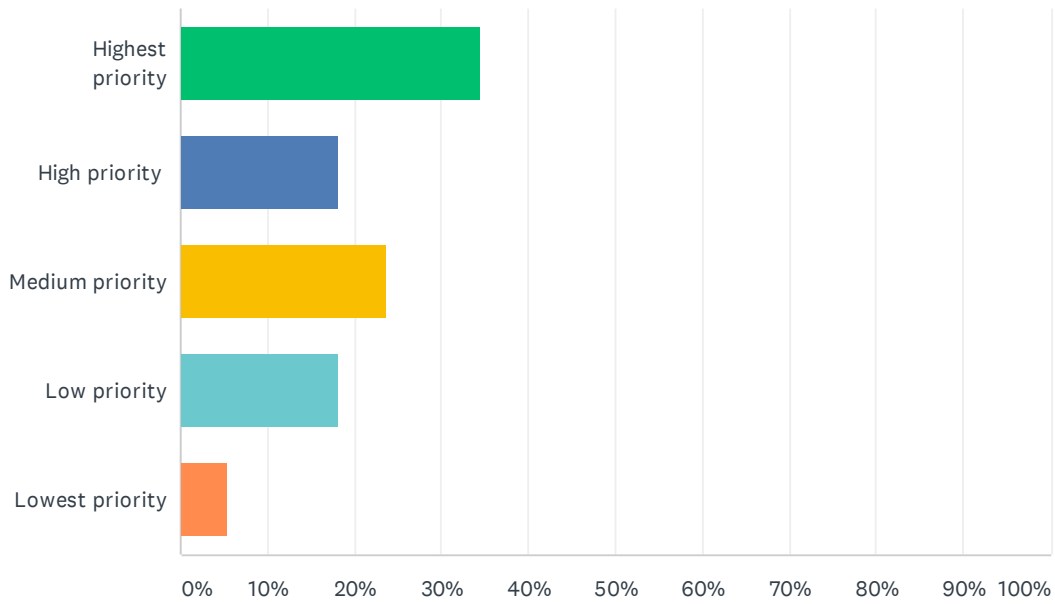
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ANSWER CHOICES	RESPONSES	
Highest priority	30.36%	17
High priority	33.93%	19
Medium priority	26.79%	15
Low priority	5.36%	3
Lowest priority	3.57%	2
TOTAL		56

Q23 Community benefit fees should fund parks, open space and environmental programs

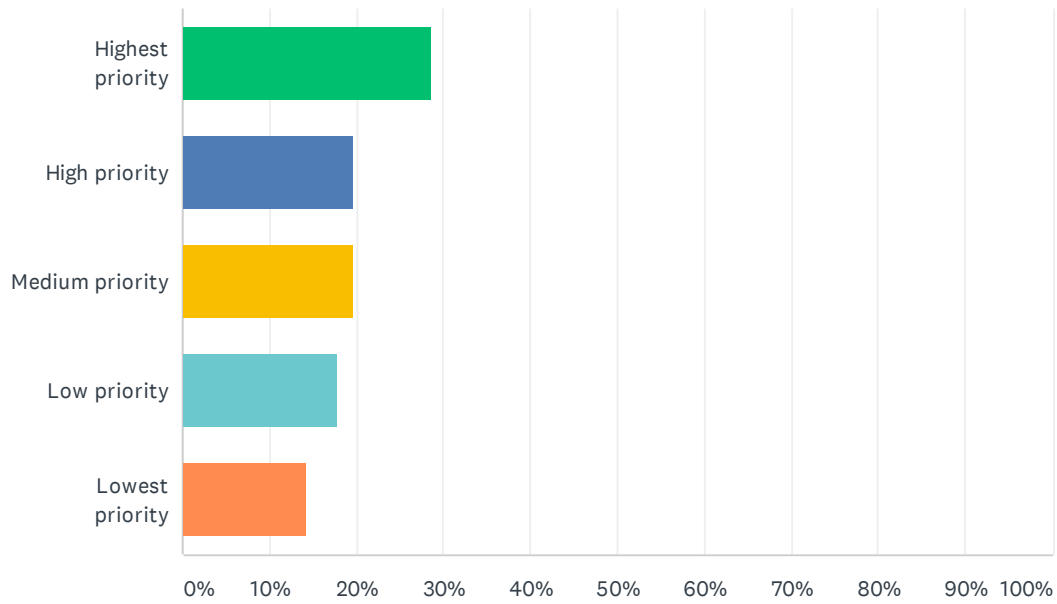
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ANSWER CHOICES	RESPONSES	
Highest priority	34.55%	19
High priority	18.18%	10
Medium priority	23.64%	13
Low priority	18.18%	10
Lowest priority	5.45%	3
TOTAL		55

Q24 Community benefit fees should fund the arts, community programs and special events

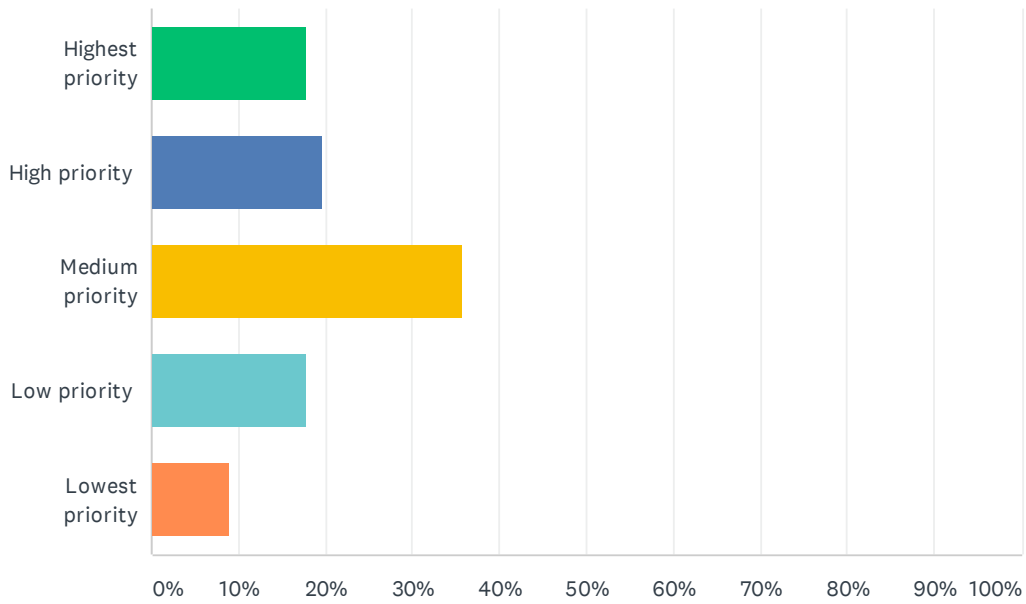
Answered: 56 Skipped: 0



ANSWER CHOICES	RESPONSES	
Highest priority	28.57%	16
High priority	19.64%	11
Medium priority	19.64%	11
Low priority	17.86%	10
Lowest priority	14.29%	8
TOTAL		56

Q25 Community benefit fees should fund road improvements and bike/pedestrian infrastructure

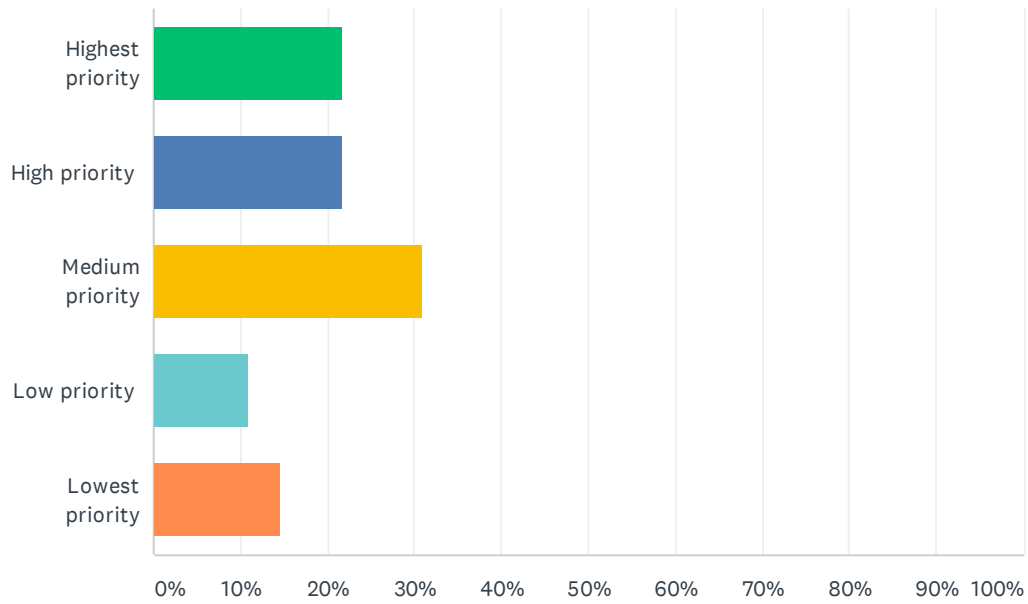
Answered: 56 Skipped: 0



ANSWER CHOICES	RESPONSES
Highest priority	17.86% 10
High priority	19.64% 11
Medium priority	35.71% 20
Low priority	17.86% 10
Lowest priority	8.93% 5
TOTAL	56

Q26 Community benefit fees should fund affordable housing or programs for the homeless

Answered: 55 Skipped: 1



ANSWER CHOICES	RESPONSES
Highest priority	21.82% 12
High priority	21.82% 12
Medium priority	30.91% 17
Low priority	10.91% 6
Lowest priority	14.55% 8
TOTAL	55

Q27 Please provide any additional comments you may have.

Answered: 29 Skipped: 27



Delivering Revenue, Insight
and Efficiency to Local Government

Fiscal Analysis of the Commercial Cannabis Industry

Prepared for

the

City of National City

December 13th, 2019

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Summary and Recommendations

National City is proposing to allow just three cannabis businesses, without specifying what types they may be. HdL anticipates that the limited number of licenses available would tend to attract businesses that conduct more than one type of commercial cannabis activity at a single location, most likely including retail as a component of their operation. This may or may not include cannabis microbusinesses¹.

HdL recommends that the City establish a community benefits fee with a rate between 2.5% and 5% of gross receipts for all cannabis businesses, regardless of type. This range would be slightly higher than the standard tax rates HdL commonly recommends for some types of businesses but would be somewhat lower for others. Applying a single rate to all cannabis business activities provides for a simplified tax or fee structure for businesses conducting more than one type of licensed activity. This is discussed in Section III; *Common Cannabis Tax Rates*.

We have provided revenue estimates using rates of 2.5%, 4.0% and 5.0%, based upon three different scenarios. These scenarios indicate a range of potential revenues from \$275,000 up to \$1,050,000. These scenarios are presented and discussed below.

Scenario 1 shows the potential revenues that could be generated from one of each type of commercial cannabis business². This model assumes that one of the three permitted business would operate two different activities. The most probable combination here is that either the cultivator or the manufacturer would also hold a distribution license. Under this scenario, a community benefits fee with a rate of 2.5% would generate \$275,000 in annual revenue for the City. A rate of 4.0% would generate \$440,000, and a rate of 5.0% would generate \$550,000 in annual revenue. These revenues are shown in Figure 1, below.

Figure 1:

Summary Revenue Estimate; Scenario 1						
Business Type	Number of Operations	Avg Gross Receipts	Total Gross Receipts	Revenue @ 2.5% Tax Rate	Revenue @ 4.0% Tax Rate	Revenue @ 5.0% Tax Rate
Cultivation	1	\$5,000,000	\$5,000,000	\$125,000	\$200,000	\$250,000
Manufacturing	1	\$2,000,000	\$2,000,000	\$50,000	\$80,000	\$100,000
Distribution	1	\$2,000,000	\$2,000,000	\$50,000	\$80,000	\$100,000
Retailer	1	\$2,000,000	\$2,000,000	\$50,000	\$80,000	\$100,000
TOTAL BUSINESSES	3		\$11,000,000	\$275,000	\$440,000	\$550,000

Scenario 2 shows the revenues that could be generated by 2 cultivation operations, 2 retailers, 1 manufacturer and 1 distributor. Because we have estimated the same average gross receipts for both manufacturers and distributors, this scenario could also show the amount of revenue that would be

¹ Microbusinesses may conduct three or more types of cannabis business activities under a single State license, provide that cultivation is limited to no more than 10,000 square feet of canopy. Other licensees may also conduct multiple types of activities under one business entity, but each activity must be separately licensed.

² We have not included cannabis testing laboratories in our estimates as we believe the City is unlikely to attract any of these businesses. The reasoning behind this is explained in Section VII; *Cannabis Testing Laboratories*.

generated by 2 cultivators, 2 retailers, and either 2 manufacturers or 2 distributors. Applying the recommended community benefits fee with a rate of 2.5% would generate \$425,000 in annual revenue for the City. A rate of 4.0% would generate \$680,000 in annual revenue, and a rate of 5.0% would generate \$850,000. These revenues are shown in Figure 2.

Figure 2:

Summary Revenue Estimate; Scenario 2						
Business Type	Number of Operations	Avg Gross Receipts	Total Gross Receipts	Revenue @ 2.5% Tax Rate	Revenue @ 4.0% Tax Rate	Revenue @ 5.0% Tax Rate
Cultivation	2	\$5,000,000	\$10,000,000	\$250,000	\$400,000	\$500,000
Manufacturing	1	\$2,000,000	\$2,000,000	\$50,000	\$80,000	\$100,000
Distribution	1	\$2,000,000	\$2,000,000	\$50,000	\$80,000	\$100,000
Retailer	2	\$1,500,000	\$3,000,000	\$75,000	\$120,000	\$150,000
TOTAL BUSINESSES	3		\$17,000,000	\$425,000	\$680,000	\$850,000

Scenario 3 shows assumes that all three of the available licenses from the City are for microbusinesses, and that all three of these businesses include a retail component. The model assumes that one of the microbusinesses would include retail, cultivation and manufacturing, one would include retail, cultivation and distribution, and one would include retail, manufacturing and distribution. The gross receipts for each licensed activity is listed separately. Under this scenario, a community benefits fee at a rate of 2.5% would generate \$525,000, a rate of 4.0% would generate \$840,000, and a rate of 5.0% would generate \$1,050,000 in annual revenue for the City.

Figure 3:

Summary Revenue Estimate; Scenario 3						
Business Type	Number of Operations	Avg Gross Receipts	Total Gross Receipts	Revenue @ 2.5% Tax Rate	Revenue @ 4.0% Tax Rate	Revenue @ 5.0% Tax Rate
Cultivation	2	\$5,000,000	\$10,000,000	\$250,000	\$400,000	\$500,000
Manufacturing	2	\$2,000,000	\$4,000,000	\$100,000	\$160,000	\$200,000
Distribution	2	\$2,000,000	\$4,000,000	\$100,000	\$160,000	\$200,000
Retailer	3	\$1,000,000	\$3,000,000	\$75,000	\$120,000	\$150,000
TOTAL BUSINESSES	3		\$21,000,000	\$525,000	\$840,000	\$1,050,000

The City has also indicated that it would like to require licensed businesses to commit to a minimum revenue guarantee as a part of their community benefits fee. HdL expresses no opinion on the concept of a minimum revenue guarantee but notes that any flat-rate minimum fee would have to be set at a level that is acceptable and realistic for all business types, including those with lower revenue potential. We recommend that the minimum revenue guarantee be set at no more than \$25,000 per business, regardless of the number or types of activities they may conduct. At this level, the three licenses proposed by the City would generate a guaranteed minimum of \$75,000 in annual revenue.

Scenario 1 shows that, at a 2.5% rate, manufacturers, distributors and retailers might each generate around \$50,000 in annual revenue (assuming \$2 million in gross receipts). Because retailers generally share the same market and customer base, addition retailers would reduce the market share and gross

receipts for each one. In our models, having three retailers could potentially reduce the gross receipts for each one from \$2 million down to \$1 million, in turn reducing the community benefits revenue from each one from \$50,000 per year down to just \$25,000. To require such a business to guarantee that minimum level of revenue to the City may be unreasonable. However, we anticipate that the limited number of licenses available would tend to attract businesses that conduct more than one type of commercial cannabis activity at a single location, thereby increasing their gross receipts and associated revenue potential to the City.

If the City determines to require a minimum revenue guarantee as a part of each development agreement, then as a precaution we would encourage the City to include some mechanism to appeal for relief in the case of demonstrable temporary hardship. Otherwise, the requirement for a suffering business to pay this minimum amount could contribute to the failure and loss of that business, and its associated revenues for the City.

I. The Cannabis Industry in the National City/San Diego Region

The amount of revenue that a city or county may be able to generate from a cannabis business tax (or comparable fees) depends upon the type, number and size of cannabis businesses that may choose to locate within the City. Cannabis retailers, cultivators, manufacturers, distributors and testing facilities are each interdependent upon a network of other cannabis businesses, so understanding the extent of the industry in the region provides some basis for projecting the types of businesses that may vie for the 3 available licenses in National City.

Our analysis of potential revenue from a community benefits fee assessed on cannabis businesses is based on data and assumptions about the total size of the local market. The three cannabis licensing agencies for the State of California (the Bureau of Cannabis Control, the CalCannabis Division of the California Department of Food and Agriculture, and the Manufactured Cannabis Safety Branch of the California Department of Public Health) have all been issuing temporary licenses for commercial cannabis businesses since late December of 2017. In addition, HdL has worked with a number of nearby cities and counties that are developing or implementing their own cannabis regulatory and taxation programs. This data provides a wealth of previously unavailable information about the cannabis industry around the State.

For our analysis, we shall assume that wholesale cannabis businesses such as cultivators, manufacturers and distributors would primarily interact or do business with other cannabis businesses within a one-hour radius of National City. This would roughly include the cities of San Diego, La Mesa, Escondido, Oceanside and Vista, along with unincorporated San Diego County. There are 25 distributors, 26 manufacturers, 2 testing laboratories and 37 retailers within this region, along with 8 cultivators and 4 microbusinesses. Combined, there are 102 active cannabis business licenses in all of San Diego County. These numbers are shown below in Figure 3.

Figure 3:

Active Licenses in Nearby Communities							
City/County	Cultivation	Distributor	Manufacturer	Retailer	Microbusiness	Testing Laboratory	Total
Oceanside	5	3	4	2	0	0	14
Vista	0	0	0	5	0	0	5
Escondido	0	0	0	1	0	0	1
San Diego	2	20	19	17	1	2	61
San Diego County	1	1	0	2	1	0	5
La Mesa	0	1	3	10	0	0	14
El Cajon	0	0	0	0	1	0	1
Ramona	0	0	0	0	1	0	1
Total	8	25	26	37	4	2	102

Moving further out, we find a robust cannabis industry throughout Southern California. There are currently 89 State-licensed cannabis businesses in neighboring Orange County. Riverside County has 316, San Bernardino has 139, and Imperial County has 12. Los Angeles County has 993 State-licensed cannabis businesses. Combined, there are 1,651 licensed cannabis businesses in this 6-county region, the vast majority of which are within 2 hours of National City. Numerous cities and counties within this region are currently in the process of permitting additional cannabis businesses or developing regulatory policies that will allow them to do so in the near future.

We anticipate that the number of licensed cannabis businesses³ in the Southern California region and the number of jurisdictions allowing and permitting them will continue to increase substantially over time. As this occurs, we would expect the decisions as to where these businesses choose to locate will be increasingly driven by the same market-based factors that influence such decisions for other types of businesses, including access to markets and consumers, available and appropriate industrial or commercial space, competitive lease rates, a ready talent pool, and a network of supporting businesses and industries. Differences in regulations and taxes (within reason) will cease to be the overarching consideration.

The high number of licensed cannabis businesses within the greater Southern California region suggests that there is already a large and diverse industry cluster that can both support and provide competition for additional cannabis businesses. Cultivators, manufacturers and distributors in National City would have plenty of options for who to work with in bringing their products to market, and retailers would have lots of options for regionally-sourced products to place on their shelves.

³ The numbers here represent only those licenses listed as “Active” by the three State licensing agencies. The number of State licenses and local licenses or permits may not be the same for a variety of reasons. The three State licensing agencies separately license each individual commercial cannabis activity (except for microbusinesses which may conduct three or more activities under one license). This may or may not be the case for local jurisdictions, which may instead permit a single business to conduct multiple activities from a single location. For cultivators, we have here listed the number of separate businesses, rather than the number of licenses, as it is very common for a cultivator to hold multiple licenses from the State.

II. Common Cannabis Tax Rates

Cannabis tax rates have been settling and stabilizing around the State since the beginning of 2018. Many cities instituted cannabis taxes prior to the implementation of statewide regulations, with a wide range of tax structures and rates as high as \$30 per square foot (for cultivation) or 18% of gross receipts. Some of these “early adopter” cities have since reduced their rates to be more competitive with common rates that are now emerging around the State.

The State of California applies two separate taxes to cannabis: a cultivation tax of \$9.25 per ounce of dried flower (\$2.75 per ounce of dried leaf or trim and an excise tax of 15% on the purchase of cannabis and cannabis products. These two separate State taxes can add up to 26% to consumer cannabis prices, even before any local taxes are contemplated. This leaves very little room for local jurisdictions to work within if they wish to remain under the total cumulative tax rate of 30%. This is an important benchmark to allow the local industry to compete against the illicit market and against other regulated cannabis businesses from around the State (see Attachment C; *State Tax Considerations*).

The City Council has provided direction to develop a revenue mechanism using community benefits fees as a component of a required development agreement for any cannabis businesses. This fee would be keyed to the gross receipts of the business, so as to provide revenues that are consistent with a comparable cannabis tax, and therefore competitive with the tax rates in other nearby jurisdictions. The City also desires that the community benefits fee should provide a guaranteed minimum amount of revenue from each business.

HdL has worked with numerous local agencies around the State to develop cannabis tax measures for the ballot. The initial range of tax rates for cannabis businesses other than cultivation commonly runs from 2% of gross receipts for distributors, to 2.5% for manufacturers, and up to 4% for retailers. These rates may be adjusted up to a maximum of 3%, 4% and 6%, respectively. The most common tax rates that HdL recommends to our clients are shown in Figure 4, below.

Figure 4:

Commonly Recommended Rates for Various Cannabis Business Types		
Cannabis Business Type	Initial Rate	Maximum Rate
Cultivation (indoors)	\$7 per square foot	\$10 per square foot
Manufacturing	2.5% of gross receipts	4% of gross receipts
Distribution	2% of gross receipts	3% of gross receipts
Retail	4% of gross receipts	6% of gross receipts
Testing	1% of gross receipts	2.5% of gross receipts

The tax or fee rates shown are commonly applied when a jurisdiction has specified the number of licenses or permits they will be issuing for each type of business. For example, if a city determined that it would issue 4 licenses for cultivation, 4 for manufacturing, 4 for distribution and 2 for retail, then the anticipated tax revenue for that city would be a function of applying the specified rates above to the number and anticipated gross receipts (or square footage) for each type of cannabis business. Though the performance and actual gross receipts of each business would vary, the general range of revenues would be somewhat predictable, allowing the city to budget accordingly.

However, National City is currently proposing to allow just three cannabis businesses, without specifying what types they may be. Because of this, the different rates above could produce significant variations in the amount of revenue generated for the City, depending on the types of businesses receiving those 3 licenses. For example, 2 retailers and 1 manufacturer might generate as much as \$170,000 for the City, while 2 distributors and 1 testing laboratory might generate as little as \$70,000.

Because of this, HdL recommends that the City apply a uniform rate for all potential cannabis businesses, so that revenues will be reasonably consistent regardless of the types of businesses receiving the three available licenses. We recommend the City consider a range of 2.5% to 5.0% of gross receipts for all cannabis businesses, regardless of type. This range would be slightly higher than the standard rates shown above for some types of businesses but would be somewhat lower for others.

In addition, HdL anticipates that the limited number of licenses available would tend to attract businesses that conduct more than one type of commercial cannabis activity at a single location, most likely including retail as a component of their operation. This may or may not include cannabis microbusinesses, which may conduct at least three types of licensed cannabis business activities under a single State license, provide that any cultivation is limited to no more than 10,000 square feet of canopy. Applying a single rate to all cannabis business activities provides for a simplified tax or fee structure for businesses conducting more than one type of licensed activity.

Figure 5:

HdL Recommended Rates for National City			
Cannabis Business Type	Conservative Rate	Moderate Rate	Aggressive Rate
Cultivation (indoors)	2.5% of gross receipts	4% of gross receipts	5% of gross receipts
Manufacturing	2.5% of gross receipts	4% of gross receipts	5% of gross receipts
Distribution	2.5% of gross receipts	4% of gross receipts	5% of gross receipts
Retail	2.5% of gross receipts	4% of gross receipts	5% of gross receipts
Testing	2.5% of gross receipts	4% of gross receipts	5% of gross receipts

III. Cannabis Manufacturers

The manufacturing sector is still evolving and expanding, which presents significant opportunities for innovation, business development and job growth. The range of products being produced includes an ever-increasing variety of edibles such as candies, cookies, dressings, and infused (non-alcoholic) drinks. Manufacturers may produce their own extract on site, or they may buy extract from other Type 6 or Type 7 licensees. Much like any other industry, cannabis manufacturers often depend upon other businesses to supply them with the various materials or components that go into their final product. These suppliers do not have to be located in or even near the same jurisdiction as the final manufacturer, and may be located anywhere throughout the state.

Some manufacturers may handle all steps from extraction to packaging the end product in the form of vape pens or other such devices. Others may handle only discreet steps, such as making the raw cannabis concentrate, which is then sold either directly to retailers or to a Type N manufacturer who will package it into vapor cartridges or other end consumer products. Manufacturers also produce a wide variety of tinctures, as well as topicals such as cannabis infused lotions, salves, sprays, balms, and oils.

As of July 30th, 2019, the Manufactured Cannabis Safety Branch (MCSB) of the California Department of Public Health shows 871 cannabis manufacturing licenses statewide, held by 841 separate companies. Of these, 464 are for non-volatile extraction, 243 are for volatile extraction, 123 are for non-extraction manufacturing, 25 are for packaging and labeling, and 16 are for manufacturers using shared-use facilities.

In its regulatory impact statement, the MCSB estimated that 1,000 cannabis manufacturing businesses in California would employ around 4,140 people, for an average of 4 jobs per manufacturer. HdL believes this average is on the low side, as we are aware of individual manufacturers which have over 100 employees. While this figure is clearly an outlier, it demonstrates that cannabis manufacturers have the potential to far exceed the MCSB's estimate.

HdL has reviewed pro-formas for numerous cannabis manufacturers seeking permits in counties and cities throughout California. From our review we have seen a range of gross receipts from around \$1 million to well over \$20 million, with an average in the range of \$2 million to \$3 million. For National City, we anticipate that cannabis manufacturers would likely tend towards the lower side of this range.

We have provided three scenarios to estimate the potential revenue that could be generated from a fee in the range of 2.5% to 5.0% applied to 1, 2 or 3 manufacturers, with a conservative average of \$2.0 million each. We anticipate that the revenues that could be generated from 2 manufacturers ranges from \$100,000 to \$200,000 per year.

Figure 5:

Cannabis Manufacturers; HdL Recommended Rates						
Type 6/7/N/P Manufacturer	# of Licenses	Avg Gross Receipts	Total Gross Receipts	Revenue @ 2.5% Tax Rate	Revenue @ 4.0% Tax Rate	Revenue @ 5.0% Tax Rate
Scenario 1	1	\$2,000,000	\$2,000,000	\$50,000	\$80,000	\$100,000
Scenario 2	2	\$2,000,000	\$4,000,000	\$100,000	\$160,000	\$200,000
Scenario 3	3	\$2,000,000	\$6,000,000	\$150,000	\$240,000	\$300,000

IV. Cannabis Distributors

Perhaps more than any other part of the cannabis supply chain, distributors are greatly dependent upon the number and variety of other cannabis business types within their service area. Essentially, distributors need a certain “critical mass” of other cannabis businesses for them to serve. Because of this, distributors tend to be located in cities or regions which have a large base of cultivation or manufacturing, as well as a large surrounding customer base.

As a very general figure, the number of cannabis distributors statewide is roughly 1/4 of the number of all other cannabis licenses, combined, or 1 distributor for every 4 other cannabis businesses. In addition, virtually all (260 out of 262) licensed microbusinesses in California include distribution as one of their licensed activities. We can reasonably extrapolate from this to assume that a similar ratio of distributors to other businesses is necessary within any defined region.

The business model for distributors is based on a percentage markup on the price paid to their suppliers. This markup commonly averages 20% to 30%, though this depends upon the actual services being provided. However, it is important to note that the distributor category may include a variety of services, not all of which are provided by all licensed distributors. Just under 11% of distributors hold Type 13 licenses that allow self-distribution or transport only. A distributor which is only buying and reselling cannabis at wholesale may make as little as 10% on a transaction, while a distributor which is purchasing raw flower and packaging it as pre-rolls for retail sale may make 50% or more on such a value-added transaction.

Distributors may have annual revenues ranging from less than \$1 million to over \$70 million. The vast majority of distributors would fall at the lower end of that range, with those at the high end qualifying as outliers. While there is not yet an abundance of data to determine the average gross receipts for distributors, HdL has reviewed a number of pro-formas for distributors seeking licenses in other jurisdictions. These indicate anticipated gross receipts commonly in the range of \$2 million to \$3 million per year, with an average of \$2.5 million. HdL anticipates that distributors in National City would tend towards the lower end of that range, with an average of \$2 million in gross receipts.

We have provided three scenarios to estimate the potential revenue that could be generated from a fee in the range of 2.5% to 5.0% applied to 1, 2 or 3 distributors, with a conservative average of \$2.0 million in gross receipts. Under these scenarios, a community benefits fee of 2.5% could generate between \$50,000 and \$150,000 in annual revenue for the City, depending upon the number of distributors, and a rate of 4.0% could generate between \$80,000 and \$240,000. A rate of 5.0% could generate between \$100,000 and \$300,000. These numbers are shown in Figure 7, below.

Figure 7:

Cannabis Distributors; HdL Recommended Rates						
Distributors	# of Licenses	Avg Gross Receipts	Total Gross Receipts	Revenue @ 2.5% Tax Rate	Revenue @ 4.0% Tax Rate	Revenue @ 5.0% Tax Rate
Scenario 1	1	\$2,000,000	\$2,000,000	\$50,000	\$80,000	\$100,000
Scenario 2	2	\$2,000,000	\$4,000,000	\$100,000	\$160,000	\$200,000
Scenario 3	3	\$2,000,000	\$6,000,000	\$150,000	\$240,000	\$300,000

V. Cultivation

The CalCannabis Division of the California Department of Food and Agriculture has been issuing temporary cultivation licenses since January 1, 2018. As of October 11th, CalCannabis shows 3,637 active cultivation licenses statewide, held by 1,756 distinct businesses comprising 647 acres of cultivation which are conservatively estimated to be capable of producing over 6 million pounds of cannabis per year. This is more than double the estimated 2.5 million pounds per year consumed by all Californians, combined.

The cannabis cultivation market in California has already far exceeded its saturation point, which suggests that there is not enough room for those growers already licensed, much less new entrants into the market. Entry into this highly competitive marketplace can be filled with risk, and requires ample capitalization and a clear branding and marketing strategy to win shelf space.

As discussed in Section III; *Common Cannabis Tax Rates*, HdL commonly recommends that cannabis cultivation be taxed per square foot, rather than by gross receipts. However, due to the limited number of licenses the City will be allowing, we anticipate that these businesses will likely conduct more than one type of permitted activity from a single location. For vertically-integrated businesses such as this, we recommend that the City’s community benefits fee provide a single rate for all cannabis business types, based on gross receipts.

Determining an equivalent rate between a fee based on square footage and one based on gross receipts can be accomplished using a few basic assumptions. In Figure 7 we have projected the amount of cannabis that can be produced from a typical 10,000 square foot indoor cultivation facility. We have assumed that the facility will achieve four harvest cycles per year, which is fairly standard (though many operators are able to achieve more). Yield is assumed to average one pound of cannabis flower for every 8 square feet of cultivation area. Using this figure, a 10,000 square foot cultivation facility operating 4 cycles would produce around 5,000 pounds of cannabis per year.

The wholesale price per pound is conservatively assumed to be \$1,000. This figure is somewhat lower than the current average for indoor-grown cannabis, but there is still great variability in the market and, over the long term we anticipate that wholesale prices for raw cannabis will continue to decline. Applying this figure, our 10,000 square foot facility would generate \$5 million in gross receipts.

Figure 11 (below) shows the equivalent rates for square footage, gross receipts and yield (per-pound), based on these assumptions. A rate of 2.5% would be equivalent to a rate of \$12.50 per square foot. A rate of 4.0% would be equivalent to \$20.00 per square foot, and a rate of 5.0% would be equivalent to \$25.00 per square foot.

Figure 11:

Cultivation Tax Rate Converter; Proposed Gross Receipts Rates									
Cultivation Type	Harvest Cycles /Year	Sample Area (sq ft)	Yield @ 1 lb/8 sf /cycle	Price per pound	Gross Receipts	Tax Rate % Gross Receipts	Total Annual Tax Paid	Tax Rate per Pound	Tax Rate per SF
Indoors	4	10,000	5,000	\$1,000	\$5,000,000	2.50%	\$125,000	\$25.00	\$12.50
Indoors	4	10,000	5,000	\$1,000	\$5,000,000	4.00%	\$200,000	\$40.00	\$20.00
Indoors	4	10,000	5,000	\$1,000	\$5,000,000	5.00%	\$250,000	\$50.00	\$25.00

These conversion rates are significantly higher than the \$7.00 to \$10.00 per square foot range that we commonly recommend for indoor cultivation. However, in this case we believe these rates are justified by the limited availability of permits and the high likelihood that any cultivation would be part of a vertically-integrated business which would sell a substantial portion of its product at retail prices, rather than wholesale, or as value-added manufactured products.

We have provided 3 scenarios, assuming 1, 2 or 3 cultivation sites with up to 10,000 square feet of canopy each. Under these scenarios, applying a community benefits fee of 2.5% of gross receipts would generate between \$125,000 and \$375,000 in annual revenue for the City. A fee of 4.0% would generate between \$200,000 and \$600,000, and a fee of 5.0% would generate between \$250,000 and \$750,000. These estimates are shown in Figure 9, below.

Figure 9:

Cannabis Cultivation; HdL Recommended Rates						
Cultivation Type	# of Sites	Average Square Feet	Total Gross Receipts	Revenue @ 2.5% Tax Rate	Revenue @ 4.0% Tax Rate	Revenue @ 5.0% Tax Rate
Indoor	1	10,000	\$5,000,000	\$125,000	\$200,000	\$250,000
Indoor	2	10,000	\$10,000,000	\$250,000	\$400,000	\$500,000
Indoor	3	10,000	\$15,000,000	\$375,000	\$600,000	\$750,000

V. Testing Laboratories

California law requires that all dried cannabis flower or leaf must be tested for tetrahydrocannabinol (THC) and cannabidiol (CBD) content, contaminants, impurities and other factors before it can be sold to a manufacturer, distributor, dispensary or end user. The cost of this mandated testing and the loss of product for a testing sample can add around 0.7% to the wholesale cost.

The Bureau of Cannabis Control shows only 29 active licenses for testing laboratories in all of California, 3 of which are in the City of San Diego. 6 more facilities are within roughly an hour of the City. This high concentration of testing facilities suggests that the local cannabis industry is already well-served, so that additional facilities may not be needed. Virtually all of the cannabis businesses that would be served by a testing laboratory in National City would come from the north and would have to pass by numerous closer facilities to get their product to the lab. Because of this, we believe it is highly unlikely that National City would attract any additional testing facilities.

Testing is an independent, semi-regulatory function mandated by the State to protect consumer health and safety, and which amounts to a State-imposed cost on the product. HdL is not aware of any similar testing of agricultural products that is subject to a separate tax on top of the cost of mandated testing. More commonly, the costs for similar services for other agricultural products may be subsidized by the USDA or other sources that are not available to cannabis farmers.

Tax (or fee) rates for cannabis testing laboratories tend to fall between 1% and 2%, in recognition of the quasi-regulatory function they provide. Some jurisdictions choose to not apply any tax to testing laboratories, in recognition of the semi-regulatory function they serve. The recommended rates of 2.5% to 5% are well above the common range for cannabis testing facilities and would likely serve as a powerful disincentive for any testing facilities seeking to locate in the City. Were the City to provide a lower fee rate for testing laboratories, it would effectively be giving up higher potential revenues from some other potential use of one of the 3 limited permits.

For these reasons, we believe it is highly unlikely that the City would succeed in attracting any cannabis testing laboratories.

VI. Cannabis Retailers

Retailers are the only cannabis business type that specifically serves the local community, rather than feeding into the statewide market, and so the number of retailers can be assumed to be somewhat proportional to the local population. Cannabis retailers address a local market demand which is generally assumed to exist within a given community regardless of whether there is any legal access. Consumer demand for cannabis is assumed to generally be a constant, regardless of its legal status or the availability of retailers, and so it's reasonable to expect that more retailers would mean fewer customers for each and, thus, lower gross receipts.

It is anticipated that providing greater access to retailers would initially facilitate a shift in cannabis purchases happening through legal, regulated means rather than through the illicit market. Eventually, though, the local cannabis market will reach saturation, at which point new cannabis retailers will simply cannibalize sales from existing retailers. Essentially, both licensed and unlicensed cannabis retailers all divide the same pie. The taxable amount of gross sales will likely plateau at some point, regardless of the number of retailers.

Under California's regulatory program, it is anticipated that consumers will have little reason to purchase cannabis in the medical segment rather than buying in the adult use segment. Both medical and adult use cannabis will pay the State cultivation tax and excise tax, with the only advantage being an exemption from regular sales tax for qualifying patients with a State-issued identification card. Currently there are only 6,172 such cardholders in California, and just 436 cards were issued in all of San Diego County in FY 2017/2018ⁱ. Eligibility for this limited sales tax exemption will cost consumers approximately \$100 per year, plus time and inconvenience, for a savings of 8.75% in National City. It's anticipated that this will provide no price advantage for the majority of cannabis consumersⁱⁱ.

The Bureau of Cannabis Control projects that more than half of the adult use purchases currently in the illicit market will transition to the legal market to avoid the inconvenience, stigma and risks of buying unknown product through an unlicensed sellerⁱⁱⁱ. Essentially, the easier, cheaper and more reliable it is for consumers to access quality cannabis legally, the less reason they will have to purchase it through the illicit market. That same study projects that 60% of those currently in the legal, medical cannabis market will shift to the adult use market, for the reasons noted above. The availability of legal adult use cannabis is also anticipated to produce a small 9.4% increase in consumer demand. It must be noted, though, that this transition to legal sales is dependent upon the availability of legal access. The majority of cities and counties in California do not allow or permit cannabis retailers, which has buoyed a persistent black market.

The shift from medical to adult use sales is not expected to change the overall volume of sales, only the category into which they fall. Once the legal, adult use market is properly functioning and available throughout the state, it is anticipated to capture about 61.5% of the overall cannabis market in California. The legal medical cannabis market is projected to decline to just 9% of the overall market, though this projection may change due to the increasing popularity of CBD products. The other 29.5% is expected to remain in the illicit market^{iv}. The vast majority of retail licenses issued by the Bureau of Cannabis Control are for retailers who will operate both medical and adult use from the same premises.

Sales tax is collected at the point of purchase, which allows storefront cannabis retailers to capture sales tax dollars from outside of their host cities. This applies to cannabis retail taxes, too. Retail studies show that 93% of consumers are willing to travel 15 to 20 minutes to make most routine purchases^v, meaning that storefront retailers in National City may be able to capture sales tax (and cannabis tax) from a much larger area extending generally from as far away as San Diego, La Mesa, Chula Vista and Imperial Beach.

For purchases made via delivery, however, the point of purchase is considered to be the location where the goods trade hands. Thus, while storefront retailers may capture voter-approved sales taxes and community benefits fees from outside of National City, delivery services cannot. Storefront cannabis sales in National City would collect a total of 2.00% sales tax plus any applicable community benefits fees for the City, while delivery to addresses outside of the City would only be subject to the base 1.00% sales tax. Though both storefront and non-storefront retailers would serve the same customer base, the City would collect a significantly higher amount of revenue from sales made at storefront retail locations than from those made via delivery to addresses outside of the City.

Estimates of the percentage of the population that uses cannabis on a regular basis vary from around 10% to 13%^{vi}, up to as high as 22%^{vii}. This percentage is influenced by social acceptance of cannabis within the local community. Applying these estimates to the City’s population of 60,000 would yield between roughly 6,000 and 13,000 potential cannabis consumers.

HdL has seen a general range of revenues for cannabis retailers of between \$1 million and \$4 million, though some outliers have gross receipts as high as \$20 million. Receipts for retailers are directly related to the size of the market, so more retailers in a city would generally indicate lower gross receipts for each. Retailers in National City would have to compete for market share with 17 retailers in San Diego and 10 in La Mesa, both of which are within reasonable driving or delivery distance. In addition, retailers would lose some portion of sales to unlicensed delivery services. The Weedmaps website shows between 30 and 50 unlicensed cannabis delivery services that all appear to deliver to addresses in National City⁴.

HdL estimates that one retailer in National City would average \$2 million in gross receipts, 2 would average \$1.5 million, and 3 would average \$1 million. Applying the recommended community benefits fee of 2.5% of gross receipts to these figures would generate between \$50,000 and \$75,000 in annual revenue for the City. A rate of 4.0% would generate between \$80,000 and \$120,000, and a rate of 5.0% would generate between \$100,000 and \$150,000.

Cannabis Retailers						
License Type	# of Licenses	Avg Gross Receipts	Total Gross Receipts	Revenue @ 2.5% Tax Rate	Revenue @ 4.0% Tax Rate	Revenue @ 5.0% Tax Rate
Retailers	1	\$2,000,000	\$2,000,000	\$50,000	\$80,000	\$100,000
Retailers	2	\$1,500,000	\$3,000,000	\$75,000	\$120,000	\$150,000
Retailers	3	\$1,000,000	\$3,000,000	\$75,000	\$120,000	\$150,000

⁴ Businesses listed on Weedmaps are often shown multiple times to show multiple locations they will deliver to.

APPENDIX

a. Legal and Regulatory Background for California	Page 19
b. State Tax Considerations	Page 22
c. General Economic Impacts	Page 24
d. References	Page 26

a. Legal and Regulatory Background for California

The legal and regulatory status of cannabis in the State of California has been continually evolving ever since the passage of Proposition 215, the Compassionate Use Act of 1996 (CUA), which de-criminalized the use, possession and cultivation of cannabis for qualifying patients and their primary caregivers when such use has been recommended by a physician. The CUA did not create any regulatory program to guide implementation, nor did it provide any guidelines for local jurisdictions to establish their own regulations. The lack of legal and regulatory certainty for medical marijuana (or cannabis) continued for nearly 20 years, until the passage of the Medical Cannabis Regulation and Safety Act (MCRSA) in October of 2015. MCRSA created a State licensing program for commercial medical cannabis activities, while allowing counties and cities to maintain local regulatory authority. MCRSA required that the State would not issue a license without first receiving authorization by the applicable local jurisdiction.

On November 8, 2016, the voters of the State of California approved Proposition 64, the Adult Use of Marijuana Act (AUMA), which allows adults 21 years of age or older to legally grow, possess, and use marijuana for personal, non-medical “adult use” purposes, with certain restrictions. AUMA requires the State to regulate non-medical marijuana businesses and tax the growing and selling of medical and non-medical marijuana. Cities and counties may also regulate non-medical marijuana businesses by requiring them to obtain local permits or restricting where they may be located. Cities and counties may also completely ban marijuana related businesses if they so choose. However, cities and counties cannot ban transport of cannabis products through their jurisdictions, nor can they ban delivery of cannabis by licensed retailers to addresses within their jurisdiction (added later through regulations).

On June 27, 2017, the Legislature enacted SB 94, which repealed MCRSA and incorporated certain provisions of MCRSA into the licensing provisions of AUMA. These consolidated provisions are now known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). MAUCRSA revised references to “marijuana” or “medical marijuana” in existing law to instead refer to “cannabis” or “medicinal cannabis,” respectively. MAUCRSA generally imposes the same requirements on both commercial medicinal and commercial adult-use cannabis activity, with certain exceptions. MAUCRSA also made a fundamental change to the local control provisions. Under MCRSA, an applicant could not obtain a State license until they had a local permit. Under MAUCRSA, an applicant for a State license does not have to first obtain a local permit, but they cannot be in violation of any local ordinance or regulations. The State licensing agency shall contact the local jurisdiction to see whether the applicant has a permit or is in violation of local regulations, but if the local jurisdiction does not respond within 60 days, then the applicant will be presumed to be in compliance and the State license will be issued.

MAUCRSA authorizes a person to apply for and be issued more than one license only if the licensed premises are separate and distinct. With the passage of AB 133 in 2017, a person or business may co-locate multiple license types on the same premises, allowing a cultivator to process, manufacture or distribute their own product from a single location. This includes the allowance to cultivate, manufacture, distribute or sell cannabis for both medical and adult use from a single location. Licensees of cannabis testing operations may not hold any other type of license. However, these allowances are still subject to local land use authority, so anyone seeking to operate two or more license types from a single location would be prohibited from doing so unless local regulations allow both within the same zone.

The table below provides a detailed overview of the license types available under MAUCRSA and state cannabis regulations:

State License Types Under MAUCRSA					
Type	Activity	Description	Details	Licensing Agency	Notes
1	Cultivation	Outdoor; Specialty, Small	Up to 5,000 sf, or 50 plants on non-contiguous plots	CDFA	A, B
1A	Cultivation	Indoor; Specialty, Small	501 sf - 5,000 sf	CDFA	A, B
1B	Cultivation	Mixed-Light; Specialty, Small	2,501 sf - 5,000 sf	CDFA	A, B
1C	Cultivation	Outdoor/indoor/mixed; Specialty Cottage, Small	Up to 25 plants outdoor; up to 2,500 sf mixed light; up to 500 sf indoor	CDFA	A, B
2	Cultivation	Outdoor; Small	5,001 sf - 10,000 sf	CDFA	A, B
2A	Cultivation	Indoor; Small	5,001 sf - 10,000 sf	CDFA	A, B
2B	Cultivation	Mixed Light, Small	5,001 sf - 10,000 sf	CDFA	A, B
3	Cultivation	Outdoor; Medium	10,001 sf - one acre	CDFA	A, B, C
3A	Cultivation	Indoor; Medium	10,001 sf - 22,000 sf	CDFA	A, B, C
3B	Cultivation	Mixed-Light; Medium	10,001 sf - 22,000 sf	CDFA	A, B, C
4	Cultivation	Nursery		CDFA	A, B
-	Cultivation	Processor	Conducts only trimming, drying, curing, grading and packaging of cannabis	CDFA	A, B, E
5	Cultivation	Outdoor; Large	Greater than 22,000 sf	CDFA	A, B, D
5A	Cultivation	Indoor; Large	Greater than 22,000 sf	CDFA	A, B, D
5B	Cultivation	Mixed-Light; Large	Greater than 22,000 sf	CDFA	A, B, D
6	Manufacturer 1	Extraction; Non-volatile	Allows infusion, packaging and labeling	OMCS	A, B
7	Manufacturer 2	Extraction; Volatile	Allows infusion, packaging and labeling, plus non-volatile extraction	OMCS	A, B
N	Manufacturer	Infusion for Edibles, Topicals	No extraction allowed	OMCS	A, B, E
P	Manufacturer	Packaging and Labeling	No extraction allowed	OMCS	A, B, E
S	Manufacturer	Shared-use manufacturer	Manufacturing in a shared-use facility	OMCS	A, B, E
8	Testing		Shall not hold any other license type	BCC	A
9	Retailer	Non-storefront retail delivery	Retail delivery without a storefront	BCC	A, F
10	Retailer	Retail sale and delivery		BCC	A, B
11	Distributor			BCC	A, B
12	Microbusiness	Cultivation, Manufacturer 1, Distributor and Retailer	< 10,000 sf of cultivation; must meet requirements for all license types	BCC	A, B
CDFA	California Department of Food and Agriculture				
OMCS	California Department of Public Health, Office of Manufactured Cannabis Safety				
BCC	Bureau of Cannabis Control				
A	All license types valid for 12 months and must be renewed annually				
B	All license types except Type 8 Testing must be designated "A" (Adult Use), "M" (Medical) or "A/M" (Both)				
C	CDFA shall limit the number of licenses allowed of this type				
D	No Type 5 licenses shall be issued before January 1, 2023				
E	Established through rulemaking process				

AUMA, and its successor MAUCRSA, required three state agencies, the Bureau of Cannabis Control, the California Department of Food and Agriculture, and the California Department of Public Health, to permit commercial cannabis licensees and to adopt regulations for the cannabis industry. On January 16, 2019, all three agencies announced that the State's Office of Administrative Law officially approved the proposed regulations, which took immediate effect and replaced the emergency regulations that had been in effect since 2017. The final regulations were largely similar to the emergency regulations, but somewhat controversially, Section 5416(d) of the Bureau of Cannabis Control regulations authorizes deliveries of cannabis products into any city or county in the state, even if a city or county has banned commercial deliveries.

b. State Tax Considerations

To determine what local tax rates might be most appropriate, they must be considered in the context of other taxes imposed by the State. Any local taxes will be in addition to those taxes applied through the Adult Use of Marijuana Act (AUMA), which imposes both a 15% excise tax on purchases of cannabis or cannabis products and a separate cultivation tax on harvested cannabis that enters the commercial market, as well as sales tax. Taxes are most commonly expressed as a percent of price or value, so some method of conversion is necessary to allow development of an appropriate cultivation tax based on square footage.

The State tax rate for cultivation is set at \$9.25 per ounce of dried flower or \$2.75 per ounce of dried leaf. Because these rates are set per ounce, rather than as a percentage of price paid, the tax is the same whether the cultivator is producing commercial-grade cannabis at \$500 per pound or top-grade cannabis at \$2,500 per pound. The cultivator is generally responsible for payment of the tax, though that responsibility may be passed along to either a manufacturer or distributor via invoice. At the time the product is first sold or transferred. The distributor is responsible for collecting the tax from the cultivator upon entry into the commercial market, and remitting it to the California Department of Tax and Fee Administration.

Cumulative Cannabis Taxes			
Category	Amount	Increase	Cumulative Price
Producer Price	\$1,000	\$1,000	\$1,000
State Cultivation Tax	\$9.25/oz	\$148	\$1,148
Local Tax	3.75%	\$38	\$1,186
Batch Testing	\$75/lb, + 0.75%	\$75	\$1,261
Wholesale Price w/ Taxes		\$1,261	
Total Tax at Wholesale		\$261	
Tax as %		26.05%	
Distributor Markup	20.00%	\$252	\$1,513
Local Tax	10.00%	\$151	\$1,664
Total Distributor Price		\$1,664	
Total Taxes at Distributor		\$412	
Total Tax as %		24.75%	
Retailer Markup	100.00%	\$1,664	\$3,328
Local Tax	10.00%	\$333	\$3,660
State Excise Tax	15.00%	\$499	\$4,160
Total Retailer Price		\$4,160	
Total Taxes at Retail		\$1,244	
Total Tax as %		29.90%	
CA Sales Tax (non-medical)	6.25%	\$260	\$4,420
Local Sales Tax	2.00%	\$83	\$4,503
Total Taxes at Retail		\$1,587	
Total Tax as %		35.24%	
Total Local Tax		13.43%	\$604.73

The cultivation tax of \$9.25 per ounce of dried flower is equivalent to \$148 per pound. Just a year ago, HdL would have assumed an average wholesale market price for dried flower of around \$1,480 per pound, which would make that \$148 equal to 10% of value. Since then, however, prices have plummeted. Competitive market forces enabled by legalization have brought the average price for indoor cannabis down to around \$1,000 per pound, or even less (cannabis prices vary greatly based on quality of the product).

Conversations with cannabis industry trade groups suggest that the cumulative tax rate on the end product should remain at or around 30%. Higher rates create too much price disparity between legal and illegal cannabis, making it harder for the regulated industry to compete with the illicit market. Higher local tax rates can also make a county or city less attractive to the industry, especially for manufacturers and distributors, which have greater flexibility in choosing where to locate. We believe that setting rates that adhere to this 30% rule will help keep the local cannabis industry competitive with other cultivators across California, thus encouraging the transition to a legal industry.

The above table shows how the cumulative tax rate on adult-use cannabis builds as the product moves towards market. The value of the product increases as it moves through the supply chain towards market, with manufacturers, distributors and retailers each adding their own markup. Testing laboratories do not add a direct markup to the product, but the cost of testing and the loss of a small test sample can add around \$75 per pound. Any or all of these activities may be taxed.

This model assumes a hypothetical case where cultivation, manufacturing, testing, distribution and retail sale all happen within the same jurisdiction and are thus all subject to that jurisdiction's tax rates. In actuality, this is unlikely to be the case. Manufacturers may work with product purchased from anywhere in California, and may sell their product to retailers elsewhere, as well. The cumulative tax burden for any product at retail sale will almost always include a variety of tax rates from numerous jurisdictions.

c. General Economic Impacts

Discussion of regulating and taxing the cannabis industry can too often overshadow the larger jobs and economic development issues that typically accompany efforts to attract new industry. Word that a new business or industry is looking to bring hundreds of new jobs to a community is more commonly met with open arms and offers of tax incentives. The cannabis industry is perhaps completely unique in that the inherent jobs and economic development benefits are welcomed more grudgingly and met with the disincentive of special taxes.

As with any other industry, the cannabis industry does not exist in a vacuum. Those businesses that actually grow, process, manufacture, distribute and sell cannabis products support a wide variety of other businesses that may never touch the actual product itself. Cultivators support garden supply stores, green house manufacturers, irrigation suppliers, soil manufacturers, and a wide variety of contractors including building and construction, lighting and electrical, HVAC, permitting, and engineering. Manufacturers support many of these same businesses, plus specialized tooling and equipment manufacturers, and product suppliers for hardware, packaging, and labeling. All of these businesses support, and are supported by, a host of ancillary businesses such as bookkeepers, accountants, tax preparers, parcel services, marketing and advertising agencies, personnel services, attorneys, mechanics, facilities maintenance, security services, and others.

The economic benefits are not limited to those in the cannabis industry, itself. Cultivators bring new money into the community by selling their products into a statewide market. Their profits and the salaries they pay move into the general local economy, supporting stores, restaurants, car dealerships, contractors, home sales and other businesses. In Humboldt County, a study done in 2011 found that at least \$415 million dollars in personal income was entering the local economy annually from the cannabis industry, roughly equal to one quarter of the county's entire \$1.6 billion economy.

While Humboldt is likely an outlier, research done by HdL for other clients suggests that other counties and cities see similar, if smaller, economic inputs from this industry, with some in the range of \$100 million dollars or more annually. As this industry adapts to a legal paradigm, the challenge for some counties will be mitigating and minimizing the economic loss as the black market slowly fades away.

Because of the emerging nature of this industry, it is currently populated primarily (but not solely) by small, independently-owned businesses. Numerous studies have demonstrated that locally-owned, independent businesses recirculate a far higher percentage of every dollar back into the local community than large, corporately-owned businesses do. The same economic development arguments that are used to support other independent, locally-owned businesses apply to this industry, too. Host cities or counties should expect to see typical economic benefits from these new (or newly daylighted) businesses on par with other new businesses, separate from any tax revenue that may be generated.

Industry experts believe that California's current statewide production is five to eight times higher than the State's population consumes, a figure derived from the SRIA done for CDFA's cannabis cultivation program. That assessment found that California's cannabis industry produces some 13.5 million pounds of cannabis per year, which would be enough to provide over half a pound of cannabis per year for every Californian 21 and over. However, the assessment also found that California's 4.5 million cannabis users only consume about 2.5 million pounds of cannabis per year.

The Bureau of Cannabis Control projects that more than half of the adult use purchases currently in the illicit market will transition to the legal market to avoid the inconvenience, stigma and risks of buying unknown product through an unlicensed seller. Essentially, the easier, cheaper and more reliable it is for consumers to access quality cannabis legally, the less reason they will have to purchase it through the illicit market. That same study projects that 60% of those currently in the legal, medical cannabis market will shift to the adult use market, for the reasons noted above. The availability of legal adult use cannabis is also anticipated to produce a small 9.4% increase in consumer demand.

Given these figures, cities and counties should expect to see some increase in retail sales as these shifts occur in the market. More significantly, the existence of legally permitted cannabis retailers will allow a far greater portion of existing cannabis sales to be captured by legal (and tax-paying) retailers.

The shift from medical to adult use sales is not expected to change the overall volume of sales, only the category into which they fall. Once the legal, adult use market is properly functioning, it is anticipated to capture about 61.5% of the overall cannabis market in California. The legal medical cannabis market is projected to decline to just 9% of the overall market. The other 29.5% is expected to remain in the illicit market.

These numbers only apply to the 2.5 million pounds of cannabis that is consumed in California, representing the potential size of the legal cannabis market. If 29.5% of the cannabis consumed in California continues to come from the illicit market, then the size of the market for legal cannabis must be adjusted downward accordingly. This would reduce the size of the legal market in California to 1.76 million pounds.

California has been issuing temporary licenses for commercial cannabis businesses since the beginning of the year. As of July 30th, 2019, CDFA's CalCannabis division shows 2,619 active cultivation licenses, capable of producing over 5.6 million pounds of cannabis per year. This amounts to over twice as much cannabis as the State's legal buyers are anticipated to consume. Were the State to issue no more licenses, we would still expect a failure rate of at least 40% in the next two years.

d. References

ⁱ California Department of Public Health (2018) *“Medical Marijuana Identification Card Program”*
<https://www.cdph.ca.gov/Programs/CHSI/Pages/Medial-Marijuana-Identification-Card.aspx>

ⁱⁱ *“Economic Costs and Benefits of Proposed Regulations for the Implementation of the Medical Cannabis Regulation and Safety Act (MCRSA)”* (February 23, 2017) University of California Agricultural Issues Center

ⁱⁱⁱ *“Economic Costs and Benefits of Proposed Regulations for the Implementation of the Medical Cannabis Regulation and Safety Act (MCRSA)”* (February 23, 2017) University of California Agricultural Issues Center

^{iv} *“Economic Costs and Benefits of Proposed Regulations for the Implementation of the Medical Cannabis Regulation and Safety Act (MCRSA)”* (February 23, 2017) University of California Agricultural Issues Center

^v Ross Marchant (2014) *“Consumers will Travel 17 Minutes to Reach a Local Business”*
<https://www.brightlocal.com/2014/05/01/local-business-travel-times/> Bright Local

^{vi} CBS News (2018) *“17 stoner states: Where's marijuana use highest?”* <https://www.cbsnews.com/pictures/17-stoner-states-wheres-marijuana-use-highest/9/>

^{vii} Christopher Ingraham (April 20, 2017) *“How many Americans regularly use pot? The number is, errr, higher than you think”* Sacramento Bee <http://www.sacbee.com/news/nation-world/national/article145681414.html>

The following page(s) contain the backup material for Agenda Item: [2019 Housing Element Annual Progress Report pursuant to California Government Code Section 65400. \(Planning\)](#)

Please scroll down to view the backup material.

**CITY OF NATIONAL CITY, CALIFORNIA
COUNCIL AGENDA STATEMENT**

MEETING DATE: February 18, 2020

AGENDA ITEM NO. |

ITEM TITLE:

2019 Housing Element Annual Progress Report pursuant to California Government Code Section 65400. (Planning)

PREPARED BY: Raymundo Pe, Principal Planner

PHONE: 619-336-4421

DEPARTMENT: Community Development

APPROVED BY: 

Armando Vergara
Director of Community Development

EXPLANATION:

California Government Code section 65400 requires that each city and county prepare an annual progress report on the status of the housing element of its general plan and progress in its implementation. The report is due on April 1 for the previous calendar year and is submitted to the Department of Housing and Community Development and the Governor's Office of Planning and Research. The annual progress report fulfills state housing law requirements to report certain information, including the progress in meeting the City's share of the Regional Housing Needs Assessment. Furthermore, submitting the report to the state ensures that the City is eligible for grants and other funding sources that require the filing of the report. The report is also submitted to the San Diego Association of Governments (SANDAG) to qualify for certain discretionary funds administered by SANDAG.

FINANCIAL STATEMENT:

ACCOUNT NO. Not Applicable

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

No further action is required under the California Environmental Quality Act (CEQA) since the action, as defined by CEQA, is not considered a project that has the potential to result in either a direct or indirect physical change in the environment.

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Accept and file the report.

BOARD / COMMISSION RECOMMENDATION:

Not Applicable

ATTACHMENTS:

1. Background Report
2. Annual Progress Report

BACKGROUND REPORT

Government Code section 65400 requires that each city and county prepare an annual progress report (APR) on the status of the housing element of its general plan and progress in its implementation using forms and definitions adopted by the Department of Housing and Community Development (HCD). The forms are used for satisfying the reporting requirements of Government Code section 65400, subdivision (a)(2).

The forms and instructions, originally adopted March 27, 2010, have been updated to incorporate new APR requirements pursuant to Chapter 374, Statutes of 2017 (Assembly Bill 879) and Chapter 366, Statutes of 2017 (Senate Bill 35). The APR is submitted to the Department of Housing and Community Development and the Governor's Office of Planning and Research (OPR) on or before April 1 of each year using the forms and tables specified by HCD.

Providing the report to HCD and OPR fulfills state housing law requirements to report certain information, including the progress in meeting the City's share of the Regional Housing Needs Assessment (RHNA). Furthermore, submitting the APR to the state ensures that the City is eligible for grants and other funding sources that require filing of the report. The report is also submitted to the San Diego Association of Governments to qualify for certain discretionary funds administered by SANDAG.

The APR consists of the following tables:

- TABLE A – Housing Development Applications Submitted
Table A includes discretionary and ministerial entitlements. In 2019, no discretionary entitlements were needed; only ministerial (building) permits were required. Building permit applications were submitted for a total of 166 units within 10 projects in 2019: 12 single-family detached units; 5 accessory dwelling units; and 149 multi-family units.
- TABLE A2 – Annual Building Activity Report Summary - New Construction, Entitled, Permits, and Completed Units.
Table A2 summarizes entitlements, permits, and completion of units during the reporting period. Building permits were issued for 166 units within 10 projects; only one of those units received final approval for occupancy during the 2019 reporting period.
- TABLE B – Regional Housing Needs Allocation Progress – Permitted Units Issued By Affordability.
Table B shows the City's progress in achieving its RHNA allocation during the housing element planning period (2013-2021). The total (beginning) RHNA allocation is 1,863 units. Through 2019, 795 units have been permitted. The remaining need is 1,068 units.

- TABLE C – Sites Identified or Rezoned to Accommodate Shortfall Housing Need.
This requirement does not apply to the City since adequate sites were identified in the adopted Housing Element.
- TABLE D – Program Implementation Status pursuant to Government Code section 65583.
Table D provides the status of the implementation of programs in the adopted Housing Element.
- TABLE E – Commercial Development Bonus Approved pursuant to Government Code section 65915.7.
No units were produced in the City using this provision of the Government Code.
- TABLE F Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1, subdivision (c)(2).
No units were produced in the City using this provision of the Government Code.
- TABLE G Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of.
One property (130 East 8th Street) was disposed of during the 2019 reporting period. The property was transferred to a developer, Protea National City, LLC.

Units are identified by affordability by household income as established by HCD's income limit charts. The household income categories are based on the area median income (AMI) for San Diego County, which was \$86,300 for a family of four in 2019.

- Very low-income households (50% AMI)
- Low-income households (80% AMI)
- Moderate-income households (120% AMI)
- Above-moderate households (>120% AMI)

Unit types are categorized as one of the following:

- Single-family detached units
- Single-family attached units
- Two to four unit structure
- Five or more unit structure
- Accessory dwelling unit
- Mobile home/manufactured home

Units are identified as either proposed or planned at initial occupancy for either renter occupant (R) or owner occupant (O) where apparent at the time of project application.

Jurisdiction	National City	
Reporting Year	2019	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		166
Total Units		166

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Housing Applications Summary	
Total Housing Applications Submitted:	0
Number of Proposed Units in All Applications Received:	166
Total Housing Units Approved:	166
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

Jurisdiction	National City	
Reporting Year	2019	(Jan. 1 - Dec. 31)

**ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation**

(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table A Housing Development Applications Submitted																			
Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA, SFD, 2 to 4, 5+, ADU, MH)	Tenure R=Renter O=Owner	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project (Auto-calculated Can Be Overwritten)	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Notes*
Summary Row: Start Data Entry Below																			
	557-290-27-00	1033 Paradise Dr.			SFD	O	8/19/2019	0	0	0	0	0	0	0	1	1	1	0	No
	556-082-12-00	942 E. 1st St.			ADU	R	8/29/2019	0	0	0	0	0	0	0	1	1	1	0	No
	557-060-32-00	505 S. 'T' Ave.			SFD	O	4/24/2019	0	0	0	0	0	0	0	1	1	1	0	No
	560-222-42-00	1825 'C' Ave.	C' Ave. 10 Plex		SFD	R	12/9/2019	0	0	0	0	0	0	0	10	10	10	0	No
	557-290-08-00	2127 E. 11th St.			ADU	R	8/5/2019	0	0	0	0	0	0	0	1	1	1	0	No
	554-011-17-00	1205 E. 2nd St.			ADU	R	1/10/2019	0	0	0	0	0	0	0	1	1	1	0	No
	564-071-19-00	2921 Leonard St.			ADU	R	8/1/2019	0	0	0	0	0	0	0	1	1	1	0	No
	560-142-08-00	1726 Hoover Ave.			ADU	R	9/25/2019	0	0	0	0	0	0	0	1	1	1	0	No
	557-150-13-00	625 S. 'V' Ave.	Paradise Senior Apartment Complex		5+	R	12/19/2019	0	0	0	0	0	0	0	136	136	136	0	No
	558-091-27-00	2530 E. Plaza Blvd.			5+	R	6/18/2019	0	0	0	0	0	0	0	13	13	13	0	No

Table A2

Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement								
1					2	3	4							5	6
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA, SFD, 2 to 4,5+, ADU, MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units issued Entitlements
Summary Row. Start Data Entry Below							0	0	0	0	0	0	166		166
	557-290-27-00	1033 Paradise Dr.			SFD	O		0	0	0	0	0	1	8/19/2019	1
	556-082-12-00	942 E. 1st St.			ADU	R		0	0	0	0	0	1	8/29/2019	1
	557-060-32-00	505 S. 'T' Ave.			SFD	O		0	0	0	0	0	1	4/24/2019	1
	560-222-42-00	1825 'C' Ave.	C' Ave. 10 Plex		SFD	R		0	0	0	0	0	10	12/9/2019	10
	557-290-08-00	2127 E. 11th St.			ADU	R		0	0	0	0	0	1	8/5/2019	1
	554-011-17-00	1205 E. 2nd St.			ADU	R		0	0	0	0	0	1	1/10/2019	1
	564-071-19-00	2921 Leonard St.			ADU	R		0	0	0	0	0	1	8/1/2019	1
	560-142-08-00	1726 Hoover Ave.			ADU	R		0	0	0	0	0	1	9/25/2019	1
	557-150-13-00	625 S. 'V' Ave.	Paradise Senior Apartment		5+	R		0	0	0	0	0	136	12/19/2019	136
	558-091-27-00	2530 E. Plaza Blvd.			5+	R		0	0	0	0	0	13	6/18/2019	13

Table A2

Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier			Affordability by Household Incomes - Building Permits							8	9	
Current APN	Street Address	Project Name*	7							Building Permits Date Issued	# of Units Issued Building Permits	
			Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income			
			0	0	0	0	0	0	0	166		166
557-290-27-00	1033 Paradise Dr.		0	0	0	0	0	0	0	1	8/19/2019	1
556-082-12-00	942 E. 1st St.		0	0	0	0	0	0	0	1	8/29/2019	1
557-060-32-00	505 S. 'T' Ave.		0	0	0	0	0	0	0	1	4/24/2019	1
560-222-42-00	1825 'C' Ave.	C' Ave. 10 Plex	0	0	0	0	0	0	0	10	12/9/2019	10
557-290-08-00	2127 E. 11th St.		0	0	0	0	0	0	0	1	8/5/2019	1
554-011-17-00	1205 E. 2nd St.		0	0	0	0	0	0	0	1	1/10/2019	1
564-071-19-00	2921 Leonard St.		0	0	0	0	0	0	0	1	8/1/2019	1
560-142-08-00	1726 Hoover Ave.		0	0	0	0	0	0	0	1	9/25/2019	1
557-150-13-00	625 S. 'V' Ave.	Paradise Senior Apartment	0	0	0	0	0	0	0	136	12/19/2019	136
558-091-27-00	2530 E. Plaza Blvd,		0	0	0	0	0	0	0	13	6/18/2019	13

Table A2

Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier			Affordability by Household Incomes - Certificates of Occupancy									
Current APN	Street Address	Project Name*	10							11	12	
			Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) <u>Date Issued</u>	# of Units issued Certificates of Occupancy or other forms of readiness	
			0	0	0	0	0	0	0	1		1
557-290-27-00	1033 Paradise Dr.											0
556-082-12-00	942 E. 1st St.											0
557-060-32-00	505 S. 'T' Ave.											0
560-222-42-00	1825 'C' Ave.	C' Ave. 10 Plex										0
557-290-08-00	2127 E. 11th St.											0
554-011-17-00	1205 E. 2nd St.		0	0	0	0	0	0	0	1	7/29/2019	1
564-071-19-00	2921 Leonard St.											0
560-142-08-00	1726 Hoover Ave.											0
557-150-13-00	625 S. 'V' Ave.	Paradise Senior Apartment										0
558-091-27-00	2530 E. Plaza Blvd,											0

Table A2

Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier			Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Notes	
			13	14	15	16	17	18	19	20			21
Current APN	Street Address	Project Name*	How many of the units were Extremely Low Income?*	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (see instructions)	Deed Restriction Type (see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)*	Number of Demolished/Destroyed Units*	Demolished or Destroyed Units*	Demolished/Destroyed Units Owner or Renter*	Notes*
			0	0						0	0	0	
557-290-27-00	1033 Paradise Dr.		0	N	Y					0	0	0	
556-082-12-00	942 E. 1st St.		0	N	Y					0	0	0	
557-060-32-00	505 S. 'T' Ave.		0	N	Y					0	0	0	
560-222-42-00	1825 'C' Ave.	C' Ave. 10 Plex	0	N	Y					0	0	0	
557-290-08-00	2127 E. 11th St.		0	N	Y					0	0	0	
554-011-17-00	1205 E. 2nd St.		0	N	Y					0	0	0	
564-071-19-00	2921 Leonard St.		0	N	Y					0	0	0	
560-142-08-00	1726 Hoover Ave.		0	N	Y					0	0	0	
557-150-13-00	625 S. 'V' Ave.	Paradise Senior Apartment	0	N	Y					0	0	0	
558-091-27-00	2530 E. Plaza Blvd.		0	N	Y					0	0	0	

Jurisdiction	National City	
Reporting Year	2019	(Jan. 1 - Dec. 31)

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 (CCR Title 25 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.
 Please contact HCD if your data is different than the material supplied here

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Income Level		RHNA Allocation by Income Level	2								3	4		
			2013	2014	2015	2016	2017	2018	2019	2020			2021	Total Units to Date (all years)
Very Low	Deed Restricted	465				45							45	420
	Non-Deed Restricted													
Low	Deed Restricted	353	8	108									116	237
	Non-Deed Restricted													
Moderate	Deed Restricted	327												
	Non-Deed Restricted			1		46	116						163	164
Above Moderate		718	67	16	143	12	7	60	166				471	247
Total RHNA		1863												
Total Units			75	125	143	103	123	60	166				795	1068

Note: units serving extremely low-income households are included in the very low-income permitted units totals
 Cells in grey contain auto-calculation formulas

Jurisdiction	National City
Reporting Year	2019 (Jan. 1 - Dec. 31)

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Note: "*" indicates an optional field
Cells in grey contain auto-calculation formulas

Table C Sites Identified or Rezoned to Accommodate Shortfall Housing Need																		
Project Identifier				Date of Rezone	RHNA Shortfall by Household Income Category				Type of Shortfall	Sites Description								
1				2	3				4	5	6	7	8		9	10	11	
APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Date of Rezone	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Type of Shortfall	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonvacant	Description of Existing Uses	
Summary Row: Start Data Entry Below																		

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Jurisdiction	National City	
Reporting Year	2019	(Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
1. Rental Rehabilitation Program.	Rehabilitate an average of 10 units per year.	Rehabilitate an average of ten units per year for a total of 80 units during the eight-year planning cycle.	No units rehabilitated with Housing Authority funding.
2. Ownership Housing Rehabilitation Program.	Rehabilitate an average of five units per year.	Rehabilitate an average of five units per year for a total of 40 units during the eight-year planning cycle.	No single-family units rehabilitated during the calendar year and 11 to-date during the planning cycle.
3. Code Enforcement Program.	Abate an average of 250 cases per year.	Abate an average of 250 cases per year for a total of 2,000 cases during the eight-year planning cycle.	27 housing-related code violations were abated during the calendar year and over 1,362 to-date during the planning cycle.
4. Housing Inspection Program	Inspect an average of 128 units per year.	Inspect an average of 128 units per year for a total of 1,024 units during the eight-year planning cycle.	82 housing units were inspected during the calendar year and over 1,728 to-date during the planning cycle.
5. At-Risk Housing Program.	Conserve the affordability of 795 housing units at risk of converting to market rate.	Monitor status of at-risk units annually during the eight-year planning cycle.	No at-risk units converted to market rate during the calendar year. 268 units preserved at Fairfield Park Villas.
6. Housing Choice Voucher (Section 8) Rental Assistance Program.	Maintain 137 units of project-based housing and 1,022 tenant-based vouchers.	Monitor annually during the eight-year planning cycle.	Continued to maintain 149 project-based and 974 tenant-based vouchers.
7. Tenant Relocation Program.	Relocate any tenants displaced due to code enforcement.	Continue to offer the program during the eight-year planning cycle.	4 tenants relocated during the calendar year and 16 to-date during the planning cycle.
8. Housing Stock Conditions Program.	Estimate of the number of dwelling units in need of repair or replacement.	Conduct survey annually during the eight-year planning cycle.	The last survey was conducted in 2010.

9. Clean-up Events Program.	Conduct an average of four events per year.	Conduct an average of four events annually for a total of 32 events during the eight-year planning cycle.	Three clean-up event during the calendar year and 16 to-date during the planning cycle.
10. Developer Information Program.	Update and maintain informational materials as policies, standards, guidelines, and ordinances are amended or adopted.	Update as policies, standards, guidelines, and ordinances are amended or adopted during the eight-year planning cycle.	Ongoing updates as polices are amended or adopted.
11. GIS Database Program.	Update database as new information becomes available in a compatible format.	Monitor data sources and update upon availability during the eight-year planning cycle.	Ongoing updates to database as needed and as available.
12. Community Housing Development Organizations Program.	Identify and fund CHDOs to pursue affordable housing projects and programs.	Conduct outreach annually as part of the budget process and as funding sources become available during the eight-year planning cycle.	Six units underconstruction during the planning cycle.
13. New Construction Program.	Production of housing units to meet the RHNA allocation.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	Permits for 166 units were issued during the calendar year.
14. Construction Assistance Program.	Development community awareness of available housing programs.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	Ongoing through the annual budget and CIP adoption process at public workshops and hearings.
15. Production Priorities Program.	Communicate housing policy objectives to prospective developers and encourage and facilitate projects that implement Housing Element policies.	Ongoing as part of the pre-application and consultation process during the eight-year planning cycle.	Ongoing outreach to communicate policy objectives to prospective developers. Following an RFP, the City transferred property to Protea National City, LLC for the development of 127 housing units in a mixed-use project.
16. Housing Element Annual Report.	Submit report to Department of Housing and Community Development prior to the statutory deadline.	Prepare and submit annually pursuant to statute during the eight-year planning cycle.	The annual progress report was prepared for the previous calendar year and submitted to HCD, OPR, and SANDAG.
17. Design Guidelines Program.	Improvement in the quality of design in construction through the implementation of design guidelines.	Ongoing as part of the pre-application and consultation process during the eight-year planning cycle.	Ongoing implementation during the project consultation and entitlement process.

18. Fair Housing Requirements Program.	Implement actions to address fair housing issues through CDBG and HOME activities.	Update AI in conjunction with Consolidated Plan updates and implement on ongoing basis during the eight-year planning cycle.	Addressed Impediments to Fair Housing through the implementation of the Analysis to Impediments to Fair Housing Plan as reported in the Consolidated Annual Performance and Evaluation Report to the U.S. Department of Housing and Urban Development.
19. Fair Housing Organizations.	Fair housing practices and informed housing consumers and suppliers.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	Ongoing fair housing services are provided by CSA San Diego County.
20. Fair Housing Training Program.	In new projects of 10 or more units, training of staff in fair housing administration.	Refer to contracted providers prior to occupancy of new projects during the eight-year planning cycle.	Ongoing fair housing services are provided by CSA San Diego County.
21. State Energy Conservation Program.	Achieve State energy conservation standards for housing.	Conduct on an ongoing basis as part of the development review, permitting, and enforcement processes during the eight-year planning cycle.	Ongoing implementation during the project consultation and entitlement process.
22. Community Land Trust (CLT) Program.	Allow the establishment of community land trusts as needed.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	In 2013, the Housing Element was updated to allow community land trusts. The City has entered into an Agreement with Habitat for Humanity and San Diego Community Land Trust to develop 6 to 12 units under the Community Land Trust model.
23. Extremely-Low Income Housing Program.	Production of 233 units of housing affordable to extremely-low income households.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	No extremely-low income units were produced during the calendar year and 23 to-date during the planning cycle.
24. Land Use Code Monitoring Program.	Implementation of the General Plan, including Housing Element policies.	Monitor and report annually as part of the General Plan Annual Progress Report during the eight-year planning cycle.	The annual progress report was prepared for the previous calendar year and submitted to HCD, OPR, and SANDAG.

Jurisdiction	National City	
Reporting Period	2019	(Jan. 1 - Dec. 31)

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Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table E									
Commercial Development Bonus Approved pursuant to GC Section 65915.7									
Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name ⁺	Local Jurisdiction Tracking ID ⁺	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									

Jurisdiction	National City	
Reporting Period	2019	(Jan. 1 - Dec. 31)

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Note: "+" indicates an optional field
 Cells in grey contain auto-calculation formulas

Table F
Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)

This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).

Activity Type	Units that Do Not Count Towards RHNA* Listed for Informational Purposes Only				Units that Count Towards RHNA* Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1*
	Extremely Low-Income*	Very Low-Income*	Low-Income*	TOTAL UNITS*	Extremely Low-Income*	Very Low-Income*	Low-Income*	TOTAL UNITS*	
Rehabilitation Activity									
Preservation of Units At-Risk		268		268					
Acquisition of Units									
Total Units by Income		268		268					

Jurisdiction	National City	
Reporting Period	2019	(Jan. 1 - Dec. 31)

NOTE: This table must only be filled out if the housing element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting year.

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

**ANNUAL ELEMENT PROGRESS REPORT
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(CCR Title 25 §6202)**

Table G

Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of

Project Identifier						
1					4	
APN	Street Address	Project Name ⁺	Local Jurisdiction Tracking ID ⁺	Realistic Capacity Identified in the Housing Element	Entity to whom the site transferred	Intended Use for Site
Summary Row: Start Data Entry Below						
55647226	130 East 8th Street	8th and B		32	Protea National City, LLC	127-unit residential mixed-use

The following page(s) contain the backup material for Agenda Item: [2020 Housing Road Map. \(Housing Authority\)](#)
Please scroll down to view the backup material.

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2020 Housing Road Map

(Housing Authority)

The following page(s) contain the backup material for Agenda Item: [March Forward Outreach Efforts. \(City Manager\)](#)
Please scroll down to view the backup material.

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March Forward Outreach Efforts

(City Manager)