



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

AGENDA – REGULAR MEETING

Date: March 18, 2015

Time: Closed Session 6:00 p.m.
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

6:55 p.m. Invocation/Call to Civic Responsibility. Invocations/Calls may be offered by any of the various religious and non-religious organizations within and around the City of Lodi. These are voluntary offerings of private citizens, to and for the benefit of the Council. The views or beliefs expressed by the Speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the beliefs or views of any speaker.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Lodi City Mid-Management Association, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, and Lodi Professional Firefighters Pursuant to Government Code §54957.6 (CM)

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll Call

B. Presentations

- B-1 Arbor Day Proclamation (PRCS)

C. Consent Calendar (Reading; Comments by the Public; Council Action)

- C-1 Receive Register of Claims in the Amount of \$3,991,994.39 (FIN)

C-2 Approve Minutes (CLK)

- a) February 24 and March 3, 2015 (Shirtsleeve Sessions)
- b) February 24, 2015 (Special Meeting)
- c) March 4, 2015 (Regular Meeting)

- C-3 Accept the Quarterly Investment Report as Required by the City of Lodi Investment Policy (CM)

- C-4 Accept the Quarterly Report of Purchases Between \$10,000 and \$20,000 (CM)

- Res. C-5 Adopt Resolution Awarding Contract for Lodi Transit Station Restroom/Vault Improvements to Abide Builders, Inc., of West Sacramento (\$505,200) (PW)

- Res. C-6 Adopt Resolution Awarding Contract for Henry Graves Park Pump Station Improvement Project to Fort Bragg Electric, Inc., of Fort Bragg (\$64,740) and Appropriating Funds (\$58,000) (PW)

- Res. C-7 Adopt Resolution Awarding Contract for White Slough Water Pollution Control Facility Farm Irrigation Improvements – Phase 1 to Knife River Construction, of Stockton (\$415,213) (PW)

- Res. C-8 Adopt Resolution Authorizing City Manager to Execute Contract with Wilson Utility Construction Company, of Rancho Cordova, for Electric Utility Metering Services (\$200,000) (EU)
- C-9 Accept Improvements Under Contract for Water Meter Program Phase 4 (PW)
- Res. C-10 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement for Security Services at the Lodi Transit Station and Parking Structure with Cypress Security, LLC, of San Francisco (Estimated Three-Year Cost: \$300,500) and to Negotiate and Execute Two One-Year Agreement Extensions (PW)
- Res. C-11 Adopt Resolution Authorizing City Manager to Execute Task Order No. 37 with West Yost Associates, Inc., of Walnut Creek, for Permit Consulting Services (\$39,200) (PW)
- Res. C-12 Adopt Resolution Authorizing City Manager to File California Public Utilities Commission Section 190 Application, Certifying All Matters Prerequisite to Awarding Construction Contract Will Be Accomplished Within Two Years of Funding Allocation, and Certifying Sufficient Local Funds Are Available for the Harney Lane Grade Separation Project (PW)
- Res. C-13 Adopt Resolution Authorizing City Manager to Execute Contract for Seward Johnson Sculpture Exhibit and Appropriating Art in Public Places Funds for Exhibit and Traffic Control Box Art Project (\$30,000) (PRCS)
- C-14 Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2 (PW)
- C-15 Receive Report Regarding Communication Pertaining to Assembly Bill 266 (Cooley) Regarding Medical Marijuana (CLK)
- C-16 Set Public Hearing for April 1, 2015, to Consider Adopting a Resolution Approving the 2015/16 Draft Action Plan (CD)

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

E. Comments by the City Council Members on Non-Agenda Items

F. Comments by the City Manager on Non-Agenda Items

G. Public Hearings

- Res. G-1 Public Hearing to Consider Resolution Adopting Pre-Approved Proposition 218 Consumer Price Index-Based Annual Adjustment to Rates for Solid Waste Collection (PW)

H. Communications

- H-1 Post for One Vacancy on the Lodi Improvement Committee (CLK)
- H-2 Monthly Protocol Account Report (CLK)

I. Regular Calendar

Res. I-1 Adopt Resolution Approving Fiscal Year 2014/15 Mid-Year Budget Adjustments (CM)

J. Ordinances – None

K. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Ferraiolo
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer M. Ferraiolo at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer M. Ferraiolo (209) 333-6702.

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CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Arbor Day Proclamation
MEETING DATE: March 18, 2015
PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Mayor Johnson present a proclamation proclaiming Arbor Day in the City of Lodi.

BACKGROUND INFORMATION: Staff would like to invite the Mayor, City Council, the City Manager and the Parks & Recreation Commission to this year's Arbor Day celebration. This year's event will be held from 10 am to 1 pm on Saturday, April 11, 2015, at Peterson Park, 199 Evergreen Drive.

This year's celebration is being facilitated by City of Lodi staff in partnership with Tree Lodi. Tree Lodi will be providing the final trees that will cap off the Peterson Park Urban Forest Revitalization Project. RJQ Landscape of Lodi will provide a tree planting demonstration prior to having attendees help plant the final trees. Tree Lodi and the San Joaquin County Master Gardeners will provide tree education materials and refreshments.

The nation's first Arbor Day was in Nebraska on April 10, 1872, after Julius Sterling Morton proposed a tree-planting holiday at a meeting of the Nebraska Board of Agriculture. It was estimated that more than 1 million trees were planted in Nebraska on the first Arbor Day. Arbor Day has now spread beyond the United States and is observed in many countries of the world.

At the April 11, 2015, event City staff will announce the results of this year's Tree City USA application with the National Arbor Day Foundation. Lodi has been designated a Tree City USA for 12 consecutive years. This designation affords us preference over other communities for grant money for trees or forestry programs and gives us an enhanced public image as a city that cares for its trees. The celebration of Arbor Day gives an opportunity to learn about trees and take positive action to make our schools, our city and the place we work a better place.

FISCAL IMPACT: Not applicable.

Jeff Hood
Director Parks, Recreation and Cultural Services

JH:SD:tl

Attachments

cc: City Attorney

APPROVED: _____
Stephen Schwabauer, City Manager

Arbor Day 2015

Saturday, April 11

Peterson Park

199 Evergreen Drive

10 am to 2 pm

*Come Help & Celebrate
the Natural Beauty of
Lodi!*

- Tree City Designation
- Tree Pruning & Maintenance Clinic
- Mistletoe Education
- Tree Planting Educational Material
- Tree Planting Demonstration





**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Receive Register of Claims through February 26, 2015 in the Total Amount of \$3,991,994.39.

MEETING DATE: March 18, 2015

PREPARED BY: Financial Services Manager

RECOMMENDED ACTION: Receive the attached Register of Claims for \$3,991,994.39.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$3,991,994.39 through 02/26/15. Also attached is Payroll in the amount of \$1,208,754.30.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

Ruby R. Paiste, Financial Services Manager

RRP/rp

Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

Council Report

City of Lodi, CA - v10.5 Live

2/13/2015 through 2/26/2015

Fund			Amount
100 - General Fund			1,508,117.52
120 - Library Fund			14,239.91
140 - Expendable Trust			30,741.31
200 - Parks, Rec & Cultural Services			40,870.18
270 - Comm Dev Special Rev Fund			989.21
301 - Gas Tax-2105,2106,2107			46,460.33
302 - Gas Tax -2103			208.01
303 - Measure K Funds			58,464.49
306 - RTIF County/COG			2,736.66
307 - Federal - Streets			2,956.38
350 - H U D			31,060.61
400 - Vehicle Replacement Fund			23,144.51
431 - Capital Outlay/General Fund			23,658.49
432 - Parks & Rec Capital			5,300.00
500 - Electric Utility Fund			110,594.47
501 - Utility Outlay Reserve Fund			1,094.25
504 - Public Benefits Fund			42,466.02
508 - Environmental Compliance			540.00
530 - Waste Water Utility Fund			172,296.14
531 - Waste Wtr Util-Capital Outlay			1,010,076.67
560 - Water Utility Fund			124,717.38
561 - Water Utility-Capital Outlay			598,015.65
565 - PCE/TCE Rate Abatement Fund			1,269.60
600 - Dial-a-Ride/Transportation			29,062.10
602 - Transit-Prop. 1B			452.32
650 - Internal Service/Equip Maint			56,489.06
655 - Employee Benefits			44,265.25
660 - General Liabilities			96.20
665 - Worker's Comp Insurance			10,399.99
801 - L&L Dist Z1-Almond Estates			1,211.68
Total			3,991,994.39

Council Report: Payroll
City of Lodi, CA - v10.5 Live
Pay Period 2/15/2015

Fund	Description	Amount
100	General Fund	696,161.69
120	Library Fund	26,320.73
200	Parks, Rec & Cultural Services	101,802.36
214	LPD-OTS Grants	3,742.84
270	Comm Dev Special Rev Fund	24,668.84
301	Gas Tax-2105,2106,2107	33,309.57
500	Electric Utility Fund	164,280.14
530	Waste Water Utility Fund	120,014.27
560	Water Utility Fund	14,009.47
600	Dial-a-Ride/Transportation	7,773.58
650	Internal Service/Equip Maint	16,670.81
Report Total		1,208,754.30



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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) February 24, 2015 (Shirtsleeve Session)
b) February 24, 2015 (Special Meeting)
c) March 3, 2015 (Shirtsleeve Session)
d) March 4, 2015 (Regular Meeting)

MEETING DATE: March 18, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) February 24, 2015 (Shirtsleeve Session)
b) February 24, 2015 (Special Meeting)
c) March 3, 2015 (Shirtsleeve Session)
d) March 4, 2015 (Regular Meeting)

BACKGROUND INFORMATION: Attached are copies of the subject minutes marked Exhibit A through D, respectively.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 24, 2015**

A. Roll Call by City Clerk

The Shirtsleeve Session of February 24, 2015, was called to order by Mayor Johnson at 7:01 a.m.

Present: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Topic(s)

B-1 Receive Information Regarding Downtown Lighting Conditions, Options, and Funding (PW)

Deputy Public Works Director Charlie Swimley provided a PowerPoint presentation regarding downtown lighting conditions, options, and funding. Specific topics of discussion included School Street tree well, existing tree wells and outlets, current tree outlet status, current issues, options overview and cost estimates, and alley lighting.

In response to Council Member Mounce, Mr. Swimley stated that initially 110 outlets were repaired, yet some have been damaged since then because of location or vandalism.

In response to Council Member Mounce, Construction Project Manager Gary Wiman stated that the Light Emitting Diode (LED) rope lighting has the same spacing as conventional light strings, but they have a different type of bulb. Mr. Swimley added that the LED rope lights will also look whiter and more crisp, similar to the color of the uplights.

In response to Mayor Johnson, Mr. Swimley stated that 100 feet of conventional lights would cost on average \$70 per tree versus \$270 for LED lights; however, the substantial difference is the cost savings on the energy side. Conventional lights will cost \$13 a month in energy, while the LED lights will consume \$3.50 a month in electricity.

In response to Council Member Mounce, Mr. Swimley stated that the savings in energy costs for LED rope lights on 110 trees will equate to \$1,000 a month based on a ten-hour run time per day.

In response to Council Member Kuehne, Mr. Swimley stated that the ten-hour run time is essentially from dusk to dawn; however, that will vary throughout the year, depending on the season. City Manager Schwabauer added that LED lights qualify for public benefit funds, whereas traditional lights do not. Mr. Swimley explained that the rope lighting will require maintenance and adjustments as the trees grow.

Council Member Mounce suggested a hybrid between Options 1 and 2 in which staff installs as many of the 110 LED lights as it can prior to the Amgen tour in May, after which Option 2 can be followed to begin the relocation process of the outlets. Mr. Swimley stated that could be done.

In response to Council Member Kuehne, Mr. Swimley stated that currently none of the uplights work, all of them have been turned off, they cost about \$2,000 each for the fixture alone, and can last as long as 18 years but often less than that because they operate in a harsh environment that includes tree irrigation, rain, susceptibility to moisture, and heat from the light.

In response to Mayor Johnson, Mr. Swimley stated it would require installation of approximately

60 lights to ensure the downtown alleys have security-level lighting. The City would need property owner permission to install lighting on the buildings. With the public-private partnership idea, he suggested beginning with alley lighting and, as more funding becomes available, adding security cameras.

Council Member Mounce stated that greater code enforcement pressure is needed when it relates to absentee landlords and vacant buildings and that the City needs to do its part by ensuring there is sufficient security lighting in the alleys. She suggested using the economic disaster reserve fund to accomplish this.

In response to Council Member Mounce, Mr. Schwabauer stated he believed the past alley lighting project was likely accomplished by utilizing electric utility funding, but he preferred not to use electric utility resources on this effort. If a public-private partnership with the downtown business owners can factor into this, he believed it would be affordable through the annual capital program; however, without that the City would have insufficient funds to handle the alley lighting alone.

Mayor Johnson suggested the City look into cooperative arrangements in which the City could utilize another agency's code enforcement officers to assist Lodi with a specific issue, such as inspecting and tagging alleys out of compliance, and further reciprocating the offer to the agency. Council Member Mounce concurred with this suggestion, adding that a sweep could be done with all available resources to identify the problems at one time and to provide the owner with a list of corrections and a deadline by which to respond.

Mr. Schwabauer asked for Council direction on whether to pursue Option 1, 2, or a hybrid.

In response to Mr. Kuehne, Mr. Swimley stated that the lights, which were strung across Elm Street in early 2000, were festive at the time, but maintenance on this is significant and the weather is harsh, causing them to look worn out and tattered, which is why they were removed five years later. Council Member Kuehne stated he would like to see that particular lighting be brought back and also suggested that, when planning for alley lighting, consideration be given to the possibility of utilizing the alleyways as public space for events such as mobile food trucks. Mr. Swimley stated each alley will be different, but he believed there were plenty of power pedestals in the area that could be used for those types of activities. Council Member Kuehne expressed his support for moving forward with the hybrid option, working with the downtown businesses to form a public-private partnership, and pursuing the reciprocal code enforcement suggestion made by Mayor Johnson.

Mayor Pro Tempore Chandler expressed support for moving forward with the hybrid approach and further suggested considering a reduced lighting plan, such as every other tree or fewer strands per tree, and considering a more natural look, similar to the lighting at Wine & Roses.

Mayor Johnson expressed his support for leaving the tree lighting on for fewer than ten hours per day.

Myrna Wetzel suggested installing the tree lighting higher up in the branches because it produces a more aesthetic look, to which Mr. Swimley responded that it could be done, but it would be more expensive for the lighting and labor. Mr. Schwabauer added that, with tree growth, the more complicated and expensive it is to maintain the lighting, the more criticism the City will receive if it cannot ensure the lighting is preserved at the preferred level.

Roger Rehmke stated that code enforcement is also necessary along the downtown streets because vagrants are camping out in front of businesses in the doorways. In response to Mr. Rehmke, Mr. Wiman stated that the lighting material is commercial grade exterior lighting. Mr. Rehmke cautioned against using PVC coating because it will not hold up to the exterior environment and further expressed his support for the uplights.

Business Development Manager Adam Brucker provided a presentation regarding the concept for a Citywide wayfinding signage program, stating that the goal is to establish strategically-placed signage and to create a destination by highlighting points of interest for visitors. The The Amgen tour, which will be coming through Lodi in early May, is not the primary reason for bringing forward this proposal, but Lodi would see more benefit from doing so prior to this tourism-generating event. Public Works has identified funding for the program, and the design concept is a result of a collaborative effort with the consultant and task force who discussed existing signage, preferences, themes and agreed on a concept. Should Council wish to move forward with this proposal, staff will place the matter on the March 4 agenda.

Simon Andrews, of Graphic Solutions, provided a PowerPoint presentation regarding the preparation of a Citywide wayfinding sign program. Specific topics of discussion included research and client surveys, destination list, sign location map, vehicular directional sign color options, isometric detail, MUTCD compliant options, and site photo mockups.

In response to Mayor Pro Tempore Chandler, Mr. Andrews stated that the letters on the signage would be six inches in height to make it legible to passing motorists, which would make the sign over seven feet tall and four feet wide. The sign will also have two interchangeable panels.

Mr. Brucker provided a visual mockup of the sign and its size. In response to Mayor Johnson, Mr. Brucker stated that, with the 8-foot pole, the total size of the sign would be 15 feet.

In response to Council Member Nakanishi, Mr. Brucker stated that the cost estimate is roughly \$10,000 per sign for 38 signs, including installation. City Manager Schwabauer stated that, because of the expense of the program, the suggestion on March 4 will be to phase in the project by focusing initially on the downtown and cutting back the outlying signs.

In response to Council Member Mounce, Public Works Director Wally Sandelin stated that funding for this program would come from streets capital projects, which would likely defer some traffic signal and road reconstruction projects. He reported that funds in the streets capital account come from transit funding and gas taxes, that the total budget from this account for the signage program would be \$85,000, and the City receives \$3 million annually from those funding sources for that particular capital account.

Council Member Mounce stated she believed this signage concept was archaic because most travelers use cars and phones equipped with Global Positioning Systems (GPS). In her conversations with downtown business owners, she has learned they are more frustrated with the lack of maintenance on transit kiosks than lack of directional signage and that visitors do not have a problem locating downtown businesses. Council Member Mounce expressed concern with the cost spent on the consultant and the cost of the program, adding that the City is now coming out of a difficult five years and is trying to rectify issues relating to employee salaries, crime, and lighting.

Council Member Kuehne agreed, stating that his vision was to have directional signage on the freeways to point visitors to the downtown.

Council Member Nakanishi suggested putting the signs in high-traffic areas, such as along Turner Road, Cherokee Lane, Lower Sacramento Road, and Kettleman Lane.

Pat Patrick, President/CEO of the Lodi District Chamber of Commerce, expressed support for the wayfinding sign program, stating that this would help generate more revenue for the City that could be put toward deferred maintenance. He shared his experience that many visitors have indicated how difficult it is to find downtown Lodi. He suggested that a compromise between 4 and 38 signs would be reasonable, especially if it were phased in when the funding becomes available. Mr. Patrick believed signing programs make a positive statement about a community and he would much rather rely on signage than GPS when driving through a new town. He pointed to the excellent signage in cities like Monterey and Carmel, adding that downtown merchants estimate that 50 to 60 percent of their income comes from visitors outside of Lodi.

Council Member Mounce stated she believed the signage programs in Monterey and Carmel were on the older side and that Lodi should be on the cutting edge when it comes to directing visitors to specific areas of interest in town. She added that signage for the purpose of creating a more welcoming community is a more reasonable concept.

Nancy Beckman, President of Visit Lodi!, recognized that the cost was high for the program; however, she has received feedback that visitors have a difficult time finding downtown Lodi. Many older visitors do not use GPS, and she stated she was unsure that timing was right to forego signage in lieu of technology. The current signing is scarce and cannot be viewed well by traveling motorists.

John Beckman with the Building Industry Association (BIA) stated that the BIA has been researching signage options that would direct visitors to residential subdivisions, adding that the BIA would like to contribute financially to this program if the cost were lower. He suggested there may be alternative materials that could reduce the cost per sign and, if so, the BIA would be amenable to covering a higher percentage of the program.

Mr. Schwabauer stated that Mr. Brucker is researching value engineering options to see if the cost can be reduced and any savings will be worked into the proposal.

Robin Knowlton expressed support for the signage program and stated many visitors have indicated difficulty in locating her business downtown. She stated she believed signage is marketing, which advertises the City's message about its downtown. Many people visit a community for a specific purpose but decide to see more during their stay, and she felt that signage would provide greater value in encouraging those individuals to shop and dine downtown. Ms. Knowlton suggested including bicycle pathway and route information on the signs to promote bike tourism.

Mayor Pro Tempore Chandler expressed support for the signage program, the wine-colored theme, and starting with the high-priority locations.

Council Member Kuehne expressed support for the wine-colored theme and signage directing people to bike-friendly streets, and he suggested there are 12 to 15 locations in the perimeter areas of town that should be in the initial phase, as well as signage off of the freeways.

Mayor Johnson expressed concern with the size of the signage, stating he could not support a sign that large. He did, however, state he was in favor of the color and definition.

Mayor Pro Tempore Chandler countered that the signs should be even larger so drivers can view them from a block or more away and suggested a field trip to see a display of the proposed signs as they would appear along the roadway. Mr. Brucker stated that staff could mount a cardboard mockup of the sign on a pole so Council can get an idea of the size and scale.

Council Member Nakanishi expressed support for a larger sign because it would be more effective for drivers.

Mr. Schwabauer asked if there was concurrence to move forward with the concept of a value-engineered proposal of 10 to 15 signs at the size presented, to which Council Members Nakanishi, Chandler, and Kuehne responded in the affirmative. Mr. Schwabauer stated this matter would be placed on the March 4 Council agenda.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:22 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 24, 2015**

A. Roll call by City Clerk

The City Council Special meeting of February 24, 2015, was called to order by Mayor Johnson at 8:22 a.m.

Present: Council Member Kuehne, Council Member Mounce, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: Council Member Nakanishi

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Closed Session

B-1 Conference with Adele Post, Human Resources Manager, and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Lodi City Mid-Management Association, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, and Lodi Professional Firefighters Pursuant to Government Code §54957.6 (CM)

At 8:22 a.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matter. The Closed Session adjourned at 8:38 a.m.

C. Return to Open Session / Disclosure of Action

At 8:39 a.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Magdich disclosed the following action.

Item B-01 was direction given with no reportable action taken.

D. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:39 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MARCH 3, 2015**

A. Roll Call by City Clerk

The Shirtsleeve Session of March 3, 2015, was called to order by Mayor Johnson at 7:01 a.m.

Present: Council Member Kuehne, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: Council Member Mounce

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Topic(s)

B-1 Presentation on Transit Advertising Implementation Plan (PW)

Paula Fernandez, Transportation Manager, provided a PowerPoint presentation regarding the Transit Advertising Implementation Plan. Specific topics of discussion included background, policy overview, where to advertise, sample bus panels, wraps, bus interior/monitor, bus shelters, estimated annual revenue, revenue options, and next step.

Mayor Johnson stated that adding revenue dollars to the transit budget may be timely due to the future reallocation of moneys from the San Joaquin Council of Governments (SJCOG).

In response to Mayor Johnson, Ms. Fernandez stated that there is a high measure of foot traffic at the transit station, primarily as a result of Greyhound and Amtrak, which would warrant a station monitor. In further response, Ms. Fernandez stated that the Regional Transportation District is reviewing a different system and, therefore, the City could not tie in with its advertising contract. She hopes to get someone local who has experience in marketing this type of project. Mayor Johnson questioned whether there was someone local who could handle this and suggested the better method would be to work with another agency, such as Stockton, which has a significant amount of advertising.

In response to Mayor Pro Tempore Chandler, Ms. Fernandez stated that, should this plan move forward, staff would issue a request for proposals to marketing firms, many of whom have already expressed interest.

Council Member Kuehne expressed opposition to Option C with the full-wrap advertisements because the buses lose their identity of being local transportation. He stated his preference would be Option A or B, and he agreed with the Mayor that the City should see what Stockton is doing and if there were a way to benefit from its experience.

Mayor Johnson stated he was opposed to the full-wrap advertisements and was willing to accept the smaller side or tail signage on the buses. He questioned if the estimate for the bus shelter advertising was for six shelters only or all of them, to which Ms. Fernandez replied that it was for six and the advertising would go on future shelter purchases. Mayor Johnson expressed his dislike of advertisements on bus shelters and stated that, if that is the direction, consideration be given to installing the advertisements on shelters in certain commercial areas and not in residential neighborhoods.

In response to Council Member Nakanishi, Ms. Fernandez stated that City staff would oversee the advertising consultant, but that individual would be responsible for maintaining the advertisements. Any City costs would be included in the operation budget, and she hoped it would be minimal. Council Member Nakanishi stated he did not have a preference on the options;

however, Options A and B seem reasonable. He stated he believed the low revenue and potential cost to maintain the program may not make this venture worthwhile, but he would support it. In further response, Ms. Fernandez stated the City currently sees graffiti vandalism on bus shelters, as well as damage to shelter screens, and that would likely continue with the advertising program, but she believed there would be less graffiti issues on advertisements on the interior of the buses. In further response, Ms. Fernandez stated that contract terms are usually three years and most have a termination clause. Council Member Nakanishi suggested contract language that states if, after a year, the contract is not cost effective, it can be canceled.

In response to Council Member Kuehne, Ms. Fernandez confirmed that the current bus shelters are not equipped to handle advertisements and any new shelters would include the advertising panel.

In response to Mayor Johnson, Ms. Fernandez stated that a typical bus shelter with a bench costs \$15,000 to install and the advertising panel is roughly \$1,000. Mayor Johnson requested that, when this matter comes back, information be provided on the cost of new shelters versus the cost and time to recapture the investment with advertising.

At the request of City Manager Schwabauer, Ms. Fernandez explained that staff-made aluminum signage could be attached to screens on current shelters; however, most agencies utilize the advertising panels. In response to Mayor Johnson, Ms. Fernandez confirmed that the advertising panels are covered with plexiglass or like substance.

Mayor Pro Tempore Chandler expressed his support for Option B.

Mayor Johnson questioned if this advertising program could be used for public service notices, to which Ms. Fernandez responded that anyone can advertise, but it would be a revenue resource paid back into the transit budget. Deputy City Manager Jordan Ayers added that transit operations is funded primarily through federal dollars, the City would be the customer in that case, and it would be required to pay into that fund.

Myrna Wetzel expressed opposition to advertising on transit buses, stating that it is unattractive and distracting to other drivers. She used the past example of advertisements on City benches that were ultimately removed due to public complaints and suggested the City consider other means of revenue generation, such as advertising on hats and sandwich boards, as well as cutting back on unnecessary items.

In response to Council Member Kuehne, Public Works Director Wally Sandelin stated that long ago benches included an 8 1/2 by 11 inch framed area for advertisements, but the City stopped that practice about ten years ago. He was unsure as to the reason for the discontinued practice.

Dave Kirsten agreed with the Mayor's earlier comment that advertisement on bus shelters not be installed in residential neighborhoods.

C. Comments by Public on Non-Agenda Items

Mayor Pro Tempore Chandler stated he received a comment in support of the downtown tree uprights based on the facts that the lights are permanent and represent a quality system and that the rope lights are less attractive and are open to vandalism. He requested that Council reconsider its previous direction and instead consider upgrading the system, which is expensive but will have a longer life.

Council Member Kuehne concurred that Council should revisit the matter, stating it would be disappointing to see all of the hard work of initially installing those lights go to waste. He expressed support for retrofitting the lights in a manner that would generate less heat and be less dangerous. In regard to the wayfinding signs, Mr. Kuehne stated he met with a couple of individuals who indicated they could do similar signs for less than the amount quoted to the City.

City Manager Schwabauer clarified that the dollar amount presented at the previous Shirtsleeve

Session for the wayfinding signage program was an estimate as the project has not yet gone out to bid. Further, Mr. Schwabauer stated that staff will be pulling the wayfinding item from the Council agenda tomorrow evening as there are outstanding issues that still need to be resolved. It is staff's belief that this program cannot be in place before the Amgen tour based on fiscal reasons, on-going discussions regarding participation and funding from Visit Lodi and the Building Industry Association, and the process of value-engineering the poles and signs. Staff will come back at a later time with a well-thought-out program.

Council Member Nakanishi concurred with the suggestion to revisit the matter relating to downtown tree uplights.

Mr. Schwabauer responded that staff will return to Council in April with a concept and cost estimate and added that it will be imperative that downtown merchants participate in this investment because it would be too expensive for the City to fund solely.

Myrna Wetzel suggested an "adopt-a-tree" program to help with expenses associated with the tree lighting.

Dave Kirsten expressed support for the uplights, stating that the rope lights are unattractive; are subject to greater wear and tear, as well as vandalism; and fade after time. The original system was high end, but it required a significant amount of maintenance. He suggested applying the savings from the deferred maintenance toward the replacing and retrofitting of the uplights. He added that parts are still available for the current uplights, including an option for a Light Emitting Diode retrofit for \$1,000 per box, which eliminates the electric ballast and the hot light, is guaranteed for five years and 10,000 hours, and requires less maintenance.

Roger Rehmke stated that the consensus of the downtown merchants is for uplights; however, he suggested an alternative for special events could be trunk wraps, which are inexpensive; come in 6-, 8-, and 12-foot sections; and can be set up quickly.

D. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:45 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MARCH 4, 2015**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of March 4, 2015, was called to order by Mayor Johnson at 6:00 p.m.

Present: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Lodi City Mid-Management Association, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, and Lodi Professional Firefighters Pursuant to Government Code §54957.6 (CM)

C-3 Adjourn to Closed Session

At 6:00 p.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matter. The Closed Session adjourned at 6:55 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:00 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Magdich disclosed the following action.

Item C-2 (a) was discussion and direction only with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of March 4, 2015, was called to order by Mayor Johnson at 7:00 p.m.

Present: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Presentations

B-1 Fix A Leak Week Proclamation (PW)

Mayor Johnson presented a proclamation to Kathryn Garcia, City of Lodi Compliance Engineer, proclaiming March 16-22, 2015, as "Fix A Leak Week" in the City of Lodi. Ms. Garcia invited Council and the public to a water conservation event on March 16 at 5 p.m. at Hutchins Street Square, at which demonstrations will be given on leak detection and water runoff.

B-2 Quarterly Update from the Greater Lodi Area Youth Commission (PRCS)

Ryan Ozminkowski, member of the Greater Lodi Area Youth Commission, provided an update on the Commission's accomplishments and activities. Mr. Ozminkowski thanked Council for its support, announced the upcoming dodge ball tournament at the Lodi Grape Festival grounds between Lodi High and Tokay High leaders, and expressed the Commission's desire to volunteer in the community. Mayor Johnson suggested the Commission contact Nancy Beckman, CEO of Visit Lodi!, to see how its members can get involved with the upcoming Amgen tour.

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Mounce made a motion, second by Council Member Kuehne, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Noes: None

Absent: None

C-1 Receive Register of Claims in the Amount of \$2,844,228.02 (FIN)

Claims were approved in the amount of \$2,844,228.02.

C-2 Approve Minutes (CLK)

The minutes of February 10, 2015 (Shirtsleeve Session), February 17, 2015 (Shirtsleeve Session), and February 18, 2015 (Regular Meeting) were approved as written.

C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for the Lodi Lake Wading Pool Resurfacing Improvements (PRCS)

Approved plans and specifications and authorized advertisement for bids for the Lodi Lake Wading Pool Resurfacing Improvements.

C-4 Approve Specifications and Authorize Advertisement for Bids; Adopt Resolution Authorizing City Manager to Award Bid and Execute Contract for Downtown Way-Finding Sign Installation Project Phase 1A and Appropriating Funds (\$110,000) (PW)

This item was pulled from the agenda pursuant to staff's request.

C-5 Adopt Resolution Authorizing Purchase of Sports Lighting Components from Musco Corporation, of Oskaloosa, Iowa; Accepting \$32,500 Donation from the Boosters of Boys/Girls Sports; and Appropriating Funds (\$160,429) (PRCS)

Adopted Resolution No. 2015-22 authorizing the purchase of sports lighting components from Musco Corporation, of Oskaloosa, Iowa; accepting \$32,500 donation from the Boosters of Boys/Girls Sports; and appropriating funds in the amount of \$160,429.

C-6 Adopt Resolution Awarding Contract for Well 6R Pump Replacement Project to Golden State Irrigation and Pump Services, of Stockton (\$19,144) and Appropriating Funds (\$30,000) (PW)

Adopted Resolution No. 2015-23 awarding the contract for the Well 6R Pump Replacement Project to Golden State Irrigation and Pump Services, of Stockton, in the amount of \$19,144, and appropriating funds in the amount of \$30,000.

C-7 Adopt Resolution Awarding Contract for Fire Station No. 3 Building Repairs to CNW Construction, of Rescue (\$49,000) (PW)

Adopted Resolution No. 2015-24 awarding the contract for Fire Station No. 3 Building Repairs to CNW Construction, of Rescue, in the amount of \$49,000.

C-8 Adopt Resolution Authorizing City Manager to Execute Agreements with the Following Entities for Water Meter Program Phase 5 and Appropriating Funds (\$3,400,707): a) Knife River Construction, of Stockton, for Construction (\$2,778,225); b) RMC Water and Environment, of Walnut Creek, Task Order No. 7 for Engineering Services During Construction (\$37,482); c) Neil O. Anderson and Associates, of Lodi, for Construction Testing and Inspection Services (\$250,000); and d) Henderson Bros. Company, Inc., of Lodi, for On-Call Residential Plumbing Services (\$40,000) (PW)

Council Member Nakanishi requested an update on this item.

Public Works Director Wally Sandelin stated that this is Phase 5 of the eight phases to install 16,000 meters and replace over 26 miles of undersize water mains in the City. This phase is \$1 million below what was budgeted and will add 1,400 new water meters. Mr. Sandelin stated that he anticipates a majority of the last four phases will be under budget and that the entire project will be complete in 2018.

Adopted Resolution No. 2015-25 authorizing the City Manager to execute agreements with the following entities for Water Meter Program Phase 5 and appropriating funds in the amount of \$3,400,707: a) Knife River Construction, of Stockton, for construction, in the amount of \$2,778,225; b) RMC Water and Environment, of Walnut Creek, Task Order No. 7 for engineering services during construction, in the amount of \$37,482; c) Neil O. Anderson and Associates, of Lodi, for construction testing and inspection services, in the amount of \$250,000; and d) Henderson Bros. Company, Inc., of Lodi, for on-call residential plumbing services, in the amount of \$40,000.

C-9 Adopt Resolution Authorizing City Manager to Execute Public Highway Overpass Crossing Agreement with Union Pacific Railroad Company and Approving Appropriation for Harney Lane Grade Separation Right-of-Way Acquisition (\$89,600) (PW)

Adopted Resolution No. 2015-26 authorizing the City Manager to execute the Public Highway Overpass Crossing Agreement with Union Pacific Railroad Company and approving an appropriation for the Harney Lane Grade Separation Right-of-Way Acquisition in the amount of \$89,600.

C-10 Adopt Resolution Authorizing Destruction of Certain Citywide Records in Accordance with the Government Code and the City's Records Management Policy (CLK)

Adopted Resolution No. 2015-27 authorizing the destruction of certain Citywide records in accordance with the Government Code and the City's Records Management Policy.

C-11 Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2 (PW)

Received an update on the emergency condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2.

D. Comments by the Public on Non-Agenda Items
THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.
Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

Amelia Kard stated she and her husband recently submitted a medical form to the Finance Department for relief on their utility bill due to her husband's health issues. Despite providing the required documentation, including the doctor's consent and signature regarding Mr. Kard's health condition, the request was denied on the basis that their system was gas, and not electric. Ms. Kard stated that their system was in fact electric, she has not received a return phone call from the Finance Department, and she questioned what more she could do to receive assistance as she and her husband are on a fixed income and do all they can to conserve energy.

City Manager Schwabauer stated that staff will look into the situation to determine if the letter was sent in error.

In response to Council Member Mounce, Deputy City Manager Jordan Ayers confirmed that there is also a low-income program for electric utility and he assured her that staff would look into both options to see if the Kard's qualify.

E. Comments by the City Council Members on Non-Agenda Items

Council Member Nakanishi reported on the current drought conditions, stating that the snow pack is the worst it has been since 1991 and reminding everyone to conserve water.

Council Member Mounce reported on the League of California Cities board meeting, which was her first as the League's 2nd Vice President. Issues discussed at the meeting included the reduction in transportation dollars by almost 30 percent, updates to massage ordinances through the state, and the marijuana issue that will once again be on the ballot in 2016. Council Member Mounce stated that the City Attorney is currently reviewing the City's massage ordinance, as well as the ordinance relating to the regulation of taco trucks, and she further requested that staff review the development code as it relates to chickens in the City limits. Ms. Mounce further suggested that staff prepare for the potential passage of the marijuana law in 2016 by researching ways the City can protect itself, as well as looking into taxation of the product. Council Member Mounce also suggested that Council create a blue ribbon committee of interested parties to discuss the homeless concerns, made up of those who live by the Highway 99 underpass, business owners in the downtown area, those near the Lodi Grape Festival, church representatives, and others who have a stake in the homeless population.

In response to Mayor Johnson, City Manager Schwabauer confirmed that there will be an upcoming Shirtsleeve Session regarding the homeless task force update, which was formed primarily of Police Department and Parks, Recreation, and Cultural Services staff, community housing, Lodi Salvation Army, and churches, with the intention of discussing new concepts to address the issue.

Council Member Mounce suggested that the President of the Lodi Grape Festival, those surrounding Legion Park, and seniors living at Casa de Lodi be included in the homeless task force.

In response to Mayor Pro Tempore Chandler, Mr. Schwabauer stated a date has not been set for the Shirtsleeve Session and explained that the primary reason for the initial discussion among the group is to encourage a cooperative approach with churches and local groups to convince them to run their services through the Lodi Salvation Army because it has the social services available to better help the homeless. The task force can be expanded, but the question is whether to do that now or after this group can negotiate some solutions.

Council Member Mounce stated she preferred to hear sooner rather than later what the staff task force is proposing, after which Council can decide to expand the task force with Council-appointed members.

Mayor Johnson stated that often, when more people are involved in a process and there is more visibility in a community, solutions can manifest more rapidly. He suggested that, with the warmer weather fast approaching, this issue be brought forward sooner rather than later.

Council Member Kuehne requested that he be a part of the next discussions on the homeless matter.

Mayor Johnson reported that he participated in a well-attended meeting last Saturday at the Library with representatives from the Lodi Police Department and Lodi Partners about violent crime in the community. He stated that many people do not realize that property crime in Lodi outweighs violent crimes, and he encouraged people to start Neighborhood Watch groups in their neighborhoods by contacting the Lodi Partners.

F. Comments by the City Manager on Non-Agenda Items - None

G. Public Hearings - None

H. Communications - None

I. Regular Calendar - None

J. Ordinances - None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:27 p.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept the Quarterly Investment Report as Required by the City of Lodi Investment Policy

MEETING DATE: March 18, 2015

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Accept the quarterly investment report as required by the City of Lodi Investment Policy.

BACKGROUND INFORMATION: Government Code Section 53646 has been amended to no longer mandate this report on investments to the legislative body of the local agency. Nevertheless, it is encouraged, and the report is attached for City Council review.

The total of all invested funds as of the quarter ending December 31, 2014 is \$91,620,724.45.
The average annualized return on all invested funds over the quarter is 0.31%.

The total earnings on all invested funds for FY 2014-15 is \$87,108.70.
The average annualized return on all invested funds for FY 2014-15 is 0.23%.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

Jordan Ayers
Treasurer

Attachment

APPROVED: _____
Stephen Schwabauer, City Manager



**CITY OF LODI
INTERNAL SERVICES DEPARTMENT
BUDGET DIVISION**

December 31, 2014 Investment Statement

Investment:	Earnings for Qtr Ending 12/31/14:	Ending Balance:
Local Agency Investment Funds*		
34.8 % of portfolio	0.26% interest earnings	31,903,871.05
	Subtotal LAIF	31,903,871.05
CalTRUST Investment Trust of California		
47.5% of portfolio		
Short-Term Account	0.24% interest earnings	12,072,598.27
Medium-Term Account	-.04% interest earnings	31,388,868.44
	Subtotal CalTRUST	43,461,466.71
Certificates of Deposit		
0.8% of portfolio		
Bank of Ag. & Comm (matures 3/8/15)	0.25% interest earnings	250,000.00
Central Valley Comm (matures 6/18/15)	0.25% interest earnings	250,000.00
F&M Bank (matures 11/03/15)	0.70% interest earnings	250,000.00
	Subtotal CDs	750,000.00
Passbook/Checking Accounts		
16.9% of portfolio		
Farmers & Merchants **	demand acct	2,676,069.18
Farmers & Merchants - Money Market	0.35% interest earnings	9,347,528.18
Farmers & Merchants - Payroll	demand acct	34,735.96
Farmers & Merchants - CP Money Market	0.35% interest earnings	3,447,053.37
	Subtotal P/C Accts	15,505,386.69
	TOTAL	91,620,724.45

Susan Bjork
Supervising Budget Analyst

Date

* In accordance with the terms of the Local Agency Investment Fund, invested funds may be utilized on the same day if the transaction is initiated before 10:00 a.m.

** This account carries a compensating balance required to obtain an earnings credit to offset service charges.



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Accept Quarterly Report of Purchases between \$10,000 and \$20,000
MEETING DATE: March 18, 2015
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Accept Quarterly Report of Purchases between \$10,000 and \$20,000.

BACKGROUND INFORMATION: During the fourth calendar quarter of 2014, the following purchases were awarded. Background information for each purchase is attached as Exhibits A through J.

Exh.	Date	Contractor	Project	Award Amt.
A	10/24/2014	Aqua-Aerobic Systems, Inc.	Tertiary Filter Replacement	\$19,699.84
B	10/24/2014	Hach	Wonderware Software	\$18,390.51
C	10/27/2014	Capture Technologies, Inc.	EUD Analog Voice Recorder	\$12,691.29
D	11/07/2014	Econolite Control Products, Inc.	Custom Traffic Signal Cabinet	\$15,147.00
E	12/02/2014	Survalent Technology Corp.	SCADA Software Support	\$19,480.00
F	12/11/2014	RMC Ray Morgan Company	Canon Digital Imaging System	\$10,498.30
G	12/15/2014	Tiocco, Inc.	Oil Trailer	\$11,506.99
H	12/17/2014	One Source Distributors LLC	EUD Replenish Inventory Stock	\$10,248.32
I	12/23/2014	Mitchell Snow, Inc.	60" Monitor/DVD system	\$10,343.32
J	12/30/2014	ABB Inc.	EUD Padmount Transformer	\$16,765.92

FISCAL IMPACT: Varies by project. All purchases were budgeted in the 2014-2015 Financial Plan.

FUNDING AVAILABLE: Not applicable.

 Jordan Ayers
 Treasurer

Attachments

APPROVED: _____
 Stephen Schwabauer, City Manager

EXHIBIT A

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Tertiary Filter 3 Sock Replacement
DEPARTMENT: P/W
CONTRACTOR Aqua Aerobics
AWARD AMOUNT: \$19,699.84
DATE OF RECOMMENDATION: 10/24/2014

BIDS OR PROPOSALS RECEIVED:
Aqua Aerobics \$19,699.84

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

This is a 'Sole Source' item, therefore no other bids were requested.

FUNDING: ⁷²⁵³¹
53053003-72334

Prepared by: Ken Capitanich

Title: CPO WSWPCF

Reviewed by: _____

Purchase Order No.

EXHIBIT B

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Wonderware-Historian
DEPARTMENT: Public Works
CONTRACTOR Hach
AWARD AMOUNT: \$18,390.51
DATE OF RECOMMENDATION: 10/24/2014

BIDS OR PROPOSALS RECEIVED:
Hach - sole source \$18,390.51

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

The Wonderware Historian specifically addresses three critical requirements:

1. The Wonderware software and historian will provide storage and collection from the current Supervisory Control and Data Acquisition (SCADA) system. The historian is required to facilitate plant information to the current reporting software used for process control, regulatory reports and project review.
2. The City has installed Wonderware software and historian as part of the Surface Water Treatment Facility (SWTF) in 2012. Instrumentation, hardware and software integration was sub contracted and competitively bid as part of the overall contract award. City staff currently operates, maintains and supports Wonderware software at the SWTF.
3. The purchase of the Wonderware software and historian at the WSPCF will allow both facilities to obtain one SCADA support and licensing contract, maintain similar hardware inventories and reduce staff training; all which will contribute to a significant savings to the operating budgets.

Although a formal bidding process could be initiated, for the reasons cited, only Wonderware Norcal will meet the established criteria set forth by the City.

FUNDING:

730401.7369

Prepared by: Karen D Honer

Title: Wastewater Plant Superintendent

Reviewed by: _____

Purchase Order No.

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Voice Recorder
DEPARTMENT: Electric Utility
CONTRACTOR Capture Technologies
AWARD AMOUNT: \$12,691.29
DATE OF RECOMMENDATION: 10/27/2014

BIDS OR PROPOSALS RECEIVED:

Capture Technologies	\$12,691.29
AT&T	\$27,875.61
Northland Business Systems	\$14,155.00

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

This material is for the phone voice recording system.

FUNDING: 160653.7717

Prepared by: Thomas Dean

Title: Electric Materials Technician

Reviewed by: _____

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Replacement Custom Traffic Control Cabinet
DEPARTMENT: Public Works
CONTRACTOR: ECONOLITE Control Products
AWARD AMOUNT: \$15,147.00
DATE OF RECOMMENDATION: 11/7/14

BIDS OR PROPOSALS RECEIVED:
ECONOLITE Control Products \$15,147.00
Sole Source Letter
Attached

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

ECONOLITE Control Products Inc. Is the City Of Lodi's sole source provider for our Traffic Signal Control Cabinets and its components.

FUNDING: 30156002.77030

Prepared by: Lance Roberts

Title: Utility Superintendent - PW

Reviewed by: 

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: SCADA Software Support
DEPARTMENT: Electric Utility
CONTRACTOR: Survalent Technology
AWARD AMOUNT: \$19,480.00
DATE OF RECOMMENDATION: 12/02/2014

BIDS OR PROPOSALS RECEIVED:
All-phase Electric Supply \$19,480.00

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

This is a sole source for SCADA software support. Documentation is attached.

FUNDING: 50061000-7245

Prepared by: Thomas Dean

Title: Electric Materials Technician

Reviewed by: _____

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Canon Image Runner Digital Imaging System
DEPARTMENT: Public Works - Surface Water Treatment Facility
CONTRACTOR Ray Morgan
AWARD AMOUNT: \$10,498.30
DATE OF RECOMMENDATION: 12/11/2014

BIDS OR PROPOSALS RECEIVED:

This contract is piggybacking on Shasta Union High School District Contract No. RFPSUHSD A77-2013.
Total cost: \$9,720.65 + tax = \$10,498.30

"NO BID" or NO RESPONSE RECEIVED:

N/A

BACKGROUND INFORMATION & BASIS FOR AWARD:

The City of Lodi feels that the recommended award will provide a secure cost-effective purchase for the City.

FUNDING: 56052005.77030

Prepared by: Marilyn Mason

Title: Administrative Clerk

Reviewed by: 

EXHIBIT G

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Oil Trailer`
DEPARTMENT: Electric Utility
CONTRACTOR Tiocco
AWARD AMOUNT: \$11,506.99
DATE OF RECOMMENDATION: 12/15/2014

BIDS OR PROPOSALS RECEIVED:

Tiocco	\$11,506.99
Filter Vac	\$13,000.00
Nakin	\$24,800.00
Trojan	\$31,500.00

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

This PO is for a unit to remove water from transformer oil

FUNDING: 50064200-77030

Prepared by: Thomas Dean

Title: Electric Materials Technician

Reviewed by: _____

Purchase Order No.

EXHIBIT H

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Electric Utility Inventory

DEPARTMENT: Electric Utility

CONTRACTOR One Source

AWARD AMOUNT: \$10,248.32

DATE OF RECOMMENDATION: 12/17/2014

BIDS OR PROPOSALS RECEIVED:

One Source
HD Supply

\$10,248.32
\$10,753.56

“NO BID” or NO RESPONSE RECEIVED:

All Phase

BACKGROUND INFORMATION & BASIS FOR AWARD:

This PO is to replenish inventory stock.

FUNDING: 160.1496

Prepared by: Thomas Dean

Title: Electric Materials Technician

Reviewed by: _____

EXHIBIT I

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: White Slough Expansion Project
DEPARTMENT: Public Works - White Slough
CONTRACTOR Mitchell Snow
AWARD AMOUNT: \$10,343.32
DATE OF RECOMMENDATION: 12/23/2014

BIDS OR PROPOSALS RECEIVED:

Mitchell Snow	\$10,343.32
Smart Office	\$10,913.56
Clary Business Machines	\$10,946.00

“NO BID” or NO RESPONSE RECEIVED:
NA

BACKGROUND INFORMATION & BASIS FOR AWARD:

The Smartv is a combination white board/media screen and video screen for training DVDs. This is necessary for the new conference room to function adequately for presentations and training.

FUNDING: 53053003.72531

Prepared by: Karen D Honer

Title: Wastewater Plant Superintendent

Reviewed by: _____

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Transformer Puchase
DEPARTMENT: Electric Utility
CONTRACTOR ABB
AWARD AMOUNT: \$16,765.92
DATE OF RECOMMENDATION: 12/30/2014

BIDS OR PROPOSALS RECEIVED:

ABB	\$16,765.92
Cental Moloney, Inc.	\$21,444.48
HEES Enterprises	\$14,443.92
Howard Industries	\$14,875.92

“NO BID” or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

This is for transformer replacement. Pacific Utilities is the dealer for ABB. Since we will receive the invoice from ABB, we were required to make the PO to ABB. Pacific Utilities submitted the bid.

Although the ABB bid is not the lowest cost, transformers are purchased based on Life Cycle cost. This takes into account the efficiency of the transformer over its life span. The ABB transformerers are the best Life Cycle Cost.

FUNDING: 500-14396

Prepared by: Thomas Dean

Title: Electric Materials Technician

Reviewed by: _____

Purchase Order No. 2150053



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Awarding Contract for Lodi Transit Station Restroom / Vault Improvements to Abide Builders, Inc., of West Sacramento (\$505,200)
MEETING DATE: March 18, 2015
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution awarding contract for Lodi Transit Station Restroom / Vault Improvements to Abide Builders, Inc., of West Sacramento, in the amount of \$505,200.

BACKGROUND INFORMATION: This project consists of modifying the Dispatch/North Annex to accommodate a fare collection room and vault installation; and constructing additional restrooms totaling eight stalls (four men and four women), one family/employee restroom and a janitor/supply room at the Lodi Transit Station main lobby. This project was formerly known as Lodi Transit Station Modification Project.

Plans and specifications for this project were approved on May 21, 2014. The City received the following five bids for this project on February 12, 2015.

Bidder	Location	Bid
Engineer's Estimate		\$ 582,500.00
Abide Builders, Inc.	West Sacramento	\$ 505,200.00
Diede Construction, Inc.	Woodbridge	\$ 529,500.00
Bobo Construction, Inc.	Elk Grove	\$ 541,000.00
American River Construction, Inc.	El Dorado	\$ 541,000.00
Swierstok Enterprises dba Pro Builders	Sacramento	\$ 707,000.00

FISCAL IMPACT: There will be a slight increase in the maintenance costs (cleaning and long-term building maintenance) associated with these improvements, which will be included in a contract amendment with the current transit operation contractor.

FUNDING AVAILABLE: This project will be funded by Transportation Development Act (TDA) (60199000) and was included in the FY 14/15 transit capital budget.

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Paula J. Fernandez, Transportation Manager/Senior Traffic Engineer
FWS/PJF/smh
Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

LODI TRANSIT STATION
RESTROOM/VAULT IMPROVEMENTS
CITY OF LODI, CALIFORNIA

Contract

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and ABIDE BUILDERS, INC., herein referred to as the "Contractor."

W I T N E S S E T H:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

- Notice Inviting Bids
- Information to Bidders
- General Conditions
- Special Provisions
- Bid Proposal
- Contract
- Contract Bonds
- Plans (Drawings)
- Specifications
- Addenda

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work, furnish all labor and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Clauses 65 and 66 General Conditions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

LODI TRANSIT STATION
RESTROOM/VAULT IMPROVEMENTS

Contract

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

Item	Description	Unit	Total Base Price
	Lodi Transit Station - Improvements (Lump Sum)		<u>\$498,000.00</u>
	Bid Alternate 1: Paint interior North Annex (Lump Sum)		<u>\$3,000.00</u>
	Bid Alternate 2: Paint interior Main Station Lobby (Lump Sum)		<u>\$4,200.00</u>
	<u>Total Contract:</u>		<u>\$505,200.00</u>

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract and to diligently prosecute to completion within **90 CALENDAR DAYS**.

ARTICLE IX - No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)]. No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Note: SB 854 requires that the awarding agency include the above language in bid invitations and contracts for all projects being awarded on or after January 1, 2015. The contractor is responsible for reviewing SB 854 prior to submitting a bid to ensure compliance.

When signing this contract, the contractor agrees that the time of completion for this contract is reasonable and the contractor agrees to pay the city liquidated damages of **\$1,000.00 per day for each day the work is not completed** beyond the time specified in the preceding paragraph. Contractor agrees that this amount may be deducted from the amount due the contractor under the contract.

LODI TRANSIT STATION
RESTROOM/VAULT IMPROVEMENTS

Contract

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:
ABIDE BUILDERS, INC.

CITY OF LODI

By: _____
STEPHEN SCHWABAUER
City Manager

By: _____

Date: _____

Title

Attest:

(CORPORATE SEAL)

JENNIFER M. FERRAILOLO
City Clerk

Approved as to form:

JANICE D. MAGDICH
City Attorney 

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AWARDING AND AUTHORIZING THE CITY MANAGER
TO EXECUTE THE CONTRACT FOR LODI TRANSIT
STATION RESTROOM/VAULT IMPROVEMENTS

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed proposals were received and publicly opened on February 12, 2015, at 11:00 a.m., for the Lodi Transit Station Restroom/Vault Improvements, described in the plans and specifications therefore approved by the City Council on May 21, 2014; and

WHEREAS, said bids have been checked and tabulated and a report thereof filed with the City Manager as follows:

Bidder	Bid
Abide Builders, Inc.	\$505,200
Diede Construction, Inc.	\$529,500
Bobo Construction, Inc.	\$541,000
American River Construction, Inc.	\$541,000
Swierstok Enterprises dba Pro Builders	\$707,000

WHEREAS, staff recommends awarding the contract to the low bidder, Abide Builders, Inc., in the amount of \$505,200.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the Lodi Transit Station Restroom/Vault Improvements to the low bidder, Abide Builders, Inc., of West Sacramento, California, in the amount of \$505,200; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute the contract.

Dated: March 18, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Awarding Contract for Henry Glaves Park Pump Station Improvement Project to Fort Bragg Electric, Inc. of Fort Bragg (\$64,740) and Appropriating Funds (\$58,000)

MEETING DATE: March 18, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution awarding a contract for the Henry Glaves Park Pump Station Improvement Project to Fort Bragg Electric, Inc. of Fort Bragg, in the amount of \$64,740 and appropriating funds in the amount of \$58,000.

BACKGROUND INFORMATION: This project consists of furnishing and installing a submersible storm drain pump, electrical control panel, and other incidental and related work, all as shown on the plans and specifications for the project.

The existing storm drain pump station at Henry Glaves Park was originally installed in 1965. The pump station was designed to remove on-site irrigation water and other miscellaneous storm water drainage to keep the low-lying play field dry. The existing pump and control equipment have exhibited wear and tear from normal usage. The existing control panel is severely corroded and it is separating from the foundation. The pump control component inside the panel is aged and is not safe to be operated. The new pump and control equipment to be installed with this project will be up-to-date and allow remote monitoring through the City's SCADA system.

Plans and specifications for this project were approved on February 4, 2015. The City received the following seven bids for this project on February 25, 2015.

Bidder	Location	Bid
Engineer's Estimate		\$ 72,000.00
Fort Bragg Electric Inc.	Fort Bragg	\$ 64,740.00
Richard A Soracco Jr	Lodi	\$ 70,450.00
Golden State Irrigation & Pump	Stockton	\$ 70,861.50
Campbell Construction	Amador City	\$ 78,680.00
Asta Construction Co.	Rio Vista	\$ 79,413.00
TNT Industrial Contractors	Sacramento	\$ 79,584.00
Howk Systems	Modesto	\$ 81,700.00

Part of the project is included in the FY14/15 budget for \$32,000. The estimated total project cost of \$90,000 covers the contract, engineering, inspection and project contingencies.

APPROVED: _____
Stephen Schwabauer, City Manager

FISCAL IMPACT:	This project will reduce the maintenance cost to the pump station.	
FUNDING AVAILABLE:	Henry Glaves Park Storm Drain Pump Station (FY14/15 Budget)	\$32,000
	Requested Appropriation:	
	Wastewater Capital Fund (531)	<u>\$58,000</u>
	Total Estimated Project Cost:	\$90,000

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Lyman Chang, Senior Civil Engineer
FWS/LC/smh
Attachment
cc: City Engineer – Swimley
Utility Superintendent
Senior Civil Engineer
Management Analyst – Public Works
Fort Bragg Electric, Inc.

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and FORT BRAGG ELECTRIC, INC., herein referred to as the "Contractor."

W I T N E S S E T H :

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids	The July 1992 Edition,
Information to Bidders	Standard Specifications,
General Provisions	State of California,
Special Provisions	Business and Transportation Agency,
Bid Proposal	Department of Transportation
Contract	
Contract Bonds	
Plans	

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

The work consists of furnishing and installing a submersible storm drain pump, electrical control panel, and other incidental and related work, all shown on the plans and specifications for the above project.

CONTRACT ITEMS

ITEM NO.	DESCRIPTION	UNIT	EST'D. QTY	UNIT PRICE	TOTAL PRICE
1.	Clearing and Grubbing	LS		\$ 4,280.00	\$ 4,280.00
2.	Furnish and Install Pump	LS		\$ 17,660.00	\$ 17,660.00
3.	Furnish and Install Control Panel	LS		\$ 42,800.00	\$ 42,800.00
				TOTAL	\$ 64,740.00

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 15 calendar days after the City Manager has executed the contract and to diligently prosecute to completion within **90 CALENDAR DAYS**.

ARTICLE IX- State of California Senate Bill 854 requirements

- No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- Note: SB 854 requires that the awarding agency include the above language in bid invitations and contracts for all projects being awarded on or after January 1, 2015. The contractor is responsible for reviewing SB 854 prior to submitting a bid to ensure compliance.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:

CITY OF LODI, a municipal corporation

By: _____
STEPHEN SCHWABAUER
City Manager

By: _____

Date: _____

Title

Attest:

JENNIFER M. FERRAILOLO
City Clerk

(CORPORATE SEAL)

Approved As To Form:

JANICE D. MAGDICH
City Attorney



1. AA# _____

2. JV# _____

**CITY OF LODI
APPROPRIATION ADJUSTMENT REQUEST**

TO:	Internal Services Dept. - Budget Division		
3. FROM:	Rebecca Areida-Yadav	5. DATE:	3/3/2015
4. DEPARTMENT/DIVISION:	Public Works		

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	531		32205	Fund Balance	\$ 58,000.00
B. USE OF FINANCING	531	53199000	77020	Capital Projects	\$ 58,000.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

Contract for Henry Glaves Park Pump Station Improvement Project

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.

Department Head Signature: Wally Lawler

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager	Date
---	------

Submit completed form to the Budget Division with any required documentation.
Final approval will be provided in electronic copy format.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT
FOR THE HENRY GLAVES PARK PUMP STATION IMPROVEMENTS
PROJECT AND FURTHER APPROPRIATING FUNDS

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed proposals were received and publicly opened on February 25, 2015, at 11:00 a.m., for the Henry Glaves Park Pump Station Improvements Project, described in the plans and specifications therefore approved by the City Council on February 4, 2015; and

WHEREAS, said bids have been checked and tabulated and a report thereof filed with the City Manager as follows:

Bidder	Bid
Fort Bragg Electric, Inc.	\$64,740.00
Richard A. Soracco, Jr.	\$70,450.00
Golden State Irrigation & Pump	\$70,861.50
Campbell Construction	\$78,680.00
Asta Construction Company	\$79,413.00
TNT Industrial Contractors	\$79,584.00
Howk Systems	\$81,700.00

WHEREAS, staff recommends awarding the contract to the low bidder, Fort Bragg Electric, Inc., in the amount of \$64,740.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the Henry Glaves Park Pump Station Improvements Project to the low bidder, Fort Bragg Electric, Inc., of Fort Bragg, California, in the amount of \$64,740; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute the contract; and

BE IT FURTHER RESOLVED that funds in the amount of \$58,000 be appropriated from the Wastewater Capital Fund for this project.

Dated: March 18, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Awarding Contract for White Slough Water Pollution Control Facility (WSWPCF) Farm Irrigation Improvements – Phase 1 to Knife River Construction, of Stockton (\$415,213)

MEETING DATE: March 18, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution awarding contract for White Slough Water Pollution Control Facility (WSWPCF) Farm Irrigation Improvements – Phase 1 to Knife River Construction, of Stockton, in the amount of \$415,213.

BACKGROUND INFORMATION: This project consist of removing 3,770 feet of concrete ditch and installing approximately 1,040 feet of 36-inch pipe, 2,730 feet of 30-inch pipe, five alfalfa valves, and five standpipes, all as shown on the plans and specifications.

As part of the summer operation at White Slough Water Pollution Control (WSWPCF), treated wastewater is pumped into a series of pipes and ditches to irrigate approximately 900 acres of farmland. There were multiple incidents in 2014 when the concrete ditch along Thornton Road overloaded with irrigation water and spilled into the County right-of-way. As required, the overflow events were reported to the Central Valley Regional Water Quality Control Board (CVRWQCB). The CVRWQCB has issued a Notice of Violation (Exhibit A) requiring the City to take action to eliminate future overflow events.

One of the contributing factors to the spills is a low spot in the ditch adjacent to Thornton Road, which is where the spills occurred. The low spot is caused by a gradual slope of the channel, and would require reconstructing approximately 1,500 feet of the concrete ditch. Additional factors included dirt and debris from the fields getting into the ditch and clogging the slide gates and limiting the flow, therefore backing up the ditch.

In order to eliminate future spills and satisfy the requirements of the CVRWQCB Notice of Violation, this project will remove the concrete ditches and replace them with buried pipes. These pipes are designed to accommodate existing and future irrigation requirements. Another option considered but not recommended, is to construct walls on both sides of the channel and existing ditch (effectively raising the contained height). This option (estimated to cost \$300,000) would be less effective at preventing spills and would need to be demolished and removed for any future expansion of the irrigation system.

Plans and specifications for this project were approved on February 4, 2015. The City received the following 10 bids for this project on February 25, 2015.

APPROVED: _____
Stephen Schwabauer, City Manager

Adopt Resolution Awarding Contract for White Slough Water Pollution Control Facility (WSWPCF) Farm Irrigation Improvements – Phase 1 to Knife River Construction, of Stockton (\$415,213)

March 18, 2015

Page 2

Bidder	Location	Bid
Engineer's Estimate		\$ 490,000.00
Knife River Construction	Stockton	\$ 415,213.00
Mozingo	Oakdale	\$ 461,864.00
Asta Construction Company	Rio Vista	\$ 466,013.00
McGuire and Hester	Oakdale	\$ 469,883.00
McFadden Construction	Stockton	\$ 483,232.00
Ford Construction Company	Lodi	\$ 491,785.00
F. Loduca Company	Stockton	\$ 494,225.00
West Coast Backhoe	Lodi	\$ 528,276.09
Taylor Backhoe	Merced	\$ 595,609.48
Olympic Land Construction	Sacramento	\$ 735,830.00

The project was included in the FY14/15 budget.

FISCAL IMPACT: This project will reduce potential fines of up to \$10,000 per day and \$10 per gallon discharged, and will reduce future expansion costs.

FUNDING AVAILABLE: This project was approved in the FY 14/15 budget under Wastewater Capital Fund (53199000.77020)

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Lyman Chang, Senior Civil Engineer

FWS/LC/smh

Attachment

cc: City Engineer – Swimley

Utility Superintendent

Senior Civil Engineer

Management Analyst – Public Works

Knife River Construction



Central Valley Regional Water Quality Control Board

6 March 2015

Larry Parlin
Deputy Public Works Director
City of Lodi
1331 South Ham Lane
Lodi, CA. 95242

NOTICE OF VIOLATION, SECONDARY WASTEWATER SPILL, CITY OF LODI, WHITE SLOUGH WATER POLLUTION CONTROL FACILITY, SAN JOAQUIN COUNTY

The discharge of wastewater by the City of Lodi (Discharger) from the White Slough Water Pollution Control Facility (Facility) is regulated by a land discharge permit, Waste Discharge Requirements (WDRs) Order R5-2007-0113-01, and by surface water discharge permit WDRs Order R5-2013-0125 (NPDES CA0079243). Order R5-2007-0113-01 allows, in part, for secondary treated wastewater to be discharged to agricultural fields. The Discharger reported five spills, which occurred between 19 January 2014 and 9 August 2014. The spills are described as follows:

- On 19 January 2014, the Discharger reported approximately 12,000 gallons of secondary treated effluent spill alongside Thornton Road. According to the Discharger, the spill occurred due to erosion which was discovered on the outside of the irrigation ditch (4D field). The spill was contained within the road ditch and no water reached surface waters.
- On 6 June 2014, the Discharger reported approximately 19,000 gallons of blended secondary treated effluent and industrial effluent spilled into a road side ditch on Thornton Road. According to the Discharger, Facility staff found the irrigation ditch in field 4C overflowing into the road ditch alongside Thornton Road. In response to the spill, the Discharger installed portable pumps to pump the spilled water from the roadside ditch back into the irrigation ditch.
- On 2 July 2014, the Discharger reported that it discovered five seeps from their irrigation ditch alongside Thornton Road, which resulted in a spill of approximately 650 gallons of blended secondary treated and industrial effluent. According to the Discharger it compacted the soil along the irrigation ditches to prevent future similar events.
- On 30 July 2014, the Discharger reported that during a field irrigation inspection, the Discharger discovered that their irrigation ditch alongside Thornton Road was leaking onto the road. In response to the spill, the Discharger installed portable pumps to pump

the spill back to the irrigation system. Approximately 65,000 gallons were returned to the Discharger's property.

- On 9 August 2014, the Discharger reported approximately 3,500 gallons of secondary treated effluent spilled onto Thornton Road. The Discharger stated the overflow was caused by a partial blockage of the irrigation ditch. According to the Discharger, the farmers cleared the debris and removed the blockage. Subsequently, the Discharger has backfilled the east side of the ditch to prevent flow from going over the top until the irrigation conveyance project is completed.

The City of Lodi has violated:

1. Discharge Prohibition of WDRs Order R5-2007-0113-01, which states:

"Discharge or application of waste at a location or in a manner different from that described in the findings is prohibited;" and

2. Standard Provision I.D, which states in part:

"The Discharger shall at all times properly operate and maintain all facilities and systems of treatment and maintain all facilities and system of treatment and control... to achieve compliance with the conditions of this Order... This provision requires the operation of backup and auxiliary facilities..."

In summary, the irrigation ditch used to irrigate the City of Lodi's land application fields spilled five times during the 2014 calendar year, resulting in the discharge of secondary treated effluent combined with industrial process water to a non-permitted location. Due to the environmental impacts associated with the spills and discharge at a location in a manner different from that described in Order R5-2007-0113-01, the Central Valley Water Board has concerns about the current system's ability to prevent spills.

In each of these spill events, the Discharger reported that an irrigation conveyance project was planned and that the project would prevent these spills from occurring in the future. Thus far, the Discharger has failed to submit a report summarizing repairs or replacement of the irrigation system.

By 31 March 2015, the City of Lodi shall either submit a time schedule as to when the Discharger shall complete the irrigation conveyance project or shall propose a project that will adequately protect the Facility from having future spills. In addition, the Discharger shall submit a technical report detailing how the Discharger will prevent future similar violations. This technical report shall discuss whether more frequent inspections of the irrigation system will help prevent such a large volume of spills.

Please be advised that spills are serious violations of your WDRs and failure to comply with the conditions of your WDRs could result in additional enforcement action, including Administrative Civil Liability (monetary penalty) of up to \$10,000 per day and \$10 per gallon discharged.

If you have any questions, please contact Mohammad Farhad at (916) 464-1181 or mfarhad@waterboards.ca.gov.

A handwritten signature in blue ink, appearing to be 'Kari Holmes', written in a cursive style.

KARI HOLMES, P.E
Senior Water Resources Control Engineer
NPDES Compliance and Enforcement Unit

cc: Karen Horner, CPO, 1331 South Ham Lane, Lodi, CA 95242

**WHITE SLOUGH FARM IRRIGATION
IMPROVEMENTS – PHASE 1**
12751 North Thornton Road

CONTRACT

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and KNIFE RIVER CONSTRUCTION, herein referred to as the "Contractor."

W I T N E S S E T H :

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids	The July 1992 Edition,
Information to Bidders	Standard Specifications,
General Provisions	State of California,
Special Provisions	Business and Transportation Agency,
Bid Proposal	Department of Transportation
Contract	
Contract Bonds	
Plans	

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

Perform the work necessary to remove the existing concrete irrigation ditch and slide gates and replace them with approximately 3,770 feet of 30" and 36" pipe, five alfalfa valves, five concrete standpipes, 300 feet of 18" lateral, and other incidental and related work, all as shown on the plans and specifications for the above project.

For additional bid item descriptions refer to Section 6-07 "Description of Bid Items".

CONTRACT ITEMS

Item	Description	Qty	Unit	Unit Price	Total
1	Demolition, Clearing and Grubbing	1	LS	\$51,250.00	\$51,250.00
2	Install 36" Irrigation Pipe	1041	LF	\$93.00	\$96,813.00
3	Install 30" Irrigation Pipe	2725	LF	\$76.00	\$207,100.00
4	Install 18" Irrigation Lateral (to AV)	300	LF	\$57.00	\$17,100.00
5	Install Alfalfa Valve (AV), 36" Standpipe, and Concrete Apron	5	EA	\$5,000.00	\$25,000.00
6	48" Diameter Standpipe	3	EA	\$2,000.00	\$6,000.00
7	48" Diameter Standpipe at Existing Connection	1	EA	\$4,700.00	\$4,700.00
8	72" Diameter Standpipe	1	EA	\$3,900.00	\$3,900.00
9	Asphalt Patch	1	LS	\$3,350.00	\$3,350.00

TOTAL \$415,213.00

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 15 calendar days after the City Manager has executed the contract and to diligently prosecute to completion within **60 CALENDAR DAYS**.

ARTICLE IX- State of California Senate Bill 854 requirements

- No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- Note: SB 854 requires that the awarding agency include the above language in bid invitations and contracts for all projects being awarded on or after January 1, 2015. The contractor is responsible for reviewing SB 854 prior to submitting a bid to ensure compliance.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR: CITY OF LODI, a municipal corporation

KNIFE RIVER CONSTRUCTION

By: _____
STEPHEN SCHWABAUER
City Manager

By: _____

Date: _____

Title

Attest:

JENNIFER M. FERRAILOLO
City Clerk

(CORPORATE SEAL)

Approved As To Form:

JANICE D. MAGDICH
City Attorney



RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING
AND AUTHORIZING THE CITY MANAGER TO EXECUTE
THE CONTRACT FOR THE WHITE SLOUGH WATER
POLLUTION CONTROL FACILITY FARM IRRIGATION –
PHASE 1 IMPROVEMENTS

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed proposals were received and publicly opened on February 25, 2015, at 11:00 a.m., for the White Slough Water Pollution Control Facility Farm Irrigation Improvements – Phase 1 described in the plans and specifications therefore approved by the City Council on February 4, 2015; and

WHEREAS, said bids have been checked and tabulated and a report thereof filed with the City Manager as follows:

Bidder	Bid
Knife River Construction	\$415,213.00
Mozingo	\$461,864.00
Asta Construction Company	\$466,013.00
McGuire and Hester	\$469,883.00
McFadden Construction	\$483,232.00
Ford Construction Company	\$491,785.00
F. Loduca Company	\$494,225.00
West Coast Backhoe	\$528,276.09
Taylor Backhoe	\$595,609.48
Olympic Land Construction	\$735,830.00

WHEREAS, staff recommends awarding the contract to the low bidder, Knife River Construction, in the amount of \$415,213.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the White Slough Water Pollution Control Facility Farm Irrigation Improvements – Phase 1 to the low bidder, Knife River Construction, of Stockton, California, in the amount of \$415,213; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute the contract.

Dated: March 18, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Contract with Wilson Utility Construction Company of Rancho Cordova, for Electric Utility Metering Services (\$200,000)

MEETING DATE: March 18, 2015

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute a contract with Wilson Utility Construction Company of Rancho Cordova, for Electric Utility metering services in an amount not to exceed \$200,000.

BACKGROUND INFORMATION: The Electric Utility (EU) maintains approximately 26,000 meters. Prior to the economic downturn, the EU staff included two Electric Meter Technicians and one Metering Electrician, dedicated to maintaining the metering infrastructure assets. Due to retirements and utility financial pressures, staffing in the EU Metering Division was reduced to a single Metering Technician, and this division has been operating at a critically understaffed level since that time.

EU Rules & Regulations, as well as industry best practices, specify intervals on which meters should be tested as well as field verified in the interest of ensuring appropriate revenue recovery and accurate meter reads. The EU has been unable to meet this requirement due to resource limitations and ongoing challenges with integrating various technologies into the metering infrastructure. The EU faces a substantial vulnerability without a revenue protection program in place, both in terms of protecting revenue and maintaining its responsiveness to customer inquiries. This vulnerability is further elevated in its urgency with complex metering programs and the ongoing integration of advanced technologies, such as distributed-generation and other mandated renewable resources.

At present time, the EU relies upon a single full-time employee to maintain the metering assets and ensure the integrity of these growing and complex metering systems. Adding additional resources will enable the EU to begin building a necessary meter testing program, implement quality control measures, train additional staff for support, and provide augmented staffing on an as-needed basis.

EU metering positions are highly specialized functions that require extensive journey-level training with ongoing education on the latest technologies that are a part of the EU's metering infrastructure. Further, this is a skill-set that is not common and not easily recruited. This contract position will augment existing staff on an as-needed basis as well as recommend staffing levels to appropriately maintain EU's metering infrastructure.

APPROVED: _____
Stephen Schwabauer, City Manager

Adopt Resolution Authorizing City Manager to Execute Contract with Wilson Utility Construction Company of Rancho Cordova,
for Electric Utility Metering Services (\$200,000)

March 18, 2015

Page 2 of 2

FISCAL IMPACT: Not to exceed \$200,000.

FUNDING AVAILABLE: Funding is available in the existing FY2014/15 budget. Funding for Agreement extensions shall be approved on a year-to-year basis.

Jordan Ayers
Deputy City Manager/Internal Services Director

Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Charles J. Berry, Electric Utility Superintendent
EAK/CJB/lst

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on _____, 20____, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and WILSON UTILITY CONSTRUCTION COMPANY (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for METERING SERVICES (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to

weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on March 23, 2015 and terminates upon the completion of the Scope of Services or on December 31, 2016, whichever occurs first.

ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
 221 West Pine Street
 P.O. Box 3006
 Lodi, CA 95241-1910
 Attn: C.J. Berry, EU Superintendent

To CONTRACTOR: Wilson Utility Construction Co.
 3395 Luyung Drive
 Rancho Cordova, CA 95742
 Attn: Ted Leineke, Vice President

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

JENNIFER M. FERRAILOLO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

WILSON UTILITY CONSTRUCTION CO.

By: _____

By: _____

Name: TED LEINEKE
Title: Vice President

Attachments:

Exhibit A – Scope of Services

Exhibit B – Fee Proposal

Exhibit C – Insurance Requirements

Exhibit D – Federal Transit Funding Conditions (if applicable)

**Funding Source: 50064100
(Business Unit & Account No.)**

Doc ID:

CA:Rev.01.2015

Scope

The scope of this agreement will include the design of a comprehensive revenue protection program and various tasks related to the Metering Technician classification, which include:

- Develop, design and document a revenue protection program that meets regulatory requirements and best industry practices, to include:
 - Meter testing
 - Quality control measures
 - Meter validation
 - Ancillary best industry practices
- Deploy meter testing program and measure efficacy
- Reprogram existing meters
- Remove/Install metering equipment
- Develop electric service requirements for PV and EV
- Develop construction standards for meter rooms
- Train staff
- Troubleshoot malfunctioning meters
- Typical Meter Technician duties

Fee Schedule

Hourly Rate \$126.36 with a Not to Exceed amount of \$200,000.



EXHIBIT C

Insurance Requirements for Consultant The Consultant shall take out and maintain during the life of this Agreement, insurance coverage as listed below. These insurance policies shall protect Consultant and any subcontractor performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Consultant's operations under this Agreement, whether such operations be by Consultant, or by any subcontractor, or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. **COMPREHENSIVE GENERAL LIABILITY**
\$2,000,000 Each Occurrence
\$4,000,000 Aggregate
2. **COMPREHENSIVE AUTOMOBILE LIABILITY**
\$1,000,000 Each Occurrence
Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version of this form, or an equivalent form providing equivalent liability coverage.
3. **PROFESSIONAL LIABILITY / ERRORS AND OMISSIONS**
\$2,000,000 Each Occurrence

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City's Risk Manager for approval and shall not reduce the limits of liability set forth hereinabove. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Consultant; whichever is greater.

Consultant agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

A copy of the certificate(s) of insurance with the following endorsements shall be furnished to the City:

- (a) **Additional Named Insured Endorsement**
Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or equivalent form) such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers as additional named insureds.
- (b) **Primary and Non-Contributory Insurance Endorsement**
Additional insurance coverage under the Consultant's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

Insurance Requirements for Consultant (continued)

- (c) **Limits of Coverage**
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Consultant shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect the City as a named insured.
- (d) **Completed Operations Endorsement**
For three years after completion of project, a certificate of insurance with a Completed Operations Endorsement, CG 20 37 07 04, will be provided to the City of Lodi.
- (e) **Severability of Interest Clause**
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.
- (f) **Notice of Cancellation or Change in Coverage Endorsement**
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.
- (g) **Continuity of Coverage**
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Consultant shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Consultant shall provide proof of continuing insurance on at least an annual basis during the Term. If Consultant's insurance lapses or is discontinued for any reason, Consultant shall immediately notify the City and immediately obtain replacement insurance.
- (h) **Failure to Comply**
If Consultant fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Consultant shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Consultant of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Consultant shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding and other provision of this Agreement, if Consultant fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Consultant shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (i) **Qualified Insurer(s)**
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Workers Compensation Insurance The Consultant shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all of Consultant's employees employed at the site of the project and, if any work is sublet, Consultant shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Consultant. In case any class of employees engaged in hazardous work under this Agreement at the site of the project is not protected under the Worker's Compensation Statute, the Consultant shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. **A waiver of subrogation is required for workers compensation insurance.** This policy may not be canceled nor the coverage reduced without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

NOTE: The City reserves the right to obtain a full certified copy of any insurance policy or endorsements required. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE A PROFESSIONAL
SERVICES AGREEMENT WITH WILSON UTILITY
CONSTRUCTION COMPANY, OF RANCHO CORDOVA, FOR
ELECTRIC UTILITY METER SERVICES

=====

WHEREAS, the Electric Utility (EU) maintains approximately 26,000 meters, and prior to the economic downturn, the EU was staffed with 65 employees, including two Electric Meter Technicians and one Metering Electrician, dedicated to maintaining the metering infrastructure assets; and

WHEREAS, due to retirements and unprecedented financial pressures during the recession, staffing in the EU Metering Division was reduced to a single Metering Technician, and this division has been operating at a critically understaffed level since that time; and

WHEREAS, EU Rules and Regulations, as well as industry best practices, specify intervals at which meters should be tested, as well as field verified, in the interest of protecting revenue and ensuring accurate meter reads; and

WHEREAS, the EU has been unable to meet this requirement due to resource limitations and ongoing challenges with integrating various technologies into the metering infrastructure; and

WHEREAS, the EU faces a substantial vulnerability without a robust revenue protection program in place, both in terms of protecting revenue and maintaining its responsiveness to customer inquiries; and

WHEREAS, this vulnerability is further elevated in its urgency with complex metering programs and the ongoing integration of advanced technologies, such as distributed-generation and other mandated renewable resources; and

WHEREAS, at present time, the EU relies upon a single full-time employee to maintain the metering assets within its service territory and ensure the integrity of these growing and complex metering systems; and

WHEREAS, adding additional resources will enable the EU to begin building a necessary meter testing program, implement quality control measures, train additional staff for support, and provide augmented staffing on an as-needed basis; and

WHEREAS, EU metering positions are highly specialized functions that require extensive journey-level training with ongoing education on the latest technologies that are a part of the EU's metering infrastructure; and

WHEREAS, this contract position will augment existing staff on an as-needed basis, as well as recommend staffing levels to appropriately maintain EU's metering infrastructure; and

WHEREAS, funding is available in the existing FY 2014/15 budget.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with Wilson Utility Construction Company, of Rancho Cordova, for Electric Utility Metering Services, in an amount not to exceed \$200,000.

Dated: March 18, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept Improvements Under Contract for Water Meter Program Phase 4
MEETING DATE: March 18, 2015
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept Improvements under contract for Water Meter Program Phase 4.

BACKGROUND INFORMATION: The contract was awarded to Teichert Construction, of Davis, in the amount of \$3,645,238, on March 19, 2014. The contract has been completed in substantial conformance with the plans and specifications approved by City Council.

At the October 20, 2010 City Council meeting, a seven-year construction phasing was approved and the property owner meter payment was capped at \$300 per parcel. The project area for Phase 4 is presented in Attachment A and included the installation of 1,338 meters and the replacement of 22,130 feet (4.2 miles) of water main.

The contract completion date was November 17, 2014. The final contract price was \$4,068,626.62. The difference between the contract amount and the final contract price is due to the change orders (\$423,388.62, 12 percent of original contract) described below.

- a. Change Order No. 1: Includes various time and material changes as directed by City staff due to unknown conditions or City requested changes in the field. \$97,470.06 (Attachment B)
- b. Change Order No. 2: Includes various time and material changes as directed by City staff due to unknown conditions or City requested changes in the field. \$324,008.01 (Attachment C)
- c. Change Order No. 3: Includes work performed on a time and materials basis to replace several defective owner supplied ERT's (\$1,627.07) and repairs not related to the new meter work at 14 Yale Way (\$283.48). \$1,910.55

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: Water main leak and service repairs will be reduced. No additional costs will be incurred for reading of the meters as they are automatically read concurrent with the reading of the electric meters.

FUNDING AVAILABLE: This project was funded by Water Capital Fund (181)

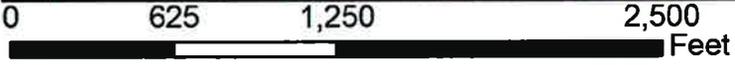
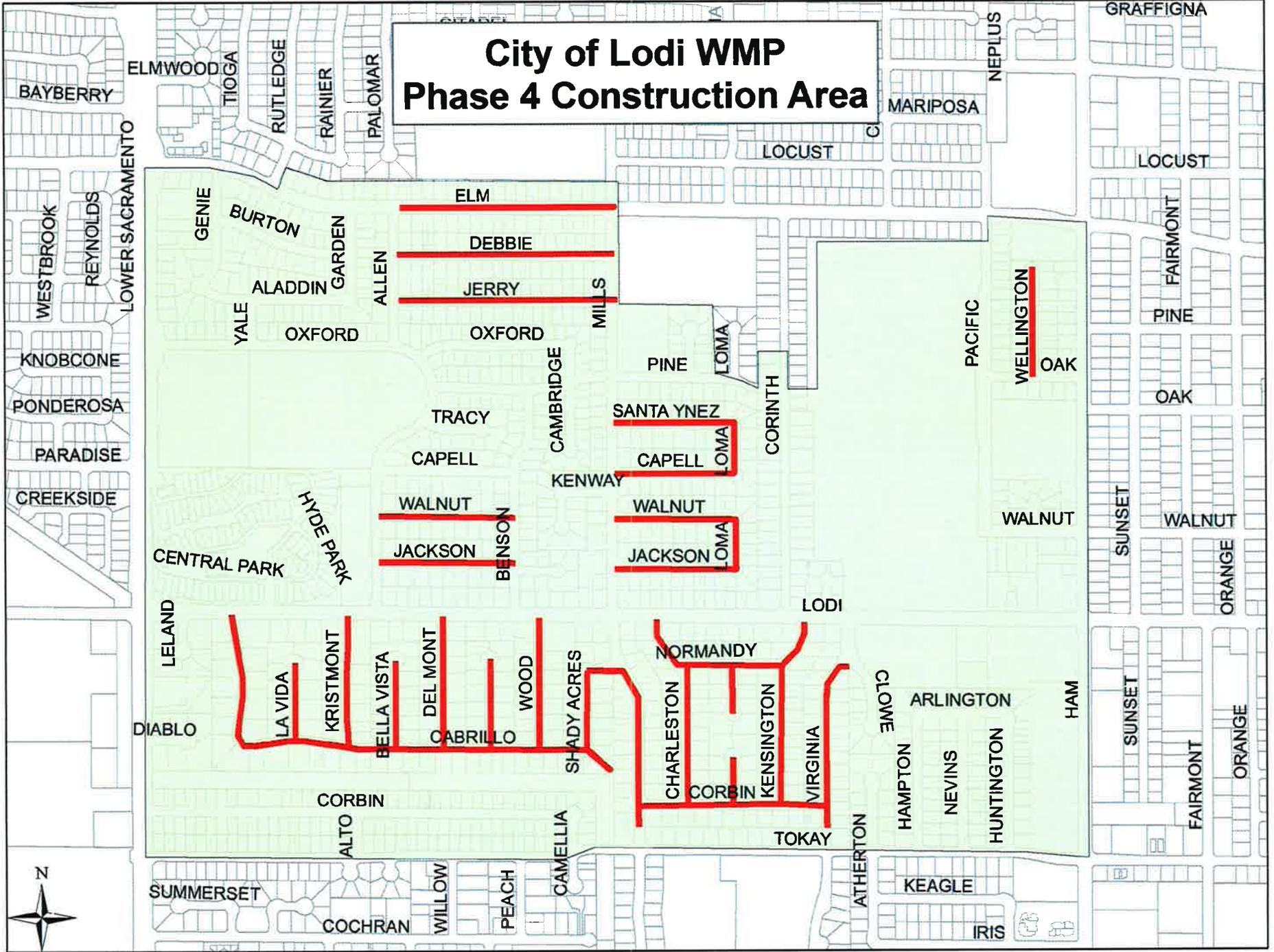
F. Wally Sandelin
Public Works Director

FWS/smh
Attachment

cc: Gary Wiman, Construction Project Manager
 Tony Valdivia, RMC Water and Environment
 Neil O. Anderson and Associates
 Teichert Construction

APPROVED: _____
 Stephen Schwabauer, City Manager

City of Lodi WMP Phase 4 Construction Area



— Phase 4 Replacement Mains Phase 4 Construction Area

Water Meter Program Phase 4
Change Order 2 Tally

Teichert CR #	Amount	Description
9007	\$ 964.18	Plumbing on Capel & Debbie
9020	\$ 548.60	Sawcutting on Elm Street
9021	\$ 20,918.67	RFI 2007 - Lodi Ave WM Valve Replacements
9025	\$ 420.77	Broken Phone lines
9026	\$ 4,728.02	Relocate Hot Tap on Mills Ave
9027	\$ 7,790.60	O.T. due to existing conditions
9029	\$ 65,163.07	Corbin Area Digouts
9030	\$ 1,791.04	Additional Sawcutting on Elm St for SD repair
9031	\$ 21,951.79	Abandonment Issues
9034	\$ 8,642.71	2124 Jackson Driveway
9035	\$ 3,570.82	Shady Acres 8" BF Valve
9036	\$ 355.41	2160 Debbie Lane additional work
9037	\$ 22,417.67	Elm/Loma Crosswalk Remove & Replace
9038	\$ 1,823.94	Additional Traffic Control on Lodi Ave
9039	\$ 2,301.33	Add Fire Hydrant on Bella Vista
9040	\$ 3,531.89	Misc Service Repairs
9041	\$ 1,179.29	Subgrade repair @ 2100 W Elm St.
9042	\$ 6,111.53	Mismarked Services
9043	\$ 313.84	Repair sewer at 623 Alto
9044	\$ 12,372.15	Lodi Ave cobble obstruction issues
9045	\$ 1,388.28	Mismarked WM Abandonments
9046	\$ 1,808.67	Raise Survey Monuments on Shady Acres
9047	\$ 3,000.30	Lodi Ave open cut services
9048	\$ 1,550.18	Jerry Ln concrete R&R
9049	\$ 3,392.35	Reconnect main & Service on Corbin
9050	\$ 2,506.86	Lower Sac AC Section thickness
9051	\$ 2,948.37	2070 Cabrillo service change
9052	\$ 1,167.84	Fire Hydrant on Benson
9053	\$ 344.41	Additional work at 348 Lower Sacramento Road
9054	\$ 2,755.45	Remove gate valves on Allen Drive
9055	\$ 411.26	Extra Service work at 8 Benson
9056	\$ 16,695.30	Replace Type "A" Lids
9057	\$ 7,402.56	Misc Patch Paving Areas
9058	\$ 3,851.20	EW for 1 1/2" WS to 2396 Cabrillo
9060	\$ 40,483.11	Elm St, Mills & Lodi Ave 6" Paving
9061	\$ 6,180.20	RFI 2017
9062	\$ 4,675.63	Lodi Ave Shutdown Items
9063	\$ 269.60	Extra service work at 2370 Cabrillo
9064	\$ 1,447.62	OT on 8/16/14
9065	\$ 729.76	EW For Pool plumbing
9066	\$ 1,259.21	WM Abandonment @ 142 S. Mills
9067	\$ 3,121.66	EW Well Site Abandonment
9069	\$ 2,114.74	EW @ 2224 Jackson St.
9070	\$ 8,531.20	EW Patch Paving
9071	\$ 11,779.95	C&D Curb Stop Material Change
9072	\$ 5,175.00	ACP Pipe Removal from MSC
9073	\$ 2,119.98	Add Duplex service on Elm St
	\$ 324,008.01	Total CO #2



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement for Security Services at the Lodi Transit Station and Parking Structure with Cypress Security, LLC, of San Francisco (Estimated Three-Year Cost: \$300,500), and to Negotiate and Execute Two One-Year Agreement Extensions

MEETING DATE: March 18, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute Professional Services Agreement for Security Services at the Lodi Transit Station and Parking Structure with Cypress Security, LLC, of San Francisco (estimated three-year cost of \$300,500), and to negotiate and execute two one-year agreement extensions.

BACKGROUND INFORMATION: This project provides transit security services augmented with the City's security cameras and a closed-circuit security system located at the Lodi Transit Station and Parking Structure. Security is provided by one security officer monitoring the cameras as well as patrolling the Lodi Transit Station and Parking Structure during the weekday evening hours and 24 hours per day on weekends. An additional security officer is stationed at the main lobby on the weekends.

On December 15, 2010, City Council awarded the current security services contract to U. S. Security, Inc., for a three-year term through 2014/15 with two one-year extensions. The current contractor determined they were unable to provide service for an additional year at the current price. Therefore, on January 14, 2015, City staff solicited requests for proposals (RFP) for security services for the Lodi Transit Station and Parking Structure.

On February 12, 2015, the City received proposals from the following 16 companies:

- | | | |
|-------------------------------|---|----------------------------|
| Cypress Security, LLC | Command International Security Services | Kingdom Security |
| AG Coast Inc. | Prestige International Security, Inc. | Hylton Private Security |
| Nu-way Security | Comprehensive Security Services | U.S. Security Associates |
| Security Enforcement Alliance | American Custom Private Security | Admiral Security Services |
| Universal Protection Services | National Security Industries and Services | Condor Security of America |
| Pac West Security Services | | |

Of the 16 proposals received, 11 met the minimum requirements. The six lowest cost proposals were selected for a more comprehensive review by a committee composed of a Lodi Police Lieutenant, the Deputy Public Works Director and the Transportation Manager. The six proposals were scored based upon company experience, training programs, proposed equipment, size of staff, references, and proposed cost. Phone conference calls were held for the three highest-scoring proposals, and the committee unanimously selected Cypress Security, LLC. Reference checks were performed for the highest-scoring company, confirming staff's selection.

APPROVED: _____
Stephen Schwabauer, City Manager

Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement for Security Services at the Lodi Transit Station and Parking Structure with Cypress Security, LLC, of San Francisco (Estimated Three-Year Cost: \$300,500), and to Negotiate and Execute Two One-Year Agreement Extensions

March 18, 2015

Page 2

Staff recommends awarding the contract to Cypress Security, LLC. Their Modesto and Elk Grove offices will support the proposed security program. In addition, they have a pool of 15 officers in the Lodi area, 15 officers in Stockton and 70 officers in Modesto. The total three-year contract will cost approximately \$300,500, but can vary based upon actual hours. The proposed standard hourly cost is \$15.43 for the first and second year and \$15.85 for the third year. The current contract hourly cost is \$15.00.

Staff also recommends the City Manager be authorized to extend the agreement for two years, if mutually agreed upon by both parties and advantageous to the City, at the end of the three-year term.

FISCAL IMPACT: Funds for the security services are budgeted in the Transit Operations budget.

FUNDING AVAILABLE: Public Works Transit Operating Fund (60054101)

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Paula Fernandez, Transportation Manager/ Senior Traffic Engineer
FWS/PJF/smh
cc: Cypress Security, LLC

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on _____, 2015, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and CYPRESS SECURITY, LLC (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for LODI TRANSIT STATION AND PARKING STRUCTURE SECURITY SERVICES (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall

remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on April 1, 2015 and terminates upon the completion of the Scope of Services or on March 31, 2018, whichever occurs first.

Section 2.7 Option to Extend Term of Agreement

At its option, City may extend the terms of this Agreement for an additional two (2) one (1)-year extensions; provided, City gives Contractor no less than thirty (30) days written notice of its intent prior to expiration of the existing term. In the event City

exercises any option under this paragraph, all other terms and conditions of this Agreement continue and remain in full force and effect.

The total duration of this Agreement, including the exercise of any option under this paragraph, shall not exceed five (5) years.

ARTICLE 3 **COMPENSATION**

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and

inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4 **MISCELLANEOUS PROVISIONS**

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Paula Fernandez

To CONTRACTOR: Cypress Security, LLC
478 Tehama Street
San Francisco, CA 94103
Attn: Kes Narbutas

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as “Confidential” or “Proprietary”, except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney’s Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney’s

fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

JENNIFER M. FERRAIOLO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

CYPRESS SECURITY LLC

By: _____


By: _____
Name: KES NARBUTAS
Title: Owner/CEO

- Attachments:**
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 60054101
(Business Unit & Account No.)

Exhibit A – Scope of Services (RFP)

Exhibit A1 – Cypress Security, LLC Proposal (Scope of Services
and Project Plan)

Exhibit B – Fee Proposal Form

Exhibit B1 – Contract Services and Costs

Exhibit C – Insurance Requirement

Exhibit D – Federal Transit Funding Conditions

Exhibit D1 – Federal Forms

Exhibit A Scope of Services (RFP)

CITY has provided demand response transit services to the Lodi community since 1978. In 1994, the CITY established fixed-route service as part of the transit operations. The CITY is an urbanized area located in the San Joaquin Valley in the central portion of the State of California. An estimated population of 68,000 resides within the CITY limits. The primary industries are agriculture, food processing, and some light industry and services.

CITY provides public transit services within its boundaries and limited adjacent areas in northern San Joaquin County. The GRAPELINE, a fixed route transit service, operates within the CITY limits. The demand response and ADA paratransit (Dial-A-Ride/VineLine) service area consists of the CITY limits, plus various unincorporated areas. The total annual passenger ridership for the fixed route, demand response, and ADA paratransit services is approximately 250,000 passengers. The total service area is approximately 19 square miles.

The Lodi Transit Station was opened in October 1999. The Lodi Transit Station Parking Structure was constructed in 2002. In 2013, a network-based video surveillance and assessment system was installed at the Lodi Transit Station and Transit Station Parking Structure. A security monitoring room is located at the Lodi Transit Station clock tower. There are 31 internet protocol (IP) type fixed-position and pan/tilt/zoom cameras. The Lodi Transit Station has cameras inside and outside the station buildings, monitoring the fare collection activity and buses parked overnight in a non-secured area. Security cameras provided by AmTrak and located at the Lodi Transit Station are viewed by the transit operations' staff and not included in this security service contract. At the parking structure, the cameras are located and monitored on each floor, access points, and elevator activities.

CITY's security services are funded through a combination of fare revenues, Transportation Development Act (sales tax), Federal Transit Administration (FTA) 5307 funds, and miscellaneous grants.

The scope of services as set forth in this Request for Proposals, represent an outline of the services which the CITY anticipates the successful proposer to perform, and is presented for the primary purpose of allowing the CITY to compare proposals. The precise scope of services in the Security Services Agreement shall be negotiated between the CITY and the successful proposer. As a minimum, the following security services are anticipated to be needed, but not limited to:

A. Scope of Services for Lodi Transit Station and Lodi Transit Station Parking Structure

1. Security services at the Lodi Transit Station and Lodi Transit Station Parking Structure are as follows:

On weekdays (Monday through Friday) for 12 hours a day from 6:00 p.m. to 6:00 a.m., and on weekends for 24 hours a day, starting 6:00 a.m. on

Saturday until 6:00 a.m. on Monday, one security officer shall be on duty. A secondary security officer is on duty at the Lodi Transit Station lobby on Saturday for 10 hours a day from 12 noon to 10 PM and on Sunday for five hours a day from 12 noon to 5 PM. The security officers are expected to remain onsite during lunch or be relieved by another security officer during his or her lunch. At a minimum, the primary security officer will perform security sweeps on an hourly basis. In addition, the primary security officer will monitor the cameras at a minimum of 20 minutes per hour. The security officer shall walk, bike or use a motorized cart in the supervision of the two sites. The sites consist of the parking lots and the perimeters of Lodi Transit Station and Lodi Transit Station Parking Structure. The security officer shall also monitor persons and their behavior to ensure a safe environment. The service provider shall be responsible to provide the motorized cart (electric or propane only) and ensure proper maintenance, storage and fueling of vehicle should a cart be used. Key and clock or magnetic card system must be provided in order to verify the hourly sweeps.

2. Security officers, as required by the CITY, are to act in the best interests of the CITY to protect its patrons, contract employees, facilities, vehicles and guests. The security officers shall be present to monitor persons and activities in and around the facilities to ensure a safe environment for all individuals. The officer will be required to act on behalf of the City of Lodi in an efficient, courteous, and professional manner at all times, to monitor and notify Lodi Police of improper or destructive behavior, and to insist that appropriate behavior prevail.
3. The officer will be required to perform security sweeps of the parking lots and perimeters of the Lodi Transit Station and the Lodi Transit Station Parking Structure. In addition to the security sweeps, the officers will be required to view and monitor security cameras provided at the Lodi Transit Station Parking Structure Security Office through a network-based video surveillance and assessment system. At the conclusion of their shift, the officer going off duty shall ensure the buildings are secure, properly alarmed and provide a list of City vehicles on the premises to the transit dispatcher. The officer will leave a copy of daily report activities in the Transportation Manager's mailbox in the Transit Office.
4. Officers shall make available, at any time while on duty, their officer cards. Officers shall be expected to present cards to members of the Lodi Police Department or designated City of Lodi employees on demand. Failure to produce a valid security officer card shall be grounds for termination of the contract.
5. All officers must be neat, clean and properly uniformed and have a clear command of the English language (able to read, write, and speak). Uniforms shall not be similar to those of the Lodi Police Department. All shirts shall be tucked in. Head covers, if worn, shall be a part of the uniform.
6. All officers must be equipped with radios or phones capable of communicating with other officers and their dispatch site. In addition to the radios, officers

must have a cellular phone for communication with Lodi Police or other departments/individuals.

7. Security officers shall arrive at Lodi Transit Station and Lodi Transit Station Parking Structure at scheduled time, properly uniformed, with all necessary equipment to perform job satisfactorily. Additionally, officers shall refrain from socializing with any one group for any period of time unless necessitated as part of their patrol duties. Officers shall refrain from onsite visitors at all times while on duty.

B. Required Qualifications:

1. Firm must have a minimum of five (5) years experience.
2. All security officers assigned to Lodi Transit Station and the Lodi Transit Station Parking Structure must be bonded and employed by a company holding a valid California Private Patrol Operator license that provides 24-hour dispatch. Additionally, all officers shall be licensed and carry their officer cards with them whenever on premises. At the request of Lodi Police, officers shall immediately present the officer cards for viewing.
3. All security officers must be equipped with radios or phones capable of communicating with other officers who are elsewhere on the site, if applicable, and their dispatch center.
4. Lethal weapons shall be prohibited. Officers carrying batons or chemical agents must have a valid certification from the State of California.
5. The security company must have a good working relationship with local law enforcement agencies.
6. Proposed services to utilize Federal Transit Administration funding. Submittal of a proposal acknowledges Proposer's receipt and understanding of the requirements for Federal contracting provided in the appendix.

EXHIBIT A1 – Cypress Security, LLC Proposal

CITY OF LODI SCOPE OF SERVICES AND PROJECT PLAN

Our experienced and knowledgeable security management team will continually review the needs of the City of Lodi. After assessing the current security environment, our team will then advise and implement mutually agreed upon policy or procedural changes. The CPS approach to delivering the best security program for you is to meticulously analyze the site: location (area), activities, public interest, and other stakeholders. In particular, CPS pays special attention in addressing the following factors:

Lodi Transit Station and Lodi Transit Station Parking Structure Protocols

Roving Patrol – The primary security officer shall perform security sweeps on a regular basis, one per hour at minimum. These patrols include parking lots and perimeters of the Lodi Transit Station and Transit Station Parking Structure as well as any other areas as designated by the post orders. The focus of these patrols is primarily for crime prevention and fire and life safety. A visible presence will serve as a deterrent to trespassers and crime and increase general public safety. Any facility conditions issues will be reported to the appropriate City transit staff member. CPS will use D3 security technology for guard tracking purposes in order to verify the hourly security sweeps.

Camera Monitoring – The primary security officer shall also monitor the cameras at least 20 minutes per hour. Officers will be trained to operate all security camera monitoring equipment. CCTV images are retained when possible to aid in future investigations.

Access Control – At the conclusion of their shift, outgoing officers shall ensure that the buildings are secure and properly alarmed. They will provide the transit dispatcher with a list of City vehicles on the premises so that the dispatcher is aware of who is onsite. Trespassers located outside the premises are asked to leave.

Continuous Coverage – CPS understands the importance of uninterrupted coverage and is committed to a staffing plan that will ensure that there are no gaps in coverage. CPS has the officer pool to fulfil the required posts. During the scheduled shift hours, officers will remain onsite during lunch or be relieved by another officer. While on duty, officers will carry their California guard cards at all times.

Vehicle Patrol – CPS proposes the use of a bicycle for supervision of the Transit Station and Parking Structure sites. The bicycle will be provided and maintained by CPS. However, upgrading to a motorized cart is an option.

Customer Service – All CPS officers must undergo and complete customer service training. Officers will support City of Lodi transit employees in any capacity as long as the officers can safely complete their post duties. Officers will be comfortable interacting regularly with the public; they act on behalf of the City of Lodi and will conduct themselves with the appropriate levels of customer service and authority. They will be able to provide public information to visitors and have basic knowledge of the general area and services. Officers will, at all times, be polite, courteous, respectful, and responsive to any person authorized to be at the site. Our company training manager is certified by the Disney Institute, having successfully completed Disney's Approach to Quality Service.

Reporting and Documentation Procedures – All CPS officers are trained to write accurate and detailed reports. Officers will complete the appropriate reports for each shift. A copy of the reports will be left in the Transportation Manager's mailbox in the transit office. Reports include Daily Activity Reports, Conditions Reports, Property Damage Reports, Lost and Found Reports, and others as assigned. Reports are also logged and archived in the online web portal. The client can review these reports at any time. The web portal is provided to all CPS clients. Any officer who knowingly falsifies a report will be disciplined up to and including termination from employment.

24/7 Dispatch Center – CPS provides 24-hour dispatch that can be reached via phone or email at any time. The dispatch center maintains communication with officers in the field as well as Lodi Police and any other pertinent departments or individuals. In addition, the dispatch center responds to any emergencies and can call backup or flex officers to ensure that there are no gaps in coverage. Officers will be provided with a phone so that they can communicate with the dispatch center.

Rules and Regulations – All officers and supervisors learn your site's rules and regulations. Officers will present themselves as neat, clean, and properly uniformed (shirts tucked in, proper work shoes, hats only if part of the uniform). They will demonstrate a clear command of the English language (able to read, write, and speak). Officers who are on duty will not socialize with any one person or group for extended lengths of time unless necessitated as part of their patrol duties. Officers shall not entertain personal visitors while on duty.

Emergencies – Every CPS officer is considered a first responder and is fully certified (and current) in CPR and first aid. Cypress retains a fully-certified CPR instructor on site to provide initial training and recertification. Each officer receives a four hour fire and life safety class. Site-specific emergency procedure training supplements the safety class. Emergency response training includes: fire, first aid, crime, and utilities/plant emergencies.

Safety – All safety hazards are documented and reported to the CPS client manager and your pertinent management. Issues that immediately threaten building occupants or business operations are addressed in accordance with the post orders. The client manager actively participates in the client's health and safety committee meetings as well as the Injury and Illness Prevention Program. CPS will, at all times, maintain a trained and skilled force capable of performing all necessary security functions and patrol rounds, including operating building protection devices and other equipment.

Alarm Systems – CPS officers will respond to any and all alarms immediately. The officer on duty will follow all steps outlined in the post orders when responding to a fire alarm or any other warning system.

Handling Disruptive Individuals – CPS officers are trained in "verbal judo" and the importance of communication, especially in handling disorderly people. CPS officers are trained in projecting a professional image and are skilled in diffusing potentially volatile situations. Our company training manager is also a certified Management of Aggressive Behavior Instructor. MOAB training presents principles, techniques, and skills for recognizing, reducing, and managing violent and aggressive behavior. The program also provides humane and compassionate methods of dealing with aggressive people both in and out of the workplace.

Code of Ethics – CPS officers follow our established code of ethics. In particular, the following apply to ALL employees of CPS: ethical responsibilities; courtesy in all circumstances; respectful treatment of others; and no use of inappropriate language. No officer shall accept any kind of gratuity. Each CPS officer shall conduct himself or herself with the highest level of integrity.

Confidentiality – All CPS employees are trained in confidentiality and how to handle sensitive information. (All information at a site is deemed sensitive and is not to be shared by CPS staff.) The training and enforcement includes areas such as: interfering with legal processes, withholding information, and disclosure of information. All CPS officers are trained in the area of providing relevant and important information to human resources, the client manager, or the facility manager. This includes knowledge of misconduct by a fellow employee. The CPS team understands the importance of operating and providing services as a unified front. A single individual's performance, or lack thereof, impacts the perception of the entire company. The individual officer will report any information he or she might have as it relates to: illegal activity, misconduct, and use of drugs or alcohol.

Emergency and Additional Security Coverage – CPS will design and implement an emergency plan that will address all response to threats and potential emergencies at the Lodi Transit Station and Transit Station Parking Lot. The CPS corporate emergency response plan is based on the nationally-recognized

Incident Command System (ICS) for emergency response. CPS understands that changing security needs in the case of an emergency or incident requires CPS to respond with additional staff. CPS is fully prepared to increase our security services in the event of an escalation in the security level (emergencies, civil unrest, fire, or special events). CPS will work closely with your management to escalate and de-escalate the need for additional staffing at the site. In the event of an emergency, CPS uses the following procedures to ensure that trained staff are on-hand to fill all shifts at the site, including scheduled absences as well as increases in staffing:

- **Cross-training** – CPS cross-trains security officers, supervisors, and managers. CPS will share an employee list of trained officers available to work at the site and will train more officers per request of client, if needed.
- **Back-up Staffing** – CPS will, at all times, have a pool of people who have received full site training and orientation, including post assignments, standards, and procedures. These officers will be able to fill any shift on a short notice.
- **Emergency Planning** – CPS operates a corporate emergency response plan based on the nationally-recognized Incident Command System. This plan covers all aspects of emergency response. Our corporate guidelines are designed to help us maintain security services before, during, and after an emergency. This includes situations such as earthquakes, major fires, major civil unrest, or major escalation of the security level. Because each client and each situation is unique, CPS works with management to implement preventive measures such as training and emergency planning.
- **Emergency Response** – CPS operates an emergency response vehicle especially equipped for emergency situations and special events. Our emergency equipment is always at the ready, and includes power generators, indoor/outdoor lighting systems, light rescue equipment. All of the emergency equipment is checked monthly. This specially-equipped vehicle enables CPS to respond during an emergency incident or scheduled special events.

Working with Local Law Enforcement – Cypress Private Security has extensive experience cooperating with local law enforcement. We have developed protocol that allows us to have productive and beneficial working relationships with the police. Our procedures follow four basic steps: establishing the relationship; establishing a regular system of communication; establishing a pattern of cooperation; and continuing to work together as a team.

- **Establishing the Relationship:** During the startup process, when we first begin providing security services at a site, we will contact the local police station or sheriff's department. CPS managers will introduce themselves and our company, and tell law enforcement where we are performing services. We will discuss the challenges the police have had at the site, as well as any challenges that we foresee. We will also discuss the best strategies in approaching these challenges and analyze the best ways to resolve them. Working with local law enforcement requires both parties to participate. In establishing a positive relationship with the police, it is also important that we ask how we can assist them in the area and discuss the parameters of how they would like us to respond or help during incidents or emergencies. We will develop points of contact between the police department and our security officers.
- **Establishing a Regular System of Communication:** After we have established a strong relationship with the police, we continue to develop that relationship through a regular system of communication. Therefore, we will attend regular community meetings with the police as much as possible. We subscribe to community and police newsletters to stay current with local news and policies. Cell phones and email allow us to maintain contact with our contacts. Frequently, our security officers will meet face to face with our points of contact in the police department as each party exchanges information and ideas.

- Establishing a Pattern of Cooperation:** A genuine spirit of cooperation arises as we continue to demonstrate our reliability, consistency, and responsibility. Even as local law enforcement grows to trust our capabilities, we continue to encourage regular communication. We will continue to regularly call and email our points of contact and we will continue to schedule in-person meetings to facilitate improved teamwork. Through sharing information, CPS and the police will have the most accurate possible data, which means more accurate crime tracking statistics. Such knowledge helps both parties improve the effectiveness of patrols, crime prevention, and other security functions.
- Continuing to Work Together as a Team:** Once we have established a solid foundation for a productive working relationship with the local police, we continue to maintain a high level of collaboration. When we have a good working knowledge of the site (typically, within the first thirty days), our security officers and the police department can begin discussing more specific details in earnest, especially in terms of criminal intelligence. For example, CPS officers and the police will discuss who is doing what activity, where the suspect lives, what vehicle the suspect drives, who the suspect's acquaintances are, and so forth. This type of information allows both CPS and the police to zero in on known hotspots and suspects.



Transportation

Transportation – The transportation industry moves both people and goods. Security challenges include passenger and employee safety, theft of goods and information, and terror attacks. CPS designs robust transportation security programs that address these challenges, including the following: airport, rail station, and bus terminal security; personnel training programs; and courier services. CPS works with a variety of agencies to stay current with best practices and maintain the most updated information available.



Parking Structure Security – Parking lots and structures require active security measures. CPS officers are fully trained in parking and traffic control procedures, including the use of personal protective equipment, the use of any traffic control devices, the ability to use and interpret signals, and how to accurately record traffic or parking violations. Patrol policies encourage officers to keep a watchful eye on the cars to prevent theft and vehicle break-ins. Officers will also be aware of dangerous goods or potential hazards, and take all appropriate measures to address those issues.



Security Officer

Security Officer – Every Cypress Private Security officer is thoroughly trained to meet the requirements of the client, including the specific security needs of the client's industry. All officers know how to prepare clear and concise incident/condition reports and speak English. They receive training in customer service, emergency response, and other critical skills. Because of our extensive training, CPS officers are engaged and thus motivated, and they approach their work with the utmost professionalism. Uniforms are customized to meet client requirements, and our quality control managers ensure consistent performance and supervision. CPS' extensive pre-employment screening ensures that we hire individuals with integrity, professionalism, and intelligence. Officers will carry their BSIS Guard Card while on duty.

Work Plan and Timelines

During the transition process, CPS emphasizes the following factors:

- Seek to understand and operate in harmony with your current work-flow.
- Anticipate and assess the potential impact on various departments and constituencies.
- Learn all rules, policies, and procedures at the site and within the operation.
- Implement the most effective tools, materials, and technology.
- Execute a systematic and smooth transition of responsibility that instills confidence.

The CPS transition plan documents implementation steps, identifies strategies, and establishes timeframes for specific tasks, including when and if responsibility transfers to the client. As phases of the transition plan conclude, CPS incorporates necessary changes and provides updated plans to the client. Administering a complete security program is a multi-step process including: security assessment, security team selection, management team selection, on-site leadership, recruiting, training, monitoring, and supervision and support functions.

Key Personnel Duties and Responsibilities: Before the transition starts, CPS will identify the key personnel who will be responsible for delivering the security services and define their duties during the transition.

Work Plan Timeline

Task Assigned	Date Due	Responsibility
Award letter issued to CPS	> 3 weeks prior to startup	BDM
CPS transition team assigned and in place	> 3 weeks prior to startup	COO
Meet with client to obtain site specific information	> 3 weeks prior to startup	Client Manager
Outline and adjust transition plan if needed	> 3 weeks prior to startup	COO
Security and technology assessment	> 3 weeks prior to startup	COO & Client Mgr.
Management/labor meeting	> 3 weeks prior to startup	COO
Conduct site security survey	> 3 weeks prior to startup	COO & Client Mgr.
Introduction letter, application, and drug screen forms	> 3 weeks prior to startup	Human Resources
Interview and select employees	> 3 weeks prior to startup	Human Resources
Prepare wage and benefits package	> 2 weeks prior to startup	Human Resources
On-site training for operations team	> 2 weeks prior to startup	COO & Client Mgr.
Gather information about current staff at site	> 2 weeks prior to startup	Human Resources
Provide assessment, training of current staff at site	> 2 weeks prior to startup	Client Mgr., Tr. Mgr.

Order all supplies and equipment	> 2 weeks prior to startup	Client Manager
Deadline for applications to be received	> 2 weeks prior to startup	Human Resources
Order uniforms and duty gear	> 2 weeks prior to startup	Client Manager
Prepare post orders	> 2 weeks prior to startup	Client Manager
Select security officers	> 2 weeks prior to startup	HR & Client Mgr.
Prepare site-specific training materials	> 1 week prior to startup	Training Manager
Meet with client to brief on transition progress	Continuous	COO & Client Mgr.
Present post orders to client	> 1 week prior to startup	Client Manager
Deadline to complete drug screen for candidates	> 1 week prior to startup	Human Resources
Meet with client for feedback on first draft of post orders	> 1 week prior to startup	Client Manager
Ensure each post is fully equipped as specified	> 1 week prior to startup	Client Manager
Prepare master schedule	> 1 week prior to startup	Scheduling Manager
Fit uniforms and re-order as needed	> 1 week prior to startup	Client Manager
Retraining of incumbent personnel hired by CPS	> 1 week prior to startup	Training Manager
Service start	TBD	COO & Client Mgr.

Evaluation Calendar

The evaluation calendar outlines key on-site elements related to performance after the project has begun.

Task Assigned	Date Due	Responsibility
One month evaluation of each officer's performance	30 days after startup	Client Manager
Training or re-assignment as needed (individual officers)	30 – 45 days after startup	Client Manager & Training Manager
Three-month evaluation of each officer's performance	< 90 days after startup	Client Manager
Training or re-assignment as needed (individual officers)	90 – 100 days after startup	Client Manager & Training Manager

Personnel Selection Process

As an equal opportunity employer, CPS seeks to hire the best employees in each market served. In order to meet our overall goal of 100% customer satisfaction, the personnel selection process is carefully designed to find the most suitable individuals for each post.

The overall objective of our personnel selection process is to have a pool of top-quality professionals on-hand, ready to take on any assignment.

The hiring process starts with each candidate completing a rigorous application form that serves as the base reference material in determining his/her qualifications. First, we assess all relevant capabilities of an individual. Then we determine how well the candidate meets the specifications for a particular assignment.

Only one out of every twenty applicants is hired. This number is a testament to the fact that CPS attracts numerous applicants and is able to be selective when hiring new team members.

Pre-Application Interview Questions

The application process starts with a questionnaire designed to reveal attitudes toward work and security. Applicants are then selected to continue the application process.

Application

After the applicant has successfully completed the initial questionnaire and progresses to the next phase of the hiring process, the applicant will complete an extensive application. CPS takes great pride in providing our clients with accurate and detailed reporting; the applicant must also demonstrate clarity, detail, and accuracy when completing the application document.

Interview

To best assess a potential employee, CPS has implemented a multi-step interview process.

- **Human Resources Review of Application and Interview:** After the applicant has completed a comprehensive application form, our human resources department reviews the application to find out if there is a fit between CPS and the applicant. HR also reviews the application for any discrepancies or "red flags" during an initial interview.
- **Hiring Manager Interview:** The hiring manager will conduct an interview with the applicant to better understand the candidate's qualifications and to determine how the applicant satisfies the requirements for a specific assignment.
- **Chief Operating Officer/Branch Manager Interview:** The manager will then conduct an interview with the applicant in order to establish how well the individual fits within the overall CPS culture, values, philosophies, and service standards.

Hiring by the Numbers:

- 1 out of 20 applicants hired.
- 40-question questionnaire.
- 10-year residential history check.
- 10 panel drug test and random drug tests.
- 5 years average tenure.
- 7 years average time in security industry.
- 67% of employees hold multiple certificates.
- Applicants provide complete educational and work history.
- Full criminal background check.
- Annual check of all licenses.
- DMV check twice a year.
- Employees are hired for a specific need with specific skills.

- **Client Interview:** As the last interview step, an on-site interview may be conducted by the client if the client chooses this option. This interview is a vital part of finding the right applicant for each site. (The effectiveness of our selection process is further demonstrated by the fact that 97% of our clients are more than satisfied with their initial officers and only 3% have voiced a concern.)

During the interview process, the applicant's language and communication skills are assessed. An applicant must be able to speak, read, and write proper English in order to proceed successfully through the CPS personnel selection process.

Testing and Background Checks

Written Test: Applicants take a written test so we can learn about their approach toward security, customer service, and their reasons for applying with CPS. This test is a good indicator of an applicant's ability to think intelligently and write professional reports.

Personality Test: CPS uses proven personality tests. The following is a sample of areas examined in the personality test: honesty; drug and alcohol use; propensity toward anger/violence; integrity and work ethic; and willingness to follow directions.

Screening & Background Check: After the interview, a comprehensive background check is completed. Information is checked against the Department of Justice, local police, and DMV records. Each individual has to meet or exceed all requirements set forth by the CPS security standards. When an applicant applies for a position of employment with CPS, they are required to complete an Investigative Consumer Release Form in conjunction with their application. This form authorizes CPS to obtain the Investigative Consumer Report from our contracted ICR agency. The report includes orders for live criminal record pulls; state, regional and national criminal database searches; Social Security verification; education verification; Department of Motor Vehicle records; credit history; and state and national sex offender records.

Training & Work Verification: All applications are verified against listed information. Training is verified with copies of certificates or diplomas, or by contacting relevant organizations. After verification of work experience and training, each new CPS employee will complete and pass required CPS training modules.

Annual Verifications of Certificates: CPS conducts annual verifications of all licenses required for security officers and other staff. In addition, twice a year CPS will conduct a check against the Department of Motor Vehicles (DMV) for all officers assigned to the site.

Drug Testing: Successful applicants must pass a 10 panel drug screen. The following drugs are included in the panel: amphetamines, barbiturates, benzodiazepines, cocaine, marijuana, methadone, methaqualone, opiates, phencyclidine, propoxyphene.

Employee Development and Retention

Ever since Cypress Private Security was founded, we've recognized that employees are unquestionably our most valuable resource. We invest in our employees. One of CPS' competitive advantages is a low turnover rate, which allows us to:

- Maintain lower retraining costs.
- Avoid costly rehire expenses.
- Develop current staff.
- Promote from within.
- Track performance.

This allows CPS to provide each client with experienced officers who are well-established within the client organization as valued and trusted service partners. The following philosophies enable CPS to maintain an industry-leading low turnover rate:

- **Well-balanced Compensation Package** – CPS uses a multi-tier compensation structure in order to be able to promote and reward top performers.
- **Attractive Benefits Package** – CPS offers all benefits at no cost to the employees. This includes a medical plan, dental plan, and life insurance.
- **Career Enhancement Plan** – Based on the career enhancement plan, each employee is able to advance to higher positions within the company.
- **Promoting from Within** – CPS actively promotes from within. This philosophy inspires employees to perform at a high level and to take on more training.
- **In-house Training Programs** – Free of charge, CPS' extensive training platform gives employees the opportunity to develop their skill sets to match a new position in the future.

Officer Evaluation Program: Each new employee undergoes a 90-day performance review after starting work. The review is part of the ongoing evaluation of the employees. The evaluation is compiled from a written test, immediate supervisors, quality control managers, and the client's on-site management team. Other additional input includes the officer's training log and potential disciplinary reports. After the first 90-day evaluation, this review is completed semi-annually or annually. The evaluation program is the foundation for the employee career plan.

Long-term Goals: The individual training plan is developed to match an individual's desire to meet future career goals. These training plans can include both in-house training and training at a formal institute. Each individual will be able to track their progress in accordance with the training plan. The employee career plan enables all employees to grow with the company, creating a thriving environment where employees' career goals are aligned with CPS' goals of providing the best security services around.

Careers at CPS:

- 1 of 4 employees is promoted within the company.
- Average tenure at CPS five years.
- Average time in the security field: seven years.
- 68% of management team holds college degrees in security or business and related fields.
- Individual career enhancement plans for all CPS employees.
- Each employee undergoes ongoing and annual performance evaluations.
- Free educational programs (internal and external) provided to all employees.
- 100% of officers receive on-the-spot performance reviews based on their site knowledge.
- Performance-based compensation and bonuses.

Operational Quality

Several notions impact your decision when you're choosing the right security vendor for your needs. First, you can base your choice solely on a vendor's reputation or past performance. Second, you can choose by assessing the capabilities of the company and the strength of their management team. Lastly, you can have a third party consultant make an assessment of each vendor.

CPS' track record is evidence of our capabilities. Our success is intentional, not accidental, as you can see from all the premier clients we've partnered with over the years.

Quality Consistency

Disciplined self-evaluation is critical in developing high standards. Measuring performance helps us continually improve. CPS' quality control plan is based on the ISO 9000 family of standards as established by the International Organization for Standardization. Derived from expert collective experience and knowledge, these philosophies are a proven framework to guide organizations toward operational excellence.

Customer Focus

Client needs can change over time. CPS meets these evolving needs by using cutting edge technology and educated decision-making. We invest in resources that allow us to improve our service to clients. We keep open lines of communication and respond to feedback with intelligent solutions.

Quality Improvement Process

Vigilant, ongoing evaluation of our security ensures that every facet of our operation meets goals. All officers and managers attend monthly quality control meetings. We document issues, evaluate them, and then implement solutions. Our organized process allows CPS to share best practices across the company.

Quality at CPS:

- Based on ISO 9000 standards.
- All activities within CPS are measured and tracked.
- 100% performance evaluation conducted.
- 100% of client expectations met.
- Client surveys (annual surveys conducted with each client) covering 120 CPS functions.
- Clear and precise post orders reflect clients' specifications.
- Well-defined technical protocols and customer service skill sets.
- System approach to management eliminates needless bureaucracy.

Quality Consistency Diagram



Exhibit B Fee Proposal Form

Enter below the proposed price for Security Services as described in the Scope of Work, Exhibit A. Pricing shall be provided in a "rate per hour" form and must be all inclusive. (Including but not limited to – profit, taxes, benefits, transportation, fees, surcharges, and training/certifications and uniforms.)

Holidays: There are 72 annual holiday hours [Six (12 hour/day) holidays]

New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas

	<u>Mon – Fri</u>	<u>Sat</u>	<u>Sun</u>	<u>Holidays (6)</u>
Year One	\$ <u>15.43</u>	\$ <u>15.43</u>	\$ <u>15.43</u>	\$ <u>23.14</u>
Year Two	\$ <u>15.43</u>	\$ <u>15.43</u>	\$ <u>15.43</u>	\$ <u>23.14</u>
Year Three	\$ <u>15.85</u>	\$ <u>15.85</u>	\$ <u>15.85</u>	\$ <u>23.84</u>
Option Year 1	\$ <u>16.29</u>	\$ <u>16.29</u>	\$ <u>16.29</u>	\$ <u>24.55</u>
Option Year 2	\$ <u>16.74</u>	\$ <u>16.74</u>	\$ <u>16.74</u>	\$ <u>25.29</u>

Are there any additional and/or incidental costs necessary in order to fully comply with this RFP?

YES / NO

If **YES**, please attach additional pages to explain all such costs.

Name: Cypress Security, LLC

Address: 478 Tehama Street, San Francisco, CA 94103

Telephone: 1-866-345-1277

Contractor Signature 

Signer's Name and Title Kes Narbutas, Chief Executive Officer

Date Signed 02/06/15

Exhibit B1 – Contract Services and Costs

First Year

ITEM NO. DESCRIPTION	UNIT	EST'D. TOTAL ANNUAL HRS	UNIT PRICE	ESTIMATED ANNUAL TOTAL PRICE
1. Security officer (standard)	HR	5,544	\$ 15.43	\$ 85,543.92
2. Holiday	HR	72	\$ 23.14	\$ 1,666.08
3. D3 Security Technology	EA	NA	included	included
Primary Officer Subtotal				\$87,210.00
Additional Officer (Station Lobby)				
5. Security officer (standard)	HR	780	\$ 15.43	\$ 12,035.40
6. Holiday	HR	0	\$ 23.14	\$ 0.00
Secondary Officer Subtotal				\$12,035.40
TOTAL				\$99,245.40

Second Year

ITEM NO. DESCRIPTION	UNIT	EST'D. TOTAL ANNUAL HRS	UNIT PRICE	ESTIMATED ANNUAL TOTAL PRICE
1. Security officer (standard)	HR	5,544	\$ 15.43	\$ 85,543.92
2. Holiday	HR	72	\$ 23.14	\$ 1,666.08
3. D3 Security Technology	EA	NA	included	included
Primary Officer Subtotal				\$87,210.00
Additional Officer (Station Lobby)				
5. Security officer (standard)	HR	780	\$ 15.43	\$ 12,035.40
6. Holiday	HR	0	\$ 23.14	\$ 0.00
Secondary Officer Subtotal				\$12,035.40
TOTAL				\$99,245.40

Third Year

ITEM NO.	DESCRIPTION	UNIT	EST'D. TOTAL ANNUAL HRS	UNIT PRICE	ESTIMATED ANNUAL TOTAL PRICE
1.	Security officer (standard)	HR	5,544	\$ 15.85	\$ 87,872.40
2.	Holiday	HR	72	\$ 23.84	\$ 1,716.48
3.	D3 Security Technology	EA	NA	included	included
Primary Officer Subtotal					\$89,588.88
Additional Officer (Station Lobby)					
5.	Security officer (standard)	HR	780	\$ 15.85	\$ 12,363.00
6.	Holiday	HR	0	\$ 23.84	\$ 0.00
Secondary Officer Subtotal					\$12,363.00
TOTAL					\$101,951.88

Option Year 1

ITEM NO.	DESCRIPTION	UNIT	EST'D. TOTAL ANNUAL HRS	UNIT PRICE	ESTIMATED ANNUAL TOTAL PRICE
1.	Security officer (standard)	HR	5,544	\$ 16.29	\$ 90,311.76
2.	Holiday	HR	72	\$ 24.55	\$ 1,767.60
3.	D3 Security Technology	EA	NA	included	included
Primary Officer Subtotal					\$92,079.36
Additional Officer (Station Lobby)					
5.	Security officer (standard)	HR	780	\$ 16.29	\$ 12,706.20
6.	Holiday	HR	0	\$ 24.55	\$ 0.00
Secondary Officer Subtotal					\$12,706.20
TOTAL					\$104,785.56

Option Year 2

ITEM NO.	DESCRIPTION	UNIT	EST'D. TOTAL ANNUAL HRS	UNIT PRICE	ESTIMATED ANNUAL TOTAL PRICE
1.	Security officer (standard)	HR	5,544	\$ 16.74	\$ 92,806.56
2.	Holiday	HR	72	\$ 25.29	\$ 1,820.88
3.	D3 Security Technology	EA	NA	included	included
Primary Officer Subtotal					\$94,627.44
Additional Officer (Station Lobby)					
5.	Security officer (standard)	HR	780	\$ 16.74	\$ 13,057.20
6.	Holiday	HR	0	\$ 25.29	\$ 0.00
Secondary Officer Subtotal					\$13,057.20
TOTAL					\$107,684.64



EXHIBIT C

Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this Agreement, insurance coverage as listed below. These insurance policies shall protect Contractor and any subcontractor performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, or by any subcontractor, or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. **COMPREHENSIVE GENERAL LIABILITY**
\$3,000,000 Each Occurrence
\$6,000,000 General Aggregate
2. **COMPREHENSIVE AUTOMOBILE LIABILITY**
\$1,000,000 Combined Single Limit
Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version of this form, or an equivalent form providing equivalent liability coverage.

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City's Risk Manager for approval and shall not reduce the limits of liability set forth hereinabove. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Contractor; whichever is greater.

Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

A copy of the certificate(s) of insurance with the following endorsements shall be furnished to the City:

- (a) **Additional Named Insured Endorsement**
Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or equivalent form) such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers as additional named insureds.
- (b) **Primary and Non-Contributory Insurance Endorsement**
Additional insurance coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (c) **Limits of Coverage**
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Contractor shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect the City as a named insured.
- (d) **Severability of Interest Clause**
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

Insurance Requirements for Contractor (continued)

(e) **Notice of Cancellation or Change in Coverage Endorsement**

This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

(f) **Continuity of Coverage**

All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance.

(g) **Failure to Comply**

If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding and other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(h) **Qualified Insurer(s)**

All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Workers Compensation Insurance The Contractor shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this Agreement at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. **A waiver of subrogation is required for workers compensation insurance.** This policy may not be canceled nor the coverage reduced without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

NOTE: The City reserves the right to obtain a full certified copy of any insurance policy or endorsements required. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.

Exhibit D Federal Transit Funding Conditions

Federal Clauses

1. Fly America Requirements

The Contractor agrees to comply with 49 U.S.C. 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients and sub-recipients of Federal funds and their contractors are required to use U.S. Flag air carriers for U.S Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. The Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. The Contractor agrees to include the requirements of this section in all subcontracts that may involve international air transportation. Bidder must complete and execute the form entitled "Fly America Certificate," Appendix A.

2. Reserved for Buy America

3. Reserved for Charter Bus Requirements and School Bus Requirements

4. Reserved for Cargo Preference - Use of United States- Flag Vessels

5. Reserved for Seismic Safety

6. Energy Conservation

CONTRACTOR agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act, 42 U.S.C. §§ 6321 *et seq.*.

7. Clean Water

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.* The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.

2. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.
8. **Reserved for Bus Testing**
9. **Reserved for Pre-Award and Post-Delivery Audit Requirements**
10. **Lobbying Restrictions**

The CONTRACTOR agrees to:

- I. Refrain from using Federal assistance funds to pay the costs of influencing any officer or employee of a Federal agency, Member of Congress, officer of Congress or employee of a member of Congress, with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C § 1352.
- II. Comply with applicable Federal laws and regulations prohibiting the use of Federal assistance funds for activities designed to influence Congress or a State legislature with respect to legislation or appropriations, except through proper, official channels.
- III. Comply, and assure the compliance of each third party CONTRACTOR at any tier and each SUBCONTRACTOR at any tier, with U.S. DOT regulations, "New Restrictions on Lobbying," 49 C.F.R. Part 20, modified as necessary by 31 U.S.C. § 1352.
- IV. In addition, the Bidder shall complete Standard Form SF-LLL, "Disclosure of Lobbying Activities," Exhibit 12-E of Section 3, including instructions of completion.

11. Access to Records

The following access to records requirements apply to this Contract:

- I. Where the Purchaser is not a State but a local government and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 18.36(i), the Contractor agrees to provide the Purchaser, the FTA Administrator, U. S. Secretary of Transportation, the Comptroller General of the United States or any of their authorized representatives access to all third party contract records as required by 49 U.S.C. § 5325(g). Contractor also agrees, pursuant to 49 C.F.R. 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1,

which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.

- II. Where the Purchaser is a State and is the FTA Recipient or a sub-grantee of the FTA Recipient in accordance with 49 C.F.R. 633.17, Contractor agrees to provide the Purchaser, the FTA Administrator or his authorized representatives, including any PMO Contractor, access to the Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311. By definition, a major capital project excludes contracts of less than the simplified acquisition threshold currently set at \$100,000.
- III. Where the Purchaser enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non-profit organization and is the FTA Recipient or a sub-grantee of the FTA Recipient in accordance with 49 C.F.R. 19.48, Contractor agrees to provide the Purchaser, FTA Administrator, the Comptroller General of the United States or any of their duly authorized representatives with access to any books, documents, papers and record of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.
- IV. Where any Purchaser which is the FTA Recipient or a sub-grantee of the FTA Recipient in accordance with 49 U.S.C. 5325(a) enters into a contract for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the Contractor shall make available records related to the contract to the Purchaser, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.
- V. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- VI. The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until the Purchaser, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation,

appeals, claims or exceptions related thereto. Reference 49 CFR 18.36(i)(11).

VII. FTA does not require the inclusion of these requirements in subcontracts.

12. Federal Changes

CONTRACTOR shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Department of Transportation, Federal Transit Administration, Master Agreement (FTA MA (21) dated October 1, 2014), between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. CONTRACTOR's failure to so comply shall constitute a material breach of this contract.

13. Reserved for Bonding Requirements (Construction)

14. Clean Air

- I. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.
- II. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

15. Reserved for Recycled Products

16. Reserved for Davis-Bacon and Copeland Anti-Kickback Acts

17. Reserved for Contract Work Hours and Safety Standards Act

18. [Reserved]

19. No Government Obligation to Third Parties

- I. CITY OF LODI and CONTRACTOR acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to CITY OF LODI, CONTRACTOR, or any other party (whether or not a party to that

contract) pertaining to any matter resulting from the underlying contract.

- II. The CONTRACTOR agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the SUBCONTRACTOR who will be subject to its provisions.

20. Program Fraud and False or Fraudulent Statements or Related Acts.

- I. The CONTRACTOR acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the CONTRACTOR certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the CONTRACTOR further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the CONTRACTOR to the extent the Federal Government deems appropriate.
- II. The CONTRACTOR also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the CONTRACTOR, to the extent the Federal Government deems appropriate.
- III. The CONTRACTOR agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the SUBCONTRACTOR who will be subject to the provisions.

21. Termination

Upon written notice, CONTRACTOR agrees that the Federal Government may suspend or terminate all or part of the Federal financial assistance provided

herein if CONTRACTOR has violated the terms of the Grant Agreement or Cooperative Agreement, or if the Federal Government determines that the purposes of the statute authorizing the Project would not be adequately served by the continuation of Federal financial assistance for the Project. Any failure to make reasonable progress on the Project or other violation of the Grant Agreement or Cooperative Agreement that endangers substantial performance of the Project shall provide sufficient grounds for the Federal Government to terminate the Grant Agreement or Cooperative Agreement. Termination of any Federal financial assistance for the Project will not invalidate obligations properly incurred by CONTRACTOR before the termination date, to the extent those obligations cannot be canceled. If, however, the Federal Government determines that CONTRACTOR has willfully misused Federal assistance funds by failing to make adequate progress, failing to make reasonable and appropriate use of the Project real property, facilities, or equipment, or has failed to comply with the terms of the Grant Agreement or Cooperative Agreement, the Federal Government reserves the right to require CONTRACTOR to refund the entire amount of Federal funds provided for the Project or any lesser amount as the Federal Government may determine. Expiration of any Project time period established for the Project does not, by itself, constitute an expiration or termination of the Grant Agreement or Cooperative Agreement

- I. Termination for Convenience: CITY OF LODI may terminate this contract, in whole or in part, at any time by written notice to the CONTRACTOR. The CONTRACTOR shall be paid its costs, including contract closeout costs, and profit on work performed up to the time of termination. The CONTRACTOR shall promptly submit its termination claim to CITY OF LODI to be paid the CONTRACTOR. If the CONTRACTOR has any property in its possession belonging to CITY OF LODI, the CONTRACTOR will account for the same, and dispose of it in the manner CITY OF LODI directs.
- II. Termination for Default: If the CONTRACTOR does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the CONTRACTOR fails to perform in the manner called for in the contract, or if the CONTRACTOR fails to comply with any other provisions of the contract, CITY OF LODI may terminate this contract for default. Termination shall be effected by serving a notice of termination on the CONTRACTOR setting forth the manner in which the CONTRACTOR is in default. The CONTRACTOR will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract. If it is later determined by CITY OF LODI that the CONTRACTOR had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or beyond the control of the CONTRACTOR, CITY OF LODI, after setting up a new delivery of

performance schedule, may allow the CONTRACTOR to continue work, or treat the termination as a termination for convenience.

- III. Termination for Cost-Type Contracts: CITY OF LODI may terminate this contract, or any portion of it, by serving a notice of termination on the CONTRACTOR. The notice shall state whether the termination is for convenience of CITY OF LODI or is for the default of the CONTRACTOR. If the termination is for default, the notice shall state the manner in which the CONTRACTOR has failed to perform the requirements of the contract. The CONTRACTOR shall account for any property in its possession paid for from funds received from CITY OF LODI, or property supplied to the CONTRACTOR by CITY OF LODI. If the termination is for default, CITY OF LODI may fix the fee, if the contract provides for a fee, to be paid the CONTRACTOR in proportion to the value, if any, of the work performed up to the time of termination. The CONTRACTOR shall promptly submit its termination claim to CITY OF LODI and the parties shall negotiate the termination settlement to be paid the CONTRACTOR.

22. Government-wide Debarment and Suspension (Non-procurement)

The CONTRACTOR agrees to comply, and assures the compliance of each third party CONTRACTOR and SUBCONTRACTOR at any tier, with Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. DOT regulations, "Government wide Debarment and Suspension (Non-procurement)," within 49 C.F.R. Part 29.

23. Reserved for Privacy Act

24. Civil Rights

The following requirements apply to the underlying contract:

- I. Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the CONTRACTOR agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the CONTRACTOR agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
- II. Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

- Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the CONTRACTOR agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq ., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The CONTRACTOR agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue.
- Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, the CONTRACTOR agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue.
- Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the CONTRACTOR agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue.

III. The CONTRACTOR also agrees to include these requirements in each subcontract financed in whole or in part with Federal

assistance provided by FTA, modified only if necessary to identify the affected parties.

25. Breaches and Disputes

a) Disputes

Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of CITY OF LODI. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, the CONTRACTOR mails or otherwise furnishes a written appeal to CITY OF LODI. In connection with any such appeal, the CONTRACTOR shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of CITY OF LODI shall be binding upon the CONTRACTOR and the CONTRACTOR shall abide by the decision.

b) Performance During Dispute

Unless otherwise directed by CITY OF LODI, CONTRACTOR shall continue performance under this Contract while matters in dispute are being resolved.

c) Claims for Damages

Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury or damage.

d) Remedies

Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between CITY OF LODI and the CONTRACTOR arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State of California.

e) Rights and Remedies

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by CITY OF LODI, Architect or CONTRACTOR shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or

failure to act constitute an approval of or acquiescence in any breach there under, except as may be specifically agreed in writing.

26. Reserved for Patent and Rights in Data.

27. Reserved for Transit Employee Protective Arrangements.

28. Disadvantaged Business Enterprise (DBE)

This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, *Participation by Disadvantaged Enterprises in Department of Transportation Financial Assistance Programs*. For Federal Fiscal Year 2014/15 through 2016/17, the overall DBE goal for City of Lodi FTA assisted contracts is 2.75%. However, there is not a contract goal for this project.

Contract Assurance

The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as CITY OF LODI deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

Small Business Enterprise (SBE):

The City of Lodi has adopted a policy to strongly encourage Small Business Enterprise (SBE) participation in Federal Transit Administration (FTA)-funded contracts of estimated cost greater than \$200,000. Bidder's attention is directed to the following provisions relating to this policy:

- a. Bidders are to complete the "Bidder Small Business Enterprise (SBE) Information Form & Checklist".

With respect to application of the SBE Program, bidders' attention is directed to the following:

1. Bidders will be required to complete a "SBE Information Form" to be submitted with bids in excess of \$200,000, which indicates the bidder's effort to employ SBEs.
2. In the event that two or more bids are the same and the lowest, the City shall award the contract in accordance with

the best intended effort of the bidder to employ SBEs as indicated on the "Bidder SBE Information Form".

- a. Contracts estimated by the City to be less than \$200,000 do not have a SBE requirement.
- b. Contracts estimated by the City to cost \$200,000 or more require the successful bidder to demonstrate their attempts to employ SBEs.

A. Definition of Small Business Enterprise

To participate as an eligible small business in projects administered by the City of Lodi, a firm must meet both of the following requirements:

- a. A firm (including affiliates) must be an existing small business as defined by Small Business Administration (SBA) regulations, 13 CFR Part 121, for the appropriate type(s) of work that a firm performs. The firm must hold one of the acceptable certifications listed in Section B below.
- b. Even if a firm meets the above requirement, the firm's (including affiliates') average annual gross receipts over the previous three years cannot exceed a maximum cap of \$22.41 million (or as adjusted for inflation by the Secretary of U.S. DOT). SBA size standards vary by industry, and for certain industries may be higher than the \$22.41 million cap. For example, the SBA standard for a general construction contractor is \$33.5 million. If a general construction contractor's average annual gross receipts over the previous three years is \$25 million, while it is below \$33.5 million and meets the SBA size standard, it would be ineligible to participate as a small business for the City of Lodi's purposes as it exceeds \$22.41 million.

For information on SBA size standards, visit:

<http://www.sba.gov/content/table-small-business-size-standards>.

Affiliates are defined in SBA regulations 13 CFR Part 121.103.

B. Acceptable Comparable Small Business Enterprise Certifications

The City of Lodi will accept the small business enterprise certifications performed by other agencies, provided that the size standards described in Section A1a and A1b above are met.

If a firm is certified in one or more of the following programs, and meets City of Lodi size standards, the firm is automatically deemed a small business for City of Lodi purposes. The term "SBE" will be used collectively for qualified

SBEs, WBEs, MBEs and other approved certifications. As indicated below, the City of Lodi may require an affidavit of size for each SBE prime contractor or subcontractor. Certifications from self-certification programs are not acceptable. City of Lodi may request and review financial data provided by SBE firms on a case-by-case basis to confirm eligibility. Firms must be certified as of the time of bid submittal.

1. Disadvantaged Business Enterprise (DBE) certification pursuant to U.S. Department of Transportation regulations, 49 CFR Part 26. This includes DBE certifications performed by the California Unified Certification Program (CUCP) or by the Unified Certification Program of any other state.
2. State Minority Business Enterprise (SMBE) and State Woman Business Enterprise (SWBE) certification by the State of California or by any other state provided that their certification complies with Section A1a or A1b above. In addition to copies of SMBE/SWBE certifications, bidders certified out-of-state must submit an affidavit of size for each SMBE/SWBE prime contractor or subcontractor at the time of bid submittal.
3. Small Business (SB) certification by the California Department of General Services (DGS) provided that their certification complies with Section A1a and A1b above. In addition to copies of SB certifications, bidders must submit an affidavit of size for each SB prime contractor or subcontractor at the time of bid submittal.
4. Microbusiness (MB) certification by the California Department of General Services for ALL industries.
5. SBA 8(a) by the Small Business Administration provided that their certification complies with Section A1a and A1b above. In addition to copies of SBA 8(a) certifications, bidders must submit an affidavit of size for each SBA 8(a) prime contractor or SBA 8(a) subcontractor at the time of bid submittal.
6. SBE/MBE/WBE certification from other state, county, or local government-certifying agency provided that their certification complies with Section A1a and A1b above. In addition to copies of certifications, bidders must submit an affidavit of size for each certified prime contractor or subcontractor at the time of bid submittal.

29. Prompt Payment

Prompt Progress Payment to Subcontractors

Attention is directed to the provisions in Federal Regulations (49 CFR 26.29) concerning payment to subcontractors. The contractor shall make prompt and regular incremental acceptances of portions, as determined by the CITY OF LODI, of the contract work and shall pay retainage to the prime contractor based on these acceptances.

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

Prompt Payment of Withheld Funds to Subcontractors

The prime contractor agrees to return retainage payments to each subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the CITY OF LODI. Federal Regulation (49 CFR 26.29) requires that any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the CITY OF LODI. This clause applies to both DBE and non-DBE subcontracts.

Monitoring and Enforcement

Violation of the City of Lodi's prompt payment and retainage provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

30. Incorporation of FTA Terms

The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1F, dated November 1, 2008, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA-mandated

terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The CONTRACTOR shall not perform any act, fail to perform any act, or refuse to comply with any CITY OF LODI request, which would cause CITY OF LODI to be in violation of the FTA terms and conditions.

31. Reserved for Drug and Alcohol Testing

32. Access for Individuals with Disabilities

The contractor agrees to comply with 49 U.S.C 5301 (d), which states the Federal policy that elderly individuals and individuals with disabilities have the same right as other individuals to use public transportation services and facilities, and that special efforts shall be made in planning and designing those services and facilities to implement transportation accessibility rights for elderly individuals and individuals with disabilities. The contractor also agrees to comply with all applicable provisions of section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, which prohibits discrimination on the basis of disability in the administration of programs or activities receiving Federal financial assistance; with the Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. §§ 12101 *et seq.*, which requires that accessible facilities and services be made available to individuals with disabilities; with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. §§ 4151 *et seq.*, which requires that buildings and public accommodations be accessible to individuals with disabilities; and with other laws and amendments thereto pertaining to access for individuals with disabilities that may be applicable. In addition, the contractor agrees to comply with applicable implementing Federal regulations, and any later amendments thereto, and agrees to follow applicable Federal implementing directives, except to the extent FTA approves otherwise in writing. Among those regulations and directives are:

- (1) U.S. DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R. Part 37;
- (2) U.S. DOT regulations, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 C.F.R. Part 27;
- (3) Joint U.S. Architectural and Transportation Barriers Compliance Board (U.S. ATBCB)/U.S. DOT regulations, "Americans With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 C.F.R. Part 1192 and 49 C.F.R. Part 38;
- (4) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 C.F.R. Part 35;
- (5) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 C.F.R.

Part 36;

- (6) U.S. General Services Administration (U.S. GSA) regulations, "Accommodations for the Physically Handicapped," 41 C.F.R. Subpart 101-19;
- (7) U.S. EEOC, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630;
- (8) U.S. Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for the Hearing and Speech Disabled," 47 C.F.R. Part 64, Subpart F;
- (9) U.S. ATBCB regulations, "Electronic and Information Technology Accessibility Standards," 36 C.F.R. Part 1194;
- (10) FTA regulations, "Transportation for Elderly and Handicapped Person," 49 C.F.R. Part 609; and
- (11) Federal civil rights and nondiscrimination directives implementing the foregoing Federal laws and regulations, except to the extent the Federal Government determines otherwise in writing.

EXHIBIT D1 - FEDERAL FORMS

Lobbying Certification

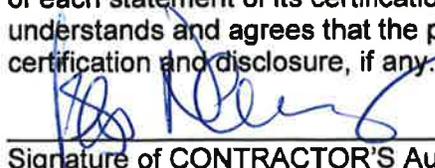
The undersigned Kes Narbutas certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*)]
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all SUBCONTRACTORS shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

The CONTRACTOR, Cypress Security, LLC, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the CONTRACTOR understands and agrees that the provisions of 31 U.S.C. A 3801, *et seq.*, apply to this certification and disclosure, if any.



Signature of CONTRACTOR'S Authorized Official

Kes Narbutas, Chief Executive Officer

Name and Title of CONTRACTOR'S Authorized Official

02/06/15 Date

Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Instructions for Certification

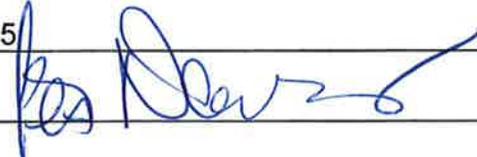
1. By signing and submitting this bid or proposal, the prospective lower tier participant is providing the signed certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, CITY OF LODI may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to CITY OF LODI if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "persons," "lower tier covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549 [49 CFR Part 29]. You may contact CITY OF LODI for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized in writing by CITY OF LOD .
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List issued by U.S. General Service Administration.

- 8. Nothing contained in the foregoing shall be construed to require establishment of system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.**

- 9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to all remedies available to the Federal Government, CITY OF LODI may pursue available remedies including suspension and/or debarment.**

**"Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion - Lower Tier Covered Transaction"**

1. The prospective lower tier participant certifies, by submission of this bid or proposal, that neither it nor its "principals" [as defined at 49 C.F.R. § 29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. When the prospective lower tier participant is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Date 02/06/15
Signature 
Company Name Cypress Security, LLC
Title Chief Executive Officer

CITY OF LODI BIDDER'S/PROPOSER'S INFORMATION REQUEST FORM



NAME OF PROJECT/PROPOSAL Security Services - Lodi Transit Station and Lodi Transit Station Parking Structure		FEDERAL AID PROJECT NUMBER	
PROPOSER BUSINESS NAME AND ADDRESS Cypress Security, LLC 1015 12th Street, Modesto, CA 95354			BUSINESS LICENSE NUMBER 640389
NAME OF PERSON SUBMITTING BID Kes Narbutas, CEO		SIGNATURE OF PROPOSER <i>[Handwritten Signature]</i>	
CONTACT PERSON Carl Cunningham, Business Dev. Mgr.		CONTACT PHONE NUMBER 415-946-4102	CONTACT EMAIL ccunningham@cypress-security.com
DATE 02/06/15			

Important: 1) Identify all DBE firms being claimed for credit. 2) List names of all DBE subcontractors and their respective items of work. 3) Attach a copy of the proof of DBE certification for each DBE subcontractor listed on this form. 4) Attach "Intent to Perform" Letter signed by the subcontractor.

LIST BUSINESS FIRM(S): List Name, Address and Contact Person (if not the same as above)	Phone Number	Email Address	Age of Firm	Item of Work, Service or Materials Supplied	NAICS Code (if known)*	Annual Gross Receipts of Firm	Disadvantaged Business Enterprise Participation		Small Business Enterprise Participation		Award Amount	Percentage of Contract Participation
							Certified DBE (Y/N)	DBE Certification Number	Certified SBE (Y/N)	SBE Certification Number		
A. PRIME Contractor Cypress Security, LLC	1-866-345-1277	info@cypress-security.com	18 yrs	Security services	561612	\$27 million	N	N/A	N	N/A	~\$100,000	100%
B. Subcontractor/Suppliers												
TOTAL												

* NAICS Code; North American Industry Classification System Code. Codes can be found at <http://www.census.gov/eos/www/naics>
 Type of DBE: (1) Black American (2) Latino/Hispanic (3) Native American (4) Asian-Pacific (5) Asian-Subcontinent (6) Women (7) Other (designated by the Small Business Administration)
 1. DBEs must be certified by Caltrans or an agency participating in the California Unified Certification Program. Visit the Caltrans website at <http://dot.ca.gov/hq/bep/ucp.htm> for a list of participating agencies.
 2. Important: Attach the proof of certification for each DBE or SBE firm used toward meeting the DBE or SBE goal if different from "Bidders/Proposers Information Request Form."
 3. This information will be compared for consistency with the "Bidders/Proposers Information Request Form."
 4. Use additional sheets as necessary.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CYPRESS SECURITY, LLC, OF SAN FRANCISCO, FOR LODI TRANSIT STATION AND PARKING STRUCTURE SECURITY SERVICES AND TO NEGOTIATE AND EXECUTE EXTENSIONS

WHEREAS, on January 14, 2015, City staff solicited requests for proposals for security services for the Lodi Transit Station and Parking Structure; and

WHEREAS, on February 12, 2015, the City received proposals from the following 16 companies:

Cypress Security, LLC	Pac West Security Services	Kingdom Security
AG Coast Inc.	Prestige International Security, Inc.	Hylton Private Security
Condor Security of America	Comprehensive Security Services	U.S. Security Associates
Security Enforcement Alliance	American Custom Private Security	Admiral Security Services
Universal Protection Services	National Security Industries and Services	Nu-way Security
Command International Security Services		

WHEREAS, the six lowest cost proposals were selected for a more comprehensive review by a committee composed of a Lodi Police Lieutenant, the Deputy Public Works Director, and the Transportation Manager. The six proposals were scored based upon company experience, training programs, proposed equipment, size of staff, references, and proposed cost. Phone interviews were held for the three highest-scoring proposals, and the committee unanimously selected Cypress Security, LLC. Reference checks were performed for the highest-scoring company, confirming staff's selection; and

WHEREAS, staff recommends awarding the contract to Cypress Security, LLC, of San Francisco, at an estimated three-year cost of \$300,500.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the Lodi Transit Station and Parking Structure Security Services to Cypress Security, LLC, of San Francisco, California, at an estimated three-year cost of \$300,500; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute the Professional Services Agreement on behalf of the City; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to negotiate and execute two one-year extensions, as set forth in the agreement.

Dated: March 18, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-_____



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Task Order No. 37 with West Yost Associates, Inc., of Walnut Creek, for Permit Consulting Services (\$39,200)

MEETING DATE: March 18, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution authorizing City Manager to execute Task Order No. 37 with West Yost Associates, Inc., of Walnut Creek, for permit consulting services in the amount of \$39,200.

BACKGROUND INFORMATION: On January 13, 1999, the City of Lodi Council executed a Master Services Agreement with West Yost Associates, Inc. for consulting services for the implementation of the City's National Pollutant Discharge Elimination System (NPDES) permit. The City's new NPDES permits for the White Slough Water Pollution Control Facility (WSWPCF) became effective on November 23, 2013 and include NPDES Permit No. CA 0079543 for the operation of the wastewater treatment facilities and Waste Discharge Order R5-2007-0113-01 for the operation of the land application areas.

In late September 2014, staff identified three inactive water wells located on the City property adjacent to the WSWPCF that had not been properly abandoned. In accordance with State regulations, these wells need to be abandoned to prevent them from providing a conduit for groundwater contamination or interfering with the evaluation of ongoing irrigation and biosolids applications on the WSWPCF property.

Additionally, the State recently revised the Industrial Stormwater Permit, which becomes effective July 1, 2015. Surface water discharges of stormwater runoff from wastewater treatment plants that treat more than one million gallons per day are subject to the Industrial Stormwater Permit. This permit allows for an exemption for facilities that meet specific requirements and that file a Notice of Non-Applicability (NONA), along with a No Discharge Technical Report by July 1, 2015. If the facility does not qualify for exemption, further work not included in this task order will be required.

Task Order No. 37 scope of services includes the categories of: Well Destruction Assistance, and Industrial Stormwater Permit Assistance. The well destruction assistance will include development of plans and specifications, permit work plan report and well destruction report. The Industrial Stormwater Permit assistance will include a report confirming runoff can be contained within the property, negotiations with the Regional Water Quality Board and completion of the NONA and No Discharge Technical Report.

Staff recommends City Council authorize the City Manager to execute Task Order No. 37 with West Yost Associates, Inc. in the amount of \$39,200.

APPROVED: _____
Stephen Schwabauer, City Manager

FISCAL IMPACT: Compliance with waste discharge permit requirements limits the City's risk of incurring fines from the Regional Water Quality Board. The costs associated with this work have been included in the wastewater financial model.

FUNDING AVAILABLE: Wastewater Operating Fund (530)

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Kathryn E. Garcia, Compliance Engineer
FWS/KMG/smh
Attachment

Task Order No. 37

City of Lodi

WPCF Well Destruction and Industrial Stormwater Services

West Yost Job Number 213-19-15-33

In accordance with the Task Order Agreement between City of Lodi (Client) and West Yost Associates, Inc. (Consultant), dated January 13, 1999, Consultant is authorized to complete the work scope defined in this Task Order according to the schedule and budget defined herein.

WORK SCOPE

The purpose of these services is to provide engineering services related to the demolition of three unused agricultural supply wells located on the City's properties surround the Water Pollution Control Facility (WPCF), and provide an evaluation of the existing stormwater runoff controls for the WPCF treatment areas. (Attachment A)

BUDGET

The costs for Consultant's services as defined herein shall not exceed \$39,200.

COMPENSATION

Compensation shall be in accordance with the provisions of the Task Order Agreement between Client and Consultant and the billing rate schedule contained in Attachment B of that Agreement.

The compensation limit for services performed under this task order shall not exceed \$39,200. If additional funds are required to complete the services defined herein beyond this limit, Consultant shall notify Client in writing prior to reaching the authorized limit, and will not proceed with work in excess of the limit without the prior written approval of Client.

SCHEDULE

We estimate that a letter report summarizing the various wastewater treatment and disposal options can be completed within three weeks from notice to proceed.

WEST YOST ASSOCIATES, INC.

Signature

Printed Name

Title

Date

Signature

Stephen Schwabauer

Printed Name

City Manager

Title

Date

Approved as to form

City Attorney



March 2, 2015

Mrs. Kathryn Garcia
Regulatory Compliance Engineer
City of Lodi
1331 South Ham Lane
Lodi, CA 95242

SUBJECT: Proposal for Engineering Services - Destruction of Three Inactive Water Wells and Industrial Stormwater Permit Compliance

Dear Mrs. Garcia:

West Yost Associates (West Yost) appreciates the opportunity to provide this letter proposal to the City of Lodi (City) for engineering services related to two main tasks: (1) destroying three inactive water wells located on City property near the White Slough Water Pollution Control Facility (WPCF) and (2) developing materials for the City to potentially gain exemption with the State Water Resources Control Board's (State Water Board's) *General Permit for Storm Water Discharges Associated with Industrial Activities* (Industrial Stormwater Permit). This proposal provides background information for each task, as well as a scope of services, budget, and schedule to complete the tasks.

TASK 1: DESTROY INACTIVE WELLS

Background Information

West Yost and City staff have identified three inactive wells on WPCF property that need to be properly abandoned to ensure that these wells do not provide a conduit for groundwater contamination and interfere with the evaluation of ongoing irrigation and biosolids applications on the WPCF property. The following information, including observations from a field inspection on October 6, 2014, has been obtained for the three inactive water wells, which will be referred to herein as Wells #1, #2, and #3.

Well #1

Well #1 is located on agricultural land (APN 055-15-15). A State Department of Water Resources (DWR) Water Well Drillers Report (Drillers Report) was obtained for Well #1 only. The Drillers Report indicates well construction was completed on June 29, 1967. Although Well #1 has been assumed to have been used for irrigation water supply, the Drillers Report indicates the proposed use was municipal. The Drillers Report also indicates the well was constructed with 16-inch diameter steel casing from ground surface to a depth of 54 feet, 12-inch diameter steel casing from 54 feet to 104 feet with a screen interval from 62 to 80 feet, and a cement grout seal from ground surface to 50 feet. However, during the field inspection the well casing at ground surface

was measured to be 14 inches in diameter; the well depth was measured to be approximately 80 feet. Well #1 is located approximately 12 feet east-southeast of WPCF monitoring well WSM-7 and 30 feet west of North Thornton Road.

Well #2

Well #2, located on agricultural land (APN 055-15-004 or 055-13-013), is also assumed to have been used for irrigation water supply. The well is approximately 60 feet deep and is constructed of 6-inch diameter steel casing at the ground surface. The well is located approximately 30 feet west of North Thornton Road and approximately 1,100 feet southeast of Well #1.

Well #3

Well #3, located on agricultural land (APN 055-15-004), is also assumed to have been used for irrigation water supply. The well is approximately 132 feet deep and is constructed of 14-inch diameter steel casing at the ground surface. The well is also located approximately 30 feet west of North Thornton Road and approximately 3,300 feet southeast of Well #2.

An unknown quantity of an oily material was also observed in Well #2. Information provided by City staff following the field inspection indicated the material was likely to be a vegetable-grade mineral oil used to lubricate a well pump (although no pump is presently installed at the well site).

Scope of Services

The scope of services for Task 1 consists of the following tasks:

Task 1.01. Prepare Well Destruction Specifications and Obtain Permits

Under this task, West Yost will obtain the information needed to prepare specifications for the well destructions and obtain well destruction permits. Pertinent activities would include:

- Identification of San Joaquin County Environmental Health Department-approved well destruction methods and procedures (San Joaquin County Ordinance Code Section 9-1115.6) and permitting requirements and fees;
- Evaluation of methods and procedures to sample, remove, and properly dispose of the oily material in Well #1;
- Evaluation of methods and procedures to destroy Well #1 due to its close proximity to monitoring well WSM-7 to avoid potential damage;
- Provide support to the City for its preparation of a bid request, solicitation, and review of bids from California-licensed and San Joaquin County-approved well drillers for two County-approved well destruction methods to determine the most cost-effective method;
- Communications with San Joaquin County Environmental Health Department staff to confirm well destruction methods and procedures based on well-specific conditions;

- Communications with the City on recommended well destruction plans including conditions at ground surface (i.e., depth of well casing removal and concrete cap); and
- Coordinate with the City, San Joaquin County Environmental Health Department, and selected driller(s) to obtain three well destruction permits prior to destruction of the wells.
- Provide support to the City for its contracting with the selected driller(s) and other potential subcontractors (e.g., utility clearance, analytical laboratory, waste transportation and disposal).

West Yost will provide a draft well destruction specifications to the City for review. Following receipt of any comments, West Yost will finalize the specifications for use by the City in soliciting bids.

Deliverables: Draft and final specifications in PDF format. County-approved Well Destruction Permits in PDF Format.

Task 1.02. Implement Well Destruction Work Plan

West Yost staff will coordinate, oversee, and document the well destruction work performed in accordance with the City-approved Work Plan by the driller(s) retained by the City. West Yost staff will coordinate with the City and will provide required notices to the San Joaquin County Environmental Health Department for potential inspection of the well destruction work.

Task 1.03. Report Well Destruction Activities

West Yost will prepare a Well Destruction Report (Report) to document the well destruction activities completed. West Yost will provide a draft Report to the City for review. Following receipt of any comments, West Yost will finalize the Report.

As part of this task, well destruction documentation will be provided to San Joaquin County Environmental Health Department in accordance with permit requirements. DWR Form 188 will be completed, signed, and submitted for the well destructions.

Deliverables: Draft Report for City review and final Report in PDF format

TASK 2: DEVELOP MATERIALS TO COMPLY WITH INDUSTRIAL STORMWATER PERMIT

Background Information

The State Water Board recently adopted a revised Industrial Stormwater Permit that becomes effective July 1, 2015. Surface water discharges of stormwater runoff from wastewater treatment plants (WWTPs) that treat more than 1 million gallons per day are subject to the Industrial Stormwater Permit. The permit allows for a facility that would otherwise require coverage under the permit to be exempted from coverage if the facility meets either of two “no discharge” eligibility requirements. These no discharge eligibility requirements require either that the facility is designed and constructed to contain the “maximum historic precipitation event” to prevent surface water discharge or that the facility is located in an area that is not hydrologically connected to surface waters. A Notice of Non-Applicability (NONA), along with a No Discharge

Technical Report, needs to be filed with the State Water Board by the permit's effective date of July 1, 2015.

A complicating factor in determining whether the WPCF would have no discharge and thus be exempt from coverage is that the Industrial Stormwater Permit does not clearly identify whether areas surrounding a WWTP that are used for discharge (e.g. recycled water irrigation, cannery process water land application, and biosolids reuse) also require coverage under the permit. These areas may have stormwater runoff to surface water because a portion of the land application area is located within the 100-year floodplain. West Yost has recently discussed the Industrial Stormwater Permit with Regional Board staff to clarify whether the reuse and biosolids land application areas surrounding the City of Galt WWTP are exempt from coverage, and this assessment is under review by the Regional Board's legal staff.

If the WPCF is not exempt from coverage under the Industrial Stormwater Permit, then the permit requires that Permit Registration Documents (PRDs) be filed and that a Stormwater Pollution Prevention Plan (SWPPP) be prepared that evaluates onsite stormwater pollutant sources and details Best Management Practices (BMPs) to control the quality of stormwater runoff from the site.

Scope of Services

The scope of services for Task 2 involves evaluating whether the City can meet the "no discharge" requirements under the Industrial Stormwater Permit and thus be exempt from coverage. In addition, if the City is exempt, this scope includes providing assistance to the City in completing the paperwork necessary to meet the Industrial Stormwater Permit compliance requirements. The scope of services below do not include preparation of the documentation needed if it is determined that the City is not exempt from the Industrial Stormwater Permit requirements.

[Task 2.01. Evaluate No Discharge Applicability](#)

West Yost will prepare a Stormwater Management Practices Technical Memorandum (TM) detailing whether the existing stormwater collection facilities for the WPCF (not including the land application area) can adequately contain runoff within the existing catchment and storage areas during a maximum historic precipitation event. This assessment will also verify that the WPCF stormwater catchment and storage areas are outside the 100-year floodplain. In addition, the TM will describe the City activities on the land application properties and their potential for discharge to surface waters during extreme flooding events. The purpose of this TM will be to provide the details needed by the Regional Board to make a decision regarding the applicability of the General Permit to the City's WPCF and surrounding properties.

Deliverables: Draft Stormwater Management Practices Technical Memorandum for City review and final TM in PDF Format.

[Task 2.02. Assist City with Water Board Negotiations](#)

West Yost will assist the City in discussions with Regional Board staff regarding the stormwater regulations. One meeting is assumed. Given the uncertainty of the applicability of the Industrial Stormwater Permit, the specific work efforts under Task 2 cannot reasonably be

determined at this time. Therefore, the fee estimate for Task 2 is based on West Yost's best estimate of the City's potential needs for compliance with the Industrial Stormwater Permit. Services will be limited to work that can be completed within the available budget. All work will be performed on a time and materials basis, and monthly invoices/reports will detail the efforts and costs. Depending on the level of effort required, a scope and budget amendment may be necessary in the future

Deliverables: Draft and Final Meeting Agenda and Meeting Minutes.

Task 2.03. No Discharge Technical Report and NONA Documentation

If the WPCF is determined to be exempt, West Yost will modify the Stormwater Management Practices TM to meet the requirements of a No Discharge Technical Report for City submittal to the State Water Board. In addition, West Yost will develop the NONA documentation for City submittal to the State Water Board.

Deliverables: Draft NOI form and site map in PDF format. Two (2) paper copies and one electronic copy in PDF format of draft SWPPP for City review. Four (4) paper copies and one electronic copy in PDF format of final SWPPP. Two (2) copies are for City use, and two (2) are for submission to the State Water Board.

BUDGET

The total budget for the scope of work described above is estimated to be \$44,700. A summary of the budgeted costs by task is shown in the table below. West Yost will perform the work on a time and materials basis at standard company charge rates, and will not exceed the estimated cost without written authorization. If additional budget is required to complete work identified herein, West Yost will notify the City before exceeding the authorized budget amount.

Inactive Well Abandonment Estimated Fee		
Task	Description	West Yost Fee, dollars
1	Well Destruction Assistance	18,300
2	Industrial Stormwater Permit Assistance	20,900
Total Estimated Fee		\$39,200

SCHEDULE

Work will begin upon notice to proceed from the City. For Task 1, West Yost plans to provide the specifications to the City within 14 days of notice to proceed. The schedule for performing the well destructions and completing the permitting will be determined following the City's selection of the driller(s) and coordination with the San Joaquin County, Environmental Health Department. West Yost will provide the draft Well Destruction Report to the City within 14 days of completing the field activities.

Mrs. Kathryn Garcia

March 2, 2015

Page 6

For Task 2, West Yost will provide the draft Stormwater Management Practices Technical Memorandum within 21 days of notice to proceed. The schedule for coordination with the Regional Board and completion of the No Discharge Technical Report and NONA will be contingent upon Regional Board review. West Yost will work with the City and Regional Board staff to complete the documentation needed to allow for registration under the Industrial Stormwater Permit by July 1, 2015.

West Yost appreciates the opportunity to provide these services to the City. Please contact me if you have any questions or need additional information.

Sincerely,

WEST YOST ASSOCIATES

A handwritten signature in black ink, appearing to read "Kathryn E. Gies". The signature is written in a cursive, flowing style.

Kathryn E. Gies
Engineering Manager

Attachments

KEG:ap

2015 Billing Rate Schedule (Effective January 1, 2015 through December 31, 2015)*

ENGINEERING

Position	Labor Charges (dollars per hour)
Principal/Vice President	239
Engineering/Scientist/Geologist Manager II	228
Engineering/Scientist/Geologist Manager I	219
Principal Engineer/Scientist/Geologist II	211
Principal Engineer/Scientist/Geologist I	199
Senior Engineer/Scientist/Geologist II	187
Senior Engineer/Scientist/Geologist I	178
Associate Engineer/Scientist/Geologist II	169
Associate Engineer/Scientist/Geologist I	158
Engineer/Scientist/Geologist II	148
Engineer/Scientist/Geologist I	128
Senior GIS Analyst	174
GIS Analyst	164
CAD Supervisor	138
Senior CAD Designer	120
CAD Designer	107
Engineering Aide	72
Technical Specialist IV	135
Technical Specialist III	120
Technical Specialist II	104
Technical Specialist I	87
Administrative IV	109
Administrative III	99
Administrative II	82
Administrative I	65

- Technology and Communication charges including general and CAD computer, software, telephone, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses will be billed at 6% of West Yost labor.
- Outside Services such as vendor reproductions, prints, shipping, and major West Yost reproduction efforts, as well as Engineering Supplies, Travel, etc. will be billed at actual cost plus 15%.
- Mileage will be billed at the current Federal Rate.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness, research, technical review, analysis, preparation and meetings billed at 150% of standard hourly rates. Expert witness testimony and depositions billed at 200% of standard hourly rates.
- A Finance Charge of 1.5% per month (an Annual Rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

Continues on following page

*This schedule is updated annually

2015 Billing Rate Schedule

(Effective January 1, 2015 through December 31, 2015)*

CONSTRUCTION MANAGEMENT

Position	Labor Charges (dollars per hour)
Senior Construction Manager	230
Construction Manager IV	200
Construction Manager III	160
Construction Manager II	150
Construction Manager I	140
Resident Inspector (Prevailing Wage – Group 1)	156
Resident Inspector (Prevailing Wage – Group 2)	150
Resident Inspector (Prevailing Wage – Group 3)	134
Resident Inspector (Prevailing Wage – Group 4)	120
Apprentice Inspector	110
CM Administrative II	80
CM Administrative I	60

SURVEYING

Position	Labor Charges (dollars per hour)
GPS, 3-Person	365
GPS, 2-Person	317
GPS, 1-Person	246
Survey Crew, 2-Person	268
Survey Crew, 1-Person	202

EQUIPMENT CHARGES

Equipment	Billing Rate (dollars per day)	Billing Rate (dollars per week)
DO Meter	17	83
pH Meter	5	26
Automatic Sampler	130	712
Transducer/Data Logger	41	206
Hydrant Pressure Gage	12	50
Hydrant Pressure Recorder (HPR)	—	206
Hydrant Wrench	5	33
Well Sounder	29	134
Ultrasonic Flow Meter	—	269
Vehicle	88	445
Velocity Meter	12	65
Water Quality Multimeter	176	964

*This schedule is updated annually

West Yost Associates	EM/SM/GM II \$228 KEG/JFS	PE/PS/PG II \$211 MLY	SE/SS/SG I \$178 CEH	ESG I \$128 PJO	ADM III \$99	Labor		Technology & Admin 6%	Sub. WEN	Costs		
						Hours	Fee			Sub. w/ markup 10%	Other Direct	Total Costs
PROJECT: WPCF Well Destruction and Industrial Stormwater Se												
Task 1	Destroy Inactive Wells											
1.01 Prepare Well Destruction Work Plan	16		6	24	4	50	\$ 8,184	\$ 491				\$ 8,675
1.02 Obtain Permits	4			6		10	\$ 1,680	\$ 101				\$ 1,781
1.03 Implement Well Destruction Work Plan	4		2	16		22	\$ 3,316	\$ 199				\$ 3,515
1.04 Report Well Destruction Activities	8		2	12	4	26	\$ 4,112	\$ 247				\$ 4,359
Subtotal, Task 1 (hours)	32	0	10	58	8	108						
Subtotal, Task 1 (\$)	\$ 7,296		\$ 1,780	\$ 7,424	\$ 792		\$ 17,292	\$ 1,038				\$ 18,330
Task 2	Develop Materials to Comply with Industrial Stormwater Permit											
2.01 Evaluation No Discharge Applicability	2	44	12		2	60	\$ 12,074	\$ 724				\$ 12,798
2.02 Regional Board Meeting	8		8			16	\$ 3,248	\$ 195				\$ 3,443
2.03 Prepare No Discharge Technical Report	2	8	8		8	26	\$ 4,360	\$ 262				\$ 4,622
Subtotal, Task 2 (hours)	12	52	28	0	10	102						
Subtotal, Task 2 (\$)	\$ 2,736	\$ 10,972	\$ 4,984		\$ 990		\$ 19,682	\$ 1,181				\$ 20,863
TOTAL (hours)	44	52	38	58	18	210						
TOTAL (\$)	\$ 10,032	\$ 10,972	\$ 6,764	\$ 7,424	\$ 1,782		\$ 36,974	\$ 2,218				\$ 39,192

**TASK ORDER AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF LODI
AND
WEST YOST & ASSOCIATES, INC.**

THIS TASK ORDER AGREEMENT, hereinafter referred to as "Agreement," made and entered into on this 13th day of January 1999, by and between the City of Lodi, hereinafter referred to as "Client," and West Yost & Associates, Inc., hereinafter referred to as "Consultant."

WITNESSETH:

WHEREAS, Client is proceeding with preparation of a wastewater treatment and disposal systems master plan that requires the services of a consultant; and

WHEREAS, Consultant has available and offers to provide personnel and facilities necessary to accomplish such work as may be requested by Client;

NOW, THEREFORE, Client and Consultant agree as follows:

I. DESCRIPTION OF PROJECT

Services provided shall be as described in written task orders made pursuant to and referencing this Agreement, but in general shall include engineering services.

II. SCOPE OF SERVICES

Consultant agrees to perform those services described in separate written task orders signed by Client and Consultant. Unless modified in writing by both parties, duties of Consultant shall not be construed to exceed those services specifically described in each task order.

III. TIME FOR COMPLETION

The time for completion of work shall be as identified in each task order issued pursuant to this Agreement.

IV. COMPENSATION

For services to be performed by Consultant, as described in each task order, Client agrees to pay, and Consultant agrees to accept, compensation as identified in each task order. Consultant shall invoice Client on a time and materials cost basis for services provided under this Agreement in accordance with the Billing Rate Schedule contained in Exhibit A unless task orders specifically indicate otherwise.

Consultant shall submit invoices for services as prescribed in each task order. Client shall pay such invoices within 30 days after their receipt. If payment is not made within 30 days, interest on the unpaid balance will accrue at a rate of one (1) percent per month compounded monthly.

V. RESPONSIBILITY OF CONSULTANT

Consultant agrees that in undertaking the duties to be performed hereunder, it shall act as an independent consultant for and on behalf of Client. Client shall not direct the work and means for accomplishment of the services and work to be performed hereunder. Client, however, retains the right to require that work performed by Consultant meet specific standards without regard to the manner and means of accomplishment thereof.

VI. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall indemnify and hold harmless Client, their directors, officers, and employees from and against claims, damages, losses, and expenses (including reasonable attorneys' fees), arising out of performance of the work, provided that any such claim, damage, loss, or expense is caused by negligent acts or omissions of Consultant, any subconsultant employed directly by Consultant, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable.

VII. INSURANCE

Consultant shall procure and maintain the following insurance policies, each of which shall provide primary coverage with respect to work performed under this Agreement.

1. Comprehensive General Liability Insurance. Insurance including premises/operations, products/completed operations, blanket contractual, and broad-form property damage liability coverages. The combined single limit for bodily injury and property damage shall not be less than \$1,000,000 per occurrence, and \$2,000,000 per year in aggregate.
2. Automobile Bodily Injury and Property Damage Liability. Insurance covering owned (if any), non-owned, rented, and leased cars. The limit shall not be less than \$1,000,000 per occurrence.
3. Workers' Compensation and Employer's Liability. Insurance as prescribed by applicable law, including liability under the Longshoreman's and Harbor Workers' Act and the Jones Act, if applicable. The employer's liability limit shall not be less than \$1,000,000.
4. Professional Liability Insurance. Insurance covering losses resulting from errors or omissions of the Consultant. The limit of liability shall not be less than \$1,000,000 per claim and in the aggregate.

VIII. ASSIGNMENT

This Agreement is binding on the heirs, successors, and assigns of the parties hereto. This Agreement may not be assigned by either Client or Consultant without the prior written consent of the other.

IX. BENEFIT

Except as herein provided, this Agreement shall inure to the benefit of the assigns, heirs, and successors of the parties to this Agreement.

X. TERMINATION

Client may terminate this Agreement for its convenience. Consultant shall be compensated for work performed to the date of termination including a reasonable amount for profit and cost to terminate work.

In the event Consultant shall persistently fail to perform services and work hereunder in a manner satisfactory to Client, this Agreement may, at Client's option, be terminated. Consultant shall be compensated for completed and useful work performed to the date of termination.

XI. JURISDICTION

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in that state. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in full force and effect.

XII. ARBITRATION

All claims, disputes, and other matters in question between the parties to this Agreement arising out of or relating to this Agreement or the breach thereof, which are not disposed of by mutual agreement, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. No arbitration arising out of or relating to this Agreement shall include any person not a party to this Agreement except by written consent signed by the parties hereto and persons to be joined. This agreement to arbitrate shall be specifically enforceable under prevailing arbitration law.

Notice of demand for arbitration shall be filed in writing with the other parties to this Agreement and with the American Arbitration Association. The demand shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, but in no event after the date when the institution of legal or equitable proceedings would be barred by the applicable statute of limitations. The award rendered by the arbitrators shall be final, and judgment may be entered in accordance with applicable law in any court having jurisdiction.

XIII. LIABILITY LIMITATION PROVISION

Should Consultant or any of its officers, employees, or agents be found to have been negligent in the performing of professional services or work, or to have breached any express or implied warranty, breached any representation or any provision of this Agreement, Client, all persons or entities claiming through Client and all persons or entities claiming to have in any way relied upon or been damaged by Consultant's services or work agree that the maximum aggregate amount of the liability of Consultant, its officers, employees and agents shall be limited to the total amount of

the fee paid to Consultant by Client for its work performed with respect to the project, or \$500,000, whichever is greater. The Agreement price is predicated on this limitation of liability. Should Client object to this provision, then the Agreement price will be renegotiated by Consultant and Client to account for the increase in Consultant's potential liability. Any objection by Client to this limitation on liability must be conveyed to Consultant before Client's acceptance of this Agreement.

XIV. INTEGRATION

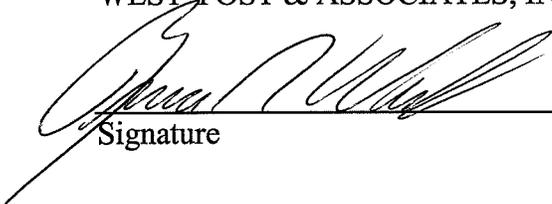
This Agreement represents the entire understanding of Client and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

XV. SUBCONTRACTS

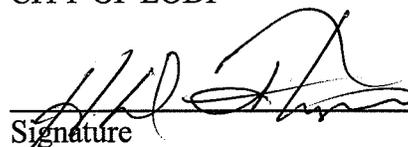
Except with prior written approval of Client, Consultant shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

WEST YOST & ASSOCIATES, INC.

CITY OF LODI



Signature



Signature

Bruce G. West
Printed Name

H. Dixon Flynn
Printed Name

Principal
Title

City Manager
Title

Jan 13, 1999
Date

ATTEST: Alice M. Reinche
Alice M. Reinche, City Clerk
2-1-99
Date

attachment

Approved as to form



Randall A. Hays
City Attorney

Exhibit A

WEST YOST & ASSOCIATES Billing Rate Schedule

(Effective July 5, 1998 through December 31, 1999)*

<u>Position</u>	<u>Billing Rate (dollars per hour)</u>
Principal	137
Engineering Manager	129
Principal Engineer/Scientist	118
Senior Engineer/Scientist	107
Associate Engineer/Scientist	96
Assistant Engineer/Scientist	86
Junior Engineer/Scientist	74
Sr. Designer/Sr. CADD Operator	76
Designer/CADD Operator	68
Draftsman	56
Technical Specialist	56
Engineering Aide	45
Word Processor/Administrator	47
Technician	50
Office Assistant	33

Direct expenses (telephone, reproduction, postage, *etc.*) will be billed at actual cost plus 15%.

Mileage will be billed at \$0.35 per mile.

Subconsultants will be billed at actual cost plus 10%.

Billing rates apply to all computers and equipment, whether owned or rented by WYA, and to all employment categories including regular full-time, part-time, temporary, and contract employees as defined in WYA's Employee Handbook.

Computers are billed at \$10, \$15 and \$25 per hour for general usage, specialty models, and AutoCAD, respectively.

A Finance Charge of 1 percent per month (an Annual Rate of 12 percent) on the unpaid balance will be made if not paid within 30 days from the date of the invoice.

*This schedule will be updated annually

WEST YOST & ASSOCIATES
Billing Rate Schedule
(cont'd.)

SURVEYING AND EQUIPMENT CHARGES

(Effective July 5, 1998 through December 31, 1999)*

<u>Position</u>	<u>Billing Rate</u>
Survey Crew, 2-Person	\$136/hr

EQUIPMENT CHARGES

Vehicle Usage	\$45/day	\$200/wk
Water Depth Probe	\$10/day	\$40/wk
DO Meter	\$15/day	\$60/wk
pH Meter	\$5/day	\$20/wk
Ultrasonic Flow Meter		\$200/wk

*This schedule will be updated annually

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE TASK ORDER NO. 37 TO THE MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST ASSOCIATES, OF WALNUT CREEK, FOR WELL DESTRUCTION AND INDUSTRIAL STORMWATER PERMIT ASSISTANCE AT THE WHITE SLOUGH WATER POLLUTION CONTROL FACILITY

WHEREAS, on January 13, 1999, a Master Services Agreement was executed with West Yost Associates, Inc., for consulting services for the implementation of the City's National Pollutant Discharge Elimination System permit; and

WHEREAS, in late September 2014, staff identified three inactive water wells located on City property adjacent to the White Slough Water Pollution Control Facility (WSWPCF) that had not been properly abandoned; and

WHEREAS, in accordance with State regulations, the wells need to be abandoned to prevent provision of a conduit for groundwater contamination or interference with the evaluation of ongoing irrigation and biosolids applications on the WSWPCF property; and

WHEREAS, the State recently revised the Industrial Stormwater Permit, which becomes effective July 1, 2015; and

WHEREAS, surface water discharges of stormwater runoff from wastewater treatment plants that treat more than one million gallons per day are subject to the Industrial Stormwater Permit; and

WHEREAS, the permit allows for an exemption for facilities that meet specific requirements and that file a Notice of Non-Applicability and a No Discharge Technical Report by July 1, 2015. If WSWPCF does not qualify for the exemption, further work not included in this task order will be required; and

WHEREAS, Task Order No. 37 Scope of Services includes well destruction assistance and Industrial Stormwater Permit assistance. The well destruction assistance will include development of plans and specifications, permit work, plan report, and well destruction report. The Industrial Stormwater Permit assistance will include a report confirming runoff can be contained within the property, negotiations with the Regional Water Quality Board, and completion of the Notice of Non-Applicability and No Discharge Technical Report; and

WHEREAS, staff recommends City Council authorize the City Manager to execute Task Order No. 37 with West Yost Associates, Inc., in the amount of \$39,200.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute Task Order No. 37 to the Master Professional Services Agreement with West Yost Associates, of Walnut Creek, California, in the amount of \$39,200, to provide consulting services for well destruction assistance and Industrial Stormwater Permit assistance at the White Slough Water Pollution Control Facility.

Dated: March 18, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015 by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to File California Public Utilities Commission Section 190 Application, Certifying All Matters Prerequisite to Awarding Construction Contract Will Be Accomplished Within Two Years of Funding Allocation, and Certifying Sufficient Local Funds Are Available for the Harney Lane Grade Separation Project

MEETING DATE: March 18, 2014

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to file California Public Utilities Commission Section 190 application, certifying all matters prerequisite to awarding construction contract will be accomplished within two years of funding allocation, and certifying sufficient local funds are available for the Harney Lane Grade Separation Project.

BACKGROUND INFORMATION: The Harney Lane/Union Pacific Railroad Grade Separation is an overpass bridge structure being developed as part of the City's future plan to widen Harney Lane from two lanes to four lanes between the western limits at Lower Sacramento Road to the State Route 99 interchange. The current project development is primarily focused on constructing the overpass crossing and on widening Harney Lane to four lanes between Hutchins Street on the west and Stockton Street on the east. The widened portion of Harney Lane will tie into an existing four-lane segment immediately east of the project limits and will transition back to two lanes just west of the intersection with Hutchins Street.

Funding for the project is provided from a variety of sources including the California Public Utilities Commission (CPUC). To secure the CPUC funding, a grant application must be submitted by April 1, 2015, if the project is to proceed to construction Spring 2016. A certified resolution of the City Council stipulating to the follow points must be included in the application package.

1. A certified resolution by the applicant's governing body authorizing the filing of an application.
2. A certified resolution by the applicant's governing body stating that all matters prerequisite to the awarding of the construction contract can be accomplished within two years after the allocation of the funds for the project by the California Transportation Commission.
3. A certified resolution by the applicant's governing body stating that sufficient local funds will be made available as the work on the project progresses.

Staff recommends approval of the attached resolution.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by F. Wally Sandelin, Public Works Director
FWS/smh

APPROVED: _____
Stephen Schwabauer, City Manager

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO FILE CALIFORNIA PUBLIC UTILITIES COMMISSION SECTION 190 APPLICATION, CERTIFYING ALL MATTERS PREREQUISITE TO AWARDING CONSTRUCTION CONTRACT WILL BE ACCOMPLISHED WITHIN TWO YEARS OF FUNDING ALLOCATION, AND CERTIFYING SUFFICIENT LOCAL FUNDS ARE AVAILABLE FOR THE HARNEY LANE GRADE SEPARATION PROJECT

WHEREAS, the Harney Lane/Union Pacific Railroad Grade Separation is an overpass bridge structure being developed as part of the City's future plan to widen Harney Lane from two lanes to four lanes between the western limits at Lower Sacramento Road to the State Route 99 interchange; and

WHEREAS, the current project development is primarily focused on constructing the overpass crossing and widening Harney Lane to four lanes between Hutchins Street on the west and Stockton Street on the east; and

WHEREAS, the widened portion of Harney Lane will tie into an existing four-lane segment immediately east of the project limits and will transition back to two lanes just west of the intersection with Hutchins Street; and

WHEREAS, funding for the project is provided from a variety of sources including the California Public Utilities Commission (CPUC). In order to secure CPUC funding, a grant application must be submitted by April 1, 2015, if the project is to proceed to construction in spring 2016.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby: (1) Authorize the City Manager to file California Public Utilities Commission Section 190 application; (2) Certify all matters prerequisite to awarding construction contract will be accomplished within two years of funding allocation; and (3) Certify sufficient local funds are available for the Harney Lane Grade Separation Project.

Dated: March 18, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015 by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Contract for Seward Johnson Sculpture Exhibit, and Appropriating Art in Public Places Funds for Exhibit and Traffic Control Box Art Project (\$30,000)

MEETING DATE: March 18, 2015

PREPARED BY: Parks, Recreation, and Cultural Services Director

RECOMMENDED ACTION: Adopt resolution authorizing the City Manager to execute contract for Seward Johnson sculpture exhibit, and appropriating Art in Public Places funds for exhibit and the Traffic Control Box Art Project in the amount of \$30,000.

BACKGROUND INFORMATION: The City Council initially approved an expenditure of \$39,500 on November 6, 2013 upon the recommendation of the Art Advisory Board. The Board later learned from the foundation that controls the Seward Johnson sculptures that not all of the desired pieces were available to display in Lodi in 2014 and, as a result, decided to postpone the exhibit until 2015.

In the meantime, the appropriated funds in Fiscal Year 2013/14 were not reallocated in the current fiscal year, and the contract for the exhibit was only recently completed. The attached resolution authorizes the City Manager to execute the contract for this exhibit, which is scheduled for display in downtown Lodi from April 15, 2015 through July 15, 2015. The exhibit consists of 10 sculptures, including the highly desired "Forever Marilyn" Monroe likeness, at a cost of \$24,000. The Art Advisory Board will choose sculpture locations for the upcoming exhibit at a special meeting in early April. The Johnson sculptures last visited Lodi in 2011 and were a downtown attraction.

Similarly, not all of the traffic control box funds appropriated in FY 2013/14 (\$4,500) were expended. The unspent balance of \$3,300 needs to be appropriated for the final six box art projects and a protective sealant for all 10 boxes in this phase. The overall appropriation of \$30,000 includes a contingency of \$2,700 for unforeseen expenses related to the sculpture installation, removal and sidewalk repair.

These projects are funded by development impact mitigation fees paid by developers and not tax revenue. The funds are restricted to public art projects and not available for other uses.

FISCAL IMPACT: Not to exceed \$30,000.

FUNDING AVAILABLE: Art in Public Places Fund (434.32205, balance of \$165,917.69)

Jordan Ayers, Deputy City Manager

Jeff Hood
Parks, Recreation, and Cultural Services Director

APPROVED: _____
Stephen Schwabauer, City Manager

SCULPTURE LOAN AGREEMENT FOR SEWARD JOHNSON WORK(S)

This Agreement is made this 14th day of January, 2015 (“Effective Date”) by The Seward Johnson Atelier, Inc. (“TSJA”), a nonprofit corporation organized under the laws of the State of New Jersey, with a place of business at 14 Fairgrounds Road, Hamilton, New Jersey 08619, and the City of Lodi: Division of Arts and Culture (“Exhibitor”), with a place of business at 125 S. Hutchins Street, Lodi, California 95240. (TSJA and Exhibitor shall each be referred to herein as a “Party” or, collectively, as the “Parties”).

WHEREAS, TSJA is a nonprofit corporation organized and operated for charitable and educational purposes as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, whose mission is to: promote public appreciation and knowledge of art and public placement and view of sculpture; support and lend art to businesses, individuals, charitable organizations, and government entities for public exhibition; and build and revitalize communities through the public placement of art; and

WHEREAS, TSJA owns certain works of art created by Seward Johnson for the purposes of public exhibition, display, loan, sale and donation in furtherance of its charitable and educational purposes; and

WHEREAS, TSJA desires to loan certain sculptural work(s) of art to Exhibitor for the purposes of public display and education in accordance with the terms of this Agreement; and

WHEREAS, Exhibitor wishes to publicly display certain sculpture(s) received from TSJA for charitable purposes.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

TERMS AND AGREEMENT

1. Definitions.

(a) Loaned Sculpture(s). The term “Loaned Sculpture(s)” shall mean sculpture(s) owned by TSJA created by Seward Johnson, loaned to Exhibitor in accordance with the terms of this Agreement and listed in Exhibit A, including, if any, related frames, pedestals, bases, installation structures, background material crating, packaging and/or any other item supplied by TSJA in connection with any Loaned Sculpture(s).

(b) Loan Period. The term “Loan Period” will mean the period from the date on which Exhibitor receives the Loaned Sculpture(s) listed in Exhibit A, until the date that the Exhibitor makes the Loaned Sculpture(s) available for return to Foundation in accordance with the terms of Section 15(a) herein.

(c) Exhibit Site. The term “Exhibit Site” shall mean the following location: City of Lodi, CA.

(d) Exhibition Period. The term “Exhibition Period” shall mean Exhibitor’s planned exhibition at the Exhibit Site, presently scheduled to commence on April 15, 2015 and conclude on July 15, 2015.

2. Term.

The term of this Agreement shall be from the Effective Date until sixty (60) days after the Loaned Sculpture(s) are returned to TSJA, or the termination of this Agreement in accordance with the terms of Section 18 herein, whichever is less.

3. Purpose of Loan.

(a) Exhibition. Exhibitor agrees to use and display the Loaned Sculpture(s) in furtherance of TSJA’s charitable purpose and in accordance with the terms of this Agreement.

(b) Public Display. Exhibitor hereby represents that the Loaned Sculpture(s) will be on continuous public display during the Exhibition Period at venues or spaces including, but not limited to the Exhibit Site, that are customarily open and accessible to the public for a minimum period of thirty (30) hours each week.

(b) Admission of public. During the Exhibition Period, Exhibitor will admit the public to the Exhibit Site and any other site where the Loaned Sculpture(s) are displayed in accordance with the terms of this Agreement without discrimination or segregation on the basis of race, religious creed, skin color, national origin, ancestry, physical or mental disability, medical condition, marital status, gender, age, or sexual orientation.

4. Assignment.

(a) Exhibitor. Exhibitor may not, at any time, assign or transfer to any party (i) its rights under this Agreement, (ii) possession of the Loaned Sculpture(s), or (iii) any interest in the Loaned Sculpture(s).

(b) Foundation. TSJA may assign all or any portion of its rights under this Agreement to any third party without prior written notice to Exhibitor.

5. Care and Safekeeping.

(a) Standard of care. Exhibitor will at all times during the Loan Period (24-hour, seven day basis), handle and care for the Loaned Sculpture(s) in accordance with the highest standards for and best practices concerning the treatment and protection of artworks of a similar nature and value adopted and/or used by major art institutions that regularly handle and care for art of the same nature and value as the Loaned Sculpture(s), taking into account the specific nature and value of the Loaned Sculpture(s), its/their materials, the fragility of the Loaned Sculpture(s) and the other unique properties of the Loaned Sculpture(s) as works of art. Exhibitor will check the condition of the Loaned Sculpture(s) a minimum of one (1) time per month for the duration of the Loan Period.

(b) Security. Exhibitor will protect the Loaned Sculpture(s) from fire, theft, acts of the public, vandalism, and mishandling, and otherwise provide a safe and secure environment in all respects during the Loan Period, including retrieval, custody, and immediate notification of TSJA in the event of an emergency.

(c) Installation. TSJA has the right to supervise and approve the installation of the Loaned Sculpture(s) at the Exhibit Site and the right to specify installation and removal requirements. Unless otherwise agreed upon by the Parties in a signed writing, the Exhibitor will provide professional installation expertise, manpower, and equipment. Once installed, the Loaned Sculpture(s) may not be removed or moved in any manner without TSJA's prior written consent, except in an emergency (for example, fire).

(d) Siting / Withdrawal of Sculptures. Siting of any Loaned Sculpture(s) at the Exhibit Site shall be subject to TSJA's sole approval. The Loaned Sculpture(s) shall not be moved or relocated from its/their original installation sites at the Exhibit Site, including any re-siting of the Loaned Sculpture(s) to any location other than the Exhibit Site and/or withdrawal of the Loaned Sculpture(s) from public display, without TSJA's prior written consent, except in an emergency (for example, fire). All costs associated with moving, relocating, re-siting and/or withdrawal of any Loaned Sculpture(s) will be paid for by the Party that initiated the moving, relocating, re-siting and/or withdrawal. In the event Exhibitor requests the moving, relocating or re-siting of the Loaned Sculpture(s) or withdrawal of the Loaned Sculpture(s) from display, the Exhibitor shall pay the expenses of an experienced art handler/installer (selected by TSJA) ("Art Handler") to accompany the Loaned Sculpture(s) during such moving, relocating re-siting or withdrawal. Such expenses may include, without limitation, the Art Handler's hourly wages or fees and reasonable economy class travel, lodging, and meal costs.

(e) Handling. In every instance, Exhibitor warrants that the Loaned Sculpture(s) will be handled only by trained staff and/or recognized fine art handlers under competent supervision, and under conditions including but not limited to, security measures approved by TSJA. The Loaned Sculpture(s) must not be handled except as expressly permitted in this Agreement.

(f) Inspection. Within thirty (30) days after the execution of this Agreement, TSJA may inspect the Exhibit Site. If the Exhibit Site is not approved by TSJA, TSJA may terminate this Agreement without any liability to Exhibitor. At all times during the Loan Period and upon reasonable notice to Exhibitor, TSJA and/or its representatives will have the right to access, inspect, and view the Loaned Sculpture(s). If at any time during the Loan Period TSJA identifies any damage to the Loaned Sculpture(s), TSJA may, in its sole discretion, require immediate remedial measures, remove the damaged Loaned Sculpture(s) and/or terminate this Agreement under Section 18 hereunder without any liability or further obligation to Exhibitor.

(g) No waiver. TSJA's approval, review, or supervision of, or attendance at, Exhibitor's facilities, or of any packing, installation, removal, and/or other handling of the Loaned Sculpture(s), will not in any way make TSJA liable or responsible for any such activity or events, or waive or diminish any of Exhibitor's obligations and responsibilities under this Agreement or at law.

6. Loan Fee.

Exhibitor agrees to pay and TSJA agrees to accept a total loan fee in the amount of U.S. \$24,000.00 (Twenty-four thousand dollars and no cents) for the loan of the Loaned Sculpture(s) pursuant to this Agreement (the "Loan Fee"). The Loan Fee shall be payable by Exhibitor according to the following schedule: \$12,000.00 (twelve thousand dollars and no cents) of the Loan Fee will be payable upon execution of the Agreement and \$12,000.00 (twelve thousand dollars and no cents) of the Loan Fee will be payable by January 1, 2015. No rights other than those set forth in this Agreement shall pass to Exhibitor upon payment of the Loan Fee to TSJA.

7. Shipping and Installation.

(a) Shipping. TSJA shall be fully responsible for properly and securely packing the Loaned Sculpture(s) for shipment and for paying all costs of packing, loading, and professional and secure roundtrip transportation of the Loaned Sculpture(s). TSJA will have the right to specify a carrier of its own choosing, or to approve a professional carrier and to specify packing and transportation requirements, which Exhibitor agrees to follow. In no event will Exhibitor appoint any provider of transportation or packing services or implement any transportation or packing measures for the Loaned Sculpture(s) without TSJA's prior written consent.

(b) Installation. Exhibitor will be responsible for all costs associated with installation of the Loaned Sculpture(s) at the Exhibitor's Exhibit Site.

8. Storage. All crate and packing materials used in transporting and packing the Loaned Sculpture(s) must be stored and preserved during the Loan Period by the Exhibitor. Any lost or damaged crate and/or packaging materials will be replaced at Exhibitor's expense.

9. Conservation; Alteration. Exhibitor agrees not to perform any invasive examination or inspection of the Loaned Sculpture(s), and not to conserve, repair, alter, modify, unmat, unframe, remat or reframe, remove or add any base or pedestal to, restore the Loaned Sculpture(s) or any part of the Loaned Sculpture(s), or otherwise disassemble any part of the Loaned Sculpture(s), or substitute or replace any glass or other cover, or consent to or permit any of the foregoing, without the express prior written consent of TSJA. Hanging or mounting devices existing on the

Loaned Sculpture(s) may not be removed or repositioned from the Loaned Sculpture(s), nor may any other devices be attached, without TSJA's prior written consent.

10. Damage or Loss.

(a) Report. Exhibitor must immediately report to TSJA by telephone (to be followed up in writing delivered within three (3) business days), any evidence of damage to or loss or deterioration of, or endangerment to, the Loaned Sculpture(s) during the Loan Period.

(b) Mitigation. Following any damage, loss, deterioration, or endangerment to the Loaned Sculpture(s), without limiting any other provision of this Agreement, Exhibitor must take and pay the cost of any reasonable actions TSJA may require to secure and protect the Loaned Sculpture(s) from further damage, loss, deterioration, or endangerment. Exhibitor (itself or its insurer) will be solely responsible for all costs of conservation necessitated by any damage, loss, deterioration, or endangerment that occurs during the Loan Period. Such costs shall not exceed the value of the damaged Loaned Sculpture(s).

11. Insurance; Liability for Loss or Damage.

(a) Insurance Requirements. Unless otherwise agreed upon by the Parties in a signed writing, Exhibitor agrees to: (1) insure the Loaned Sculpture(s) against "all risks" of physical loss or damage while on the Exhibit Site throughout the Loan Period as set forth in this Section 11; and (2) procure and maintain commercial general liability insurance in the aggregate amount of \$2,000,000 (two million dollars) insuring against any claims for damage or destruction of property, bodily injury, or death arising out delivery, storage, installation, maintenance, transportation, and/or exhibition of the Loaned Sculpture(s), whether at the Exhibit Site or otherwise. All insurance obtained by Exhibitor to insure the Loaned Sculpture(s) (the "Exhibitor Policies") must be acceptable to TSJA in form and content and must comply with all of the following requirements:

(i) Valuation. Exhibitor must insure the Loaned Sculpture(s) fully for the current market value(s), as such value(s) may change from time to time, but no less than the stated value(s) indicated on Exhibit A of this Agreement (the "Stated Value(s)"), each of which Exhibitor agrees represents a fair, reasonable, and accurate value for the associated Loaned Sculpture. TSJA will have the right to solicit new valuations to determine the Stated Value(s) of the Loaned Sculpture(s), as TSJA deems appropriate, in its reasonable discretion. Promptly after receipt of TSJA's written request(s) (including via e-mail), Exhibitor must take any and all necessary steps to ensure that the insurance coverage hereunder is increased accordingly (including without limitation by increasing the Stated Value(s) of the Loaned Sculpture(s) on all Exhibitor Policies).

(ii) Additional Insured and Loss Payee. The Exhibitor Policies must name TSJA either as named insured or as additional insured and loss payee in the event of loss, damage, or destruction of the Loaned Sculpture(s). If Exhibitor receives any insurance proceeds in respect to the Loaned Sculpture(s), Exhibitor will only receive and hold such proceeds in trust for TSJA and will promptly deliver all such proceeds to TSJA.

However, receipt of any insurance proceeds shall serve as a credit against any amounts otherwise owed by Exhibitor to foundation for damages, restoration or protection to the Loaned Sculpture(s) under this Agreement.

(iii) Severability. The Exhibitor Policies must provide for coverage independent from, and regardless of, any defenses insurer may have against, Exhibitor or any other insured. The Exhibitor Policies must provide that coverage under such policies cannot be invalidated or prejudiced by Exhibitor's actions. To the extent that any Exhibitor Policies also provide coverage for Exhibitor's legal liability to TSJA, such insurance must provide for severability of interests, and must not include any exclusion that would preclude suits between insureds and/or between insureds and loss payees.

(iv) Partial and Total Loss. If the Loaned Sculpture(s) are damaged, the amount of loss will be the cost and expense of restoration plus the diminution in value. The diminution in value will be measured by taking the greater of the current market value of the Loaned Sculpture(s) immediately before the damage occurred or the Stated Value(s) of the Loaned Sculpture(s) and subtracting the current market value after restoration as determined in the sole discretion of TSJA. If any of the Loaned Sculpture(s) are lost (including, without limitation, stolen) or destroyed, the proceeds from the policies must be paid directly to TSJA in an amount equal to the greater of the current market value of the Loaned Sculpture(s) at the time of loss or the Stated Value(s).

(v) No Contest. Exhibitor's insurer(s) must agree not to contest or litigate this Agreement.

(vi) Other Insurance. If TSJA elects to maintain its own insurance coverage, such coverage will in all events be secondary and noncontributory to the coverage provided by Exhibitor, and will not release Exhibitor from, or waive or diminish, any of Exhibitor's obligations or liabilities under this Agreement.

(vii) Repurchase Right. If any Loaned Sculpture(s) is/are lost (including, without limitation, stolen) and then recovered after TSJA has been reimbursed by the insurer, TSJA will have the option to exchange the insurance proceeds for the recovered Loaned Sculpture(s).

(viii) Notice. TSJA must receive at least ninety (90) days prior written notice of cancellation, intent not to renew, or any substantive change in policy terms or rate ("Revision to Insurance Coverage"). After receipt of notice of any Revision to Insurance Coverage, TSJA may, at its sole discretion, terminate this Agreement without liability to Exhibitor.

(ix) Lenders paid first. If the Exhibitor Policies are not exclusive to TSJA (if, for example, the Loaned Sculpture(s) are insured under blanket insurance policies), then the Exhibitor Policies must provide that third party lenders to Exhibitor (such as TSJA) have priority of recovery over Exhibitor and any other insureds, additional insureds, and loss

payees under the Exhibitor Policies, according to allocation provisions that are acceptable to TSJA, such that TSJA is fully compensated for any loss.

(x) Jurisdiction. The Exhibitor Policies must agree to the jurisdiction and governing law provisions of Section 20 of this Agreement; provided, however, that if Exhibitor has used its best efforts to cause the Exhibitor Policies to agree to such jurisdiction and governing law provisions, Exhibitor will not be in breach of this Agreement for failing to comply with the jurisdiction and governing law provisions of Section 19 if Exhibitor's insurers will not agree or will agree only if Exhibitor pays an additional premium or fee.

(b) Endorsements; Certificate of Insurance. Exhibitor agrees to notify its insurers of the terms of this Agreement, and to obtain from its insurers an endorsement including any of the provisions of this Section 11 not already included in the policy terms. In addition, Exhibitor will obtain and provide TSJA with a certificate of insurance (i) naming TSJA as a named insured or additional insured and, in either event, loss payee, and (ii) evidencing coverage of the Loaned Sculpture(s) for loss or destruction for the Stated Value(s), in a manner satisfactory to TSJA. Exhibitor agrees to deliver such certificate and endorsement (if applicable), along with a copy of the provisions of the Exhibitor Policies pertaining to: (1) all risks coverage; (2) exclusions; (3) valuation; (4) severability; (5) determination of partial and total loss; (6) arbitration; (7) treatment of other insurance; (8) repurchase right (right to exchange proceeds); and (9) lenders priority of payment to TSJA no fewer than ten (10) business days prior to the commencement of the Loan Period. At TSJA's request, Exhibitor will also deliver a copy of the terms of Exhibitor's policy.

(c) Deductibles. Exhibitor agrees to pay any and all deductibles relating to insurance coverage for the Loaned Sculpture(s) and/or relating to any claim made under the general commercial general liability insurance required pursuant to Section 11(a), which deductibles may not exceed an amount approved by TSJA.

(d) Separate Insurance Policy. At TSJA's option, in lieu of adding the Loaned Sculpture(s) and TSJA to Exhibitor's existing policy, TSJA may require Exhibitor to obtain and pay for a separate insurance policy covering only the Loaned Sculpture(s), issued by a carrier of TSJA's choice and otherwise meeting the requirements of this Section 11.

(e) Disposition of damaged art work. Notwithstanding any other term or provision of this Agreement, in the event of any partial damage to the Loaned Sculpture(s) during the Loan Period, TSJA will, in all events, have the right to retain the Loaned Sculpture(s) and title thereto, and will not have any obligation to transfer the Loaned Sculpture(s) to Exhibitor or Exhibitor's insurers. If there is total damage to any of the Loaned Sculpture(s) during the Loan Period, and if Exhibitor itself pays TSJA for the loss under the provisions of this Agreement, then TSJA will have the right to retain the Loaned Sculpture(s) and title thereto, and will not have any obligation to transfer the Loaned Sculpture(s) to Exhibitor, even if the Loaned Sculpture(s) are worthless. If there is total damage to the Loaned Sculpture(s) during the Loan Period, and if Exhibitor's insurer(s) pay TSJA in full for the loss, Exhibitor will nevertheless use its best efforts to cause its insurer(s) to return the Loaned Sculpture(s) to TSJA, and to ensure that TSJA retains all title thereto, even if the Loaned Sculpture(s) are worthless. If Exhibitor is unable to cause Exhibitor's

insurer(s) to return the Loaned Sculpture(s) to TSJA despite Exhibitor's best efforts, then Exhibitor will continue to use its best efforts to ensure that Exhibitor's insurer(s) dispose of the Loaned Sculpture(s) in consultation with TSJA and in a manner respectful of TSJA's wishes. Notwithstanding any other term or provisions of this Agreement, retention by TSJA of the Loaned Sculpture(s) and/or title thereto will in no way affect any right of TSJA's under this Agreement.

(f) Exhibitor's liability beyond insurance; duty to indemnify. Exhibitor agrees to assume absolutely and unconditionally all liability, and to fully reimburse and indemnify TSJA for any and all loss, damage and/or destruction relating to the Loaned Sculpture(s), or to any part of the Loaned Sculpture(s), during the Loan Period, where such loss, damage and/or destruction (i) is not fully covered (including all expenses required of TSJA) under the terms of the Exhibitor Policies for any reason, and (ii) the result of or caused directly or indirectly by any negligent, wrongful or intentional act, omission or error of, or other failure to meet any term(s) or special standard(s) of care set forth in this Agreement, of Exhibitor or anyone on its behalf or any of its employees, agents, officers, directors, representatives, or contractors. This obligation to reimburse and indemnify TSJA extends, without limitation, to any shortfall in insurance that results from any instance in which Exhibitor's fine arts insurance does not or cannot meet the insurance or indemnity related terms of this Agreement. Notwithstanding any inference to the contrary contained in this paragraph, Exhibitor's liability will not be limited in any way with regard to any intentional harm (be it an act or omission) by Exhibitor, or anyone on its behalf or any of its employees, agents, officers, directors, representatives, or contractors, during the Loan Period.

(g) No Waiver. Exhibitor's failure to provide any information, certificates, or policies required by this Agreement, including without limitation, either a certificate of insurance or an endorsement establishing that all of the insurance requirements set forth herein have been met, and/or TSJA's acceptance of any policy or certificate of insurance not in compliance with the requirements of this Agreement will not in any event be or be deemed to be, or constitute, a waiver by TSJA of any of the requirements of this Agreement or of Exhibitor's covenants, liabilities, or obligations under this Agreement.

12. Copyright; Indemnification; Photography Limitations.

(a) Compliance with law. Exhibitor agrees to observe and comply with all copyright, trademark, and other intellectual property laws and regulations, all moral rights including, without limitation, attribution rights, any rights under 17 U.S.C. §106(a), and all rights of privacy and publicity (individually and collectively "I.P. Rights"), relating to the Loaned Sculpture(s), and not to infringe or violate any I.P. Rights.

(b) Copyright. It is understood that TSJA is the copyright owner of the Loaned Sculpture(s) and shall retain copyright ownership of the Loaned Sculpture(s), including the exclusive right to make reproductions. Exhibitor agrees never to contest the copyright(s) of TSJA and/or its successors, heirs, and/or assigns in the Loaned Sculpture(s).

(c) Reproductions prohibited. Exhibitor may not make or use any reproduction of the Loaned Sculpture(s) including, but not limited to two-dimensional images or photographs depicting the Loaned Sculpture(s), for any commercial purpose without prior written consent of TSJA.

(d) Authorized Images. Exhibitor may publicly display, reproduce, and distribute photographic reproductions of Loaned Sculpture(s) approved by TSJA to promote and market Exhibitor's exhibitions which include the Loaned Sculpture(s) ("Authorized Images"). Copies of all of Exhibitor's materials containing Authorized Images shall be provided to TSJA for TSJA's records. All Authorized Images must show the appropriate notice as provided below in Section 12(f). All Authorized Images must show the appropriate notice as provided below in Section 12(f)(i) - (iv). All of Exhibitor's rights to use Authorized Images provided herein shall cease on the earliest of: (1) the close of the Exhibition Period; or (3) the date of termination of this Agreement pursuant to Section 18 herein.

(e) Use of photographic reproductions. Other than as provided in Section 12(c) and 12(d), Exhibitor may not use photographic reproductions of the Loaned Sculpture(s) for any purpose, including postcards, note cards, posters, books, CDs, DVDs, and prints, without TSJA's prior written approval.

(f) Copyright Notice.

(i) Credit line for Authorized Images. The following credit line shall appear adjacent to each Authorized Image:

"[title of the Loaned Sculpture] by Seward Johnson, On Loan From The Seward Johnson Atelier, Inc."

(ii) Copyright notice for individual Authorized Images. Unless otherwise instructed by TSJA, in addition to the credit line required by Section 12(f)(i) above, the following copyright notice shall appear adjacent to individual Authorized Images in which Foundation owns the copyright:

"Photograph – © [year of publication of photograph], The Seward Johnson Atelier, Inc."

In the event TSJA advises Exhibitor that TSJA is not the copyright owner of the Authorized Image, the notice above must be modified to replace "The Seward Johnson Atelier, Inc." with the name of the photographer or party who owns the copyright in the Authorized Image.

(iii) Copyright notice for materials containing Authorized Images. If Exhibitor elects to produce materials containing Authorized Images, the following copyright notice shall appear in each copy thereof:

“© [year of publication], [Exhibitor], All rights reserved”

Unless otherwise instructed by TSJA the following additional copyright notice must appear directly below Exhibitor’s copyright notice:

“The photographs contained herein are © [include the most recent publication date for any Authorized Image used] or earlier, The Sculpture Foundation, Inc., except where otherwise noted, and are used with permission of The Seward Johnson Atelier, Inc. All rights reserved.”

(iv) Notices not mutually exclusive. The credit lines and copyright notices above are not mutually exclusive and, depending on Exhibitor’s respective use, circumstances may require use of one or more of the credit line and/or notices.

13. Copies of Exhibitor Materials.

Use of Foundation photographs in catalogues and other promotional media is subject to TSJA’s prior consent. Exhibitor will provide TSJA with twenty (20) complimentary copies of any catalogue (including hardback, CD, DVD and any other media) and other written material that it may publish or distribute or authorize relating to the Loaned Sculpture(s) and/or the Exhibitor’s Exhibit Site.

14. Return/Removal of Loaned Sculptures.

(a) Unless otherwise agreed upon by the Parties in a signed writing pursuant to Section 7(a) of this Agreement, Exhibitor agrees to make the Loaned Sculpture(s) available for return to Foundation no later than one (1) week after the end of the Exhibition Period or within five (5) days of receipt of a notice of termination from TSJA (“Termination Notice”) if this Agreement is terminated under Section 18 herein. Exhibitor will not have any right to retain the Loaned Sculpture(s) after the end of the Exhibition Period under any circumstances.

(b) In the event that the Loaned Sculpture(s) are not made available for return to TSJA in accordance with this Agreement, TSJA and/or its representative(s), at Exhibitor’s cost and expense, will have the right to terminate this Agreement and immediately retrieve the Loaned Sculptures (without waiver of any claims), including without limitation, and to the extent allowed by law, enter Exhibitor’s premises without prior notice and immediately retrieve the Loaned Sculpture(s) without responsibility for any unintentional loss or damage due to such removal and without liability to Exhibitor.

(c) Exhibitor will only release the Loaned Sculpture(s) to, and take instructions concerning the Loaned Sculpture(s) from, TSJA or its duly authorized agent. In the case of an agent acting on TSJA’s behalf, Exhibitor must not act without reliable written proof of the agent’s authorization from TSJA.

15. Responsibility.

(a) No liability or warranty. TSJA will bear no expense relating to the lending of the Loaned Sculpture(s) to Exhibitor. TSJA does not make (and hereby expressly disclaims) any and all warranties or representations (express or implied), including to Exhibitor or otherwise, in respect of the Loaned Sculpture(s), or any right in the Loaned Sculpture(s), including, but not limited to, title, quiet enjoyment, or authenticity. However, Foundation represents and warrants that it is the copyright owner of the Loaned Sculptures and agrees to defend, indemnify, and hold harmless Exhibitor against any third party claims for copyright infringement.

(b) Indemnification. In all events, Exhibitor agrees to and will release, indemnify, and defend TSJA and its trustees, directors, officers, employees, contractors, representatives, and agents from and against all costs, losses, taxes, assessments, demands, fees, and expenses (including attorneys' fees and costs), claims, damages, suits, actions and/or proceedings, threatened against or suffered by Exhibitor or TSJA or their respective trustees, directors, officers, employees, or agents, and relating to or arising out of this Agreement; any breach or failure to perform by Exhibitor under this Agreement; any act or omission by or on behalf of Exhibitor or any director, officer, employee, agent, contractor, representative, or invitee of Exhibitor ("Exhibitor's Agents"); any prohibited use of I.P. Rights by Exhibitor or Exhibitor's Agents not consistent with this Agreement and/or the lending of the Loaned Sculpture(s) to Exhibitor, including, without limitation, the transportation, possession, preservation, reproduction, and/or display of the Loaned Sculpture(s), and the return of the Loaned Sculpture(s) to TSJA.

16. Ownership. Exhibitor will at all times recognize only TSJA as the legal owner of the Loaned Sculpture(s), and will not recognize nor entertain any competing claims by any third party in respect of the Loaned Sculpture(s). Exhibitor agrees never to contest TSJA's and/or its successors', heirs', and/or assigns' title in the Loaned Sculpture(s). If Exhibitor becomes aware of any claim or circumstances that may give rise to a claim in respect of the Loaned Sculpture(s), it will immediately inform TSJA and take such reasonable steps as TSJA may require (including the immediate removal of the Loaned Sculptures from the Exhibitor's Exhibit Site), at the Exhibitor's sole cost and expense. Exhibitor hereby waives any and all interest and claim in the Loaned Sculpture(s), and agrees not to in any way encumber, claim or assert or cause or allow any other party to claim, any interest of any kind in the Loaned Sculptures.

17. Confidentiality. Except as required by the California Public Records Act, the terms of this Agreement, including, but not limited to, the Loan Fee (if any), the condition of the Loaned Sculpture(s), all transportation and shipping arrangements, and all additional information designated or provided by TSJA as confidential relating to this Agreement and the Loaned Sculpture(s), must be kept confidential by Exhibitor. Except as reasonably related and necessary to fulfilling its obligations under this Agreement, Exhibitor will not publish or disclose such information or permit any trustee, director, officer, agent, representative, employee, or affiliate of Exhibitor to publish or disclose such information, to any person, by any means, at any time, without TSJA's prior written consent.

18. Termination.

(a) Breach. TSJA may, at any time, terminate this Agreement, without any liability to or further obligation to the Exhibitor, in the event of a breach by Exhibitor of any conditions or term of this Agreement, including, but not limited to damage to the Loaned Sculpture(s). If the Agreement is terminated by TSJA, TSJA shall notify the Exhibitor of such termination and provide a Termination Notice to Exhibitor. Exhibitor shall make the Loaned Sculpture(s) available for return shipping pursuant to the terms of Section 14 herein within five (5) days of receipt of the Termination Notice.

(b) Termination upon transfer of assets. Should ownership of an individual Loaned Sculpture be legally transferred from TSJA to Exhibitor, this Agreement shall terminate with respect to such Loaned Sculpture upon the effective date of such transfer.

19. Applicable Law; Exclusive Jurisdiction; Venue and Removal.

(a) Applicable law. This Agreement and all disputes relating to or arising out of this Agreement (including insurance disputes, unless prohibited by the insurance laws and regulations applicable to the policy(ies)) will be governed by and construed in accordance with the laws of any jurisdiction that is most favorable to TSJA as an insured, without giving effect to the provisions of such jurisdiction relating to conflicts or choice of law.

(b) Exclusive jurisdiction; venue and removal. All disputes and matters arising under, in connection with, or incidental to this Agreement and/or the Loaned Sculpture(s), including, but not limited to, any dispute involving insurance coverage or proceeds, will be litigated, if at all, in and before a federal court with diversity jurisdiction in the State of New Jersey or the Superior Court of New Jersey located in Mercer County, New Jersey, USA, to the exclusion of other courts of other states and to the exclusion of other venues. Exhibitor and TSJA EXPRESSLY CONSENT TO THE JURISDICTION OF EITHER COURT and agree that this venue is convenient and not to seek a change of venue or to seek to dismiss the action on the ground of forum non conveniens, not to assert any defense based on lack of jurisdiction of this court, and not to bring any action arising under, in connection with, or incidental to this Agreement in any other court.

20. Taxes. Exhibitor agrees to be fully responsible for (and to promptly pay) any and all levies, liens, taxes (including, but not limited to, personal property taxes and/or GST, VAT, or similar taxes) and/or all other assessments of any kind or nature relating to the lending of the Loaned Sculpture(s) for the use by Exhibitor of the Loaned Sculpture(s) during the Loan Period, including, but not limited to, the transportation, possession, presence, and/or display of the Loaned Sculpture(s).

21. Miscellaneous. This Agreement may be executed in counterparts, each of which shall constitute an original and both of which shall constitute the same instrument. Nothing in this Agreement will be deemed to create a joint venture, partnership, lease, or principal-agent, employer-employee, or any similar relationship or arrangement, between Exhibitor and TSJA. Nothing in this Agreement will be construed to give any party (other than Exhibitor and TSJA, and their successors and assigns as provided herein) any legal or equitable right, benefit, remedy, or claim in respect of this Agreement and Exhibitor's and/or TSJA's covenants and obligations hereunder. Any waivers under this Agreement must be in writing to be effective. The party signing this Agreement on behalf of Exhibitor hereby represents and warrants that s/he is duly authorized to sign this Agreement on behalf of and bind Exhibitor as provided in this Agreement. The terms and conditions of Sections 11, including, but not limited to full satisfaction of all obligations to reimburse TSJA thereunder, 12, 14, 15, 17, 18, 19, 20, 21 and 22 of this Agreement will survive the expiration of this Agreement. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, such term or provision or portion thereof as to that application will be severed from the rest of this Agreement and such event will not impact the effectiveness or validity of the remainder of such provision or any other provision or term hereof. If at any time TSJA's consent or approval is required as set forth in this Agreement, such approval or consent may be given or denied by TSJA in its sole discretion. The captions and descriptive headings of this Agreement are for convenience only and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

22. Compliance with Laws and Regulations. Exhibitor shall adhere to all federal and state laws and regulations applicable to its obligations and responsibilities under this Agreement.

23. Notice. All notices, requests, demands, consents, approvals, and other communications (including any change to this provision) required to be given in writing under this Agreement are considered given upon receipt if delivered personally or sent by recognized courier, certified mail (return receipt requested and postage-prepaid), or fax (if delivery is confirmed by the sender), as follows:

For Exhibitor:
Ms. Jennifer Winn
Recreation Manager
Hutchins Street Square
125 S. Hutchins Street
Lodi, CA 95240
209-333-6800 x 6891
209-333-5906 fax

For TSJA:
Curator
2525 Michigan Avenue, Ste. A-6
Santa Monica, California 90404
(310) 264-2400
(310) 264-2403 fax

With a Copy to:
Janice D. Magdich
City Attorney
City of Lodi
PO Box 3006
Lodi, CA 95241
209-333-6701
209-333-6807 fax

With a Copy to:
Chief Administrative Officer
The Seward Johnson Atelier, Inc.
14 Fairgrounds Road
Hamilton, NJ 08619
(609) 689-1040
(609) 689-1059 fax

24. Entire Agreement. This Agreement (including all Exhibit(s) hereto) constitutes the entire agreement between TSJA and Exhibitor with respect to the subject matter hereof. Any prior agreements, promises, negotiations, or representations that may have been made or relied upon that are not expressly set forth in this Agreement are of no force or effect. This Agreement may be modified only in writing, which writing must be signed by both parties.

TSJA and Exhibitor execute this Agreement by their duly authorized agents as of the Effective Date.

THE SEWARD JOHNSON ATELIER, INC. EXHIBITOR

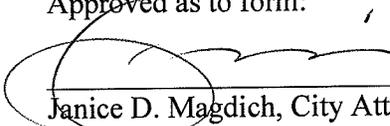
By: _____
Name: Paula Stoeke
Title: Director and Curator

By: _____
Name: Stephen Schwabauer
Title: City Manager

ATTEST:

Jennifer Robison, City Clerk

Approved as to form:



Janice D. Magdich, City Attorney

Exhibits

Exhibit A: Sculpture(s) on Loan from TSJA
Exhibit B: Maintenance Instructions

With a Copy to:
Janice D. Magdich
City Attorney
City of Lodi
PO Box 3006
Lodi, CA 95241
209-333-6701
209-333-6807 fax

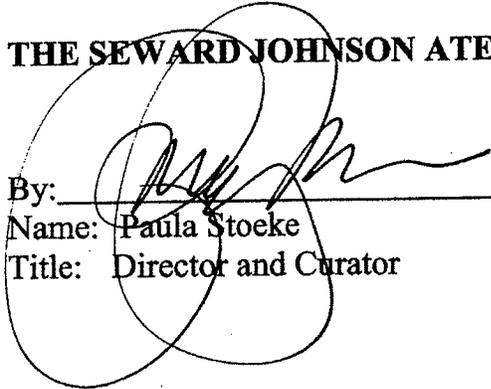
With a Copy to:
Chief Administrative Officer
The Seward Johnson Atelier, Inc
14 Fairgrounds Road
Hamilton, NJ 08619
(609) 689-1040
(609) 689-1059 fax

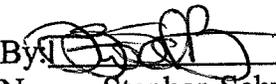
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upon that are not expressly set forth in this Agreement are of no force or effect. Th
may be modified only in writing, which writing must be signed by both parties.

TSJA and Exhibitor execute this Agreement by their duly authorized agents
Effective Date.

THE SEWARD JOHNSON ATELIER, INC.

EXHIBITOR

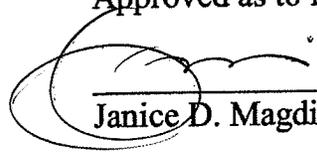
By: 
Name: Paula Stoeke
Title: Director and Curator

By: 
Name: Stephen Schwabauer
Title: City Manager

ATTEST:

Jennifer Robison, City Clerk

Approved as to form:



Janice D. Magdich, City Attorn

Exhibits

Exhibit A: Sculpture(s) on Loan from TSJA
Exhibit B: Maintenance Instructions

EXHIBIT A

Sculpture(s) on Loan from TSJA

1.	A Little to the Right	\$120,000.00
2.	Frequent Flyers	\$120,000.00
3.	God Bless America	\$180,000.00
4.	Los Mariachis	\$150,000.00
5.	Time's Up	\$150,000.00
6.	Waiting to Cross	\$80,000.00
7.	Coming Home	\$150,000.00
8.	Captured	\$86,000.00
9.	Forever Marilyn	\$150,000.00
10.	Unconditional Surrender	\$140,000.00

EXHIBIT B

Maintenance Instructions

Seward Johnson's Painted Bronze Sculpture

Recommended Maintenance Procedure

The best way to protect against corrosion is by implementing regular maintenance performed by the artist's studio once every five years. We also suggest a localized program of regular dusting and cleaning. Surfaces should be visually inspected frequently with special attention given to areas exposed to handling, abrasion, or where pockets of water may pool during rain or from daily sprinklers.

Indoor installations need regular dusting with occasional cleaning. Outdoor installations need more frequent cleaning, generally semi-annually or possibly quarterly depending on location, but at least once a year.

If you are hosting an exhibition, or work of art, in a highly trafficked urban locale, it is recommended that you wash the sculpture with good water and very mild non-ionic or neutral detergent at least twice a week.

While cleaning, please inspect closely, to make sure there are no inconsistencies developing in the paint due to atmospheric influences. Small areas of bare metal on a larger whole will tend to corrode faster than normal and it is important to insulate those areas when they appear. Re-painting, with the help of the artist's studio, should be done when the condition of the paint layer is compromised beyond the scope of a small touch up.

CLEANING PROCEDURE: Simple cleaning with mild non-ionic or neutral detergent (see below list) using a soft non-metallic scrub brush, sponge or cloth. Never use a rough-bristled or wire-bristled brush. Rinse well with water and dry thoroughly by hand.

It is recommended not to wax the painted sculptures. First, because of the durability of the paint that is a two part component urethane Clear. This Clear, with or without waxing, will last just as long. Secondly the wax will get into the texture and porosity of the piece. This makes it difficult to remove and inhibits future restoration. Lastly, the wax, on a hot day gets soft, which traps dust. This makes the colors look extremely dirty, especially the whites.

NON-IONIC AND NEUTRAL DETERGENT: *(used in a 1:10 ratio of soap to water)*

Orvis Liquid Soap
Conservation Materials, Ltd.
1165 Marietta Way
Sparks, NV 89431

Non-Ionic Detergent*
Industrial Soap Company
2930 Marker Street
St. Louis, MO 63103

* Ivory Liquid, Joy, and other neutral detergent soap

Feel free to contact us for additional information or details at:
The Seward Johnson Atelier (tel) 310 264 2400 (fax) 310 264 2403 info@sewardjohnsonatelier.org

1. AA# _____
 2. JV# _____

CITY OF LODI APPROPRIATION ADJUSTMENT REQUEST			
TO:	Internal Services Dept. - Budget Division		
3. FROM:	PRCS Director	5. DATE:	3/9/15
4. DEPARTMENT/DIVISION: Parks, Recreation & Cultural Services			

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW					
	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	434	N/A	32205	AiPP Fund balance	\$30,000
B. USE OF FINANCING	434	43499000	77020	Seward Johnson sculpture	\$26,700
	434	43499000	77020	Traffic Control Box art	\$3,300

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET
<p>Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.</p> <p>At the recommendation of the Art Advisory Board, Art in Public Places funds will be used to rent Seward Johnson sculptures for downtown Lodi from April 15, 2015 through July 15, 2015, and continue funding the traffic control box art project.</p>

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: 3/18/15 Res No: _____ Attach copy of resolution to this form.

Department Head Signature: _____

8. APPROVAL SIGNATURES	
Deputy City Manager/Internal Services Manager	Date

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE THE CONTRACT FOR THE
SEWARD JOHNSON SCULPTURE EXHIBIT AND FURTHER
APPROPRIATING FUNDS FOR THE EXHIBIT AND THE
TRAFFIC CONTROL BOX ART PROJECT

=====

WHEREAS, the City Council initially approved an expenditure of \$39,500 on November 6, 2013, upon the recommendation of the Art Advisory Board; and

WHEREAS, the Board later learned from the foundation that controls the Seward Johnson sculptures that not all of the desired pieces were available to display in Lodi in 2014 and, as a result, decided to postpone the exhibit until 2015; and

WHEREAS, the exhibit is scheduled for display in downtown Lodi from April 15, 2015 through July 15, 2015; and

WHEREAS, the exhibit consists of 10 sculptures at a cost of \$24,000; and

WHEREAS, not all of the Traffic Control Box Art Project funds appropriated in FY 2013/14 (\$4,500) were expended, and the unspent balance of \$3,300 needs to be appropriated for the final six box art projects and for a protective sealant for all 10 boxes in this phase; and

WHEREAS, the overall appropriation of \$30,000 includes a contingency of \$2,700 for unforeseen expenses related to the sculpture installation, removal, and sidewalk repair.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute the contract for the Seward Johnson Sculpture Exhibit; and

BE IT FURTHER RESOLVED, that Art in Public Places funds in the amount of \$30,000 be appropriated for the Seward Johnson Sculpture Exhibit and Traffic Control Box Art Project.

Dated: March 18, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the Lodi City Council in a regular meeting held March 18, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2
MEETING DATE: March 18, 2015
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Receive update on emergency condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2.

BACKGROUND INFORMATION: White Slough Water Pollution Control Facility (WSWPCF) has four covered anaerobic digesters that serve the purpose of breaking down sewage sludge that enters the plant. On July 16, 2014, Council declared an emergency condition in response to concurrent roof failures on Digesters No. 1 and No. 2. Public contract code requires Council to review the emergency action at its next regularly-scheduled meeting and each regularly-scheduled meeting thereafter until the emergency is terminated.

The completed Digester No. 2 roof structure is installed and work to begin start up procedures is underway. Digester No. 2 is expected to be placed in service the last week of March.

Digester No. 1 work will begin immediately after Digester No.2 is placed back in service. Digester No. 1 will be emptied and cleaned so the existing roof can be removed.

The procurement and construction schedule reflecting project milestones is provided below. The work is progressing on the original schedule, and there is no substantial change from last report.

Project Definition Meeting	July 21, 2014
Issue Final Contract Documents	August 1, 2014
Receive GMP Proposals	August 20, 2014
Issue Notice to Proceed	September 15, 2014
Complete Digester No. 2 Improvements	April 2, 2015
Complete Digester No. 1 Improvements	August 27, 2015

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Charlie Swimley, City Engineer / Deputy Public Works Director
FWS/CES/smh
Attachment

cc: Associate Civil Engineer Nathan
Wastewater Plant Superintendent

Charlie Swimley, City Engineer / Deputy Public Works Director
Construction Project Manager

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Receive Report Regarding Communication Pertaining to Assembly Bill 266 (Cooley) Regarding Medical Marijuana

MEETING DATE: March 18, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Receive report regarding communication pertaining to Assembly Bill 266 (Cooley) regarding medical marijuana.

BACKGROUND INFORMATION: The City received a request for communication from the League of California Cities regarding AB 266 (Cooley). There was a need to send a letter of support immediately in light of a pending hearing.

AB 266 would regulate medical marijuana in a manner that 1) protects local control by providing that the state may issue a conditional license only; the actual license to operate would be issued by the local government; 2) protects public safety by establishing detailed security measures and inventorying procedures for transport to prevent diversion; and 3) protects public health by establishing uniform health and safety standards, including quality assurance (testing) standards promulgated by the Department of Consumer Affairs, and enforced by local code enforcement offices, or another locally designated entity.

The attached letter signed by the Mayor was sent out on March 11, 2015. A copy of the initial request along with the text of the bill is also attached. This report is provided for informational purposes only pursuant to policy.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

APPROVED: _____
Stephen Schwabauer, City Manager

CITY COUNCIL

BOB JOHNSON, Mayor
MARK CHANDLER,
Mayor Pro Tempore
DOUG KUEHNE
JOANNE MOUNCE
ALAN NAKANISHI

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6702 / FAX (209) 333-6807
www.lodi.gov cityclerk@lodi.gov

STEPHEN SCHWABAUER
City Manager

JENNIFER M. FERRAILOLO
City Clerk

JANICE D. MAGDICH
City Attorney

March 11, 2015

Assembly Member Ken Cooley
State Capitol – Room 3146
Sacramento, CA 95814
FAX: (916) 319-2180

RE: AB 266 (Cooley) – Medical Marijuana
Notice of Support

Dear Assemblymember Cooley:

The City of Lodi supports your medical marijuana legislation, Assembly Bill 266, which will provide what we have lacked in California since the voters approved Proposition 215 in 1996: a responsible framework for marijuana distribution that upholds local control, squarely addresses public safety concerns, and includes important health and safety requirements.

Most of the previous legislation in this area has often sought to pre-empt local control, only partially addressed the significant public safety concerns raised by medical marijuana, and failed to address important health and safety issues that are inevitably triggered by a regulatory process for any medicine. For this reason, AB 266, with its public safety, local control, and public health provisions, represents a shift in focus that began with last year's SB 1262 by Senator Correa.

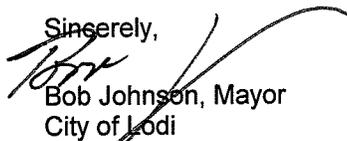
As a municipal government, we are on the front lines on this issue, along with our local police department, and have to cope with the effects of the current chaotic regulatory structure for medical marijuana on a daily basis. We applaud your effort to put a responsible framework in place that protects patient access while protecting local control and addressing public safety issues. We believe local governments should have a prominent role in any framework for medical marijuana, including meaningful enforcement powers, and therefore support the approach in AB 266.

We appreciate the work that went into developing this proposal, including input from city attorneys, law enforcement, patient advocates, the private sector, and consultation with both jurisdictions that allow medical marijuana dispensaries to operate under the control of local ordinances, as well as those that have imposed bans.

Finally, we appreciate the incorporation of health and safety standards into the bill and stand ready to work with officials at all levels of government to ensure smooth implementation should AB 266 become law.

Once again, thank you for your leadership on this issue.

Sincerely,



Bob Johnson, Mayor
City of Lodi

cc: Assemblymember Jim Cooper (assemblymember.cooper@assembly.ca.gov)
Senator Cathleen Galgiani (galgiani@sen.ca.gov)
Stephen Qualls, Central Valley Regional Public Affairs Manager LCC (squalls@cacities.org)
Tim Cromartie, League of California Cities (tcromartie@cacities.org)

Jennifer Ferraiolo

From: Stephen R. Qualls <squalls@cacities.org>
Sent: Friday, February 27, 2015 10:15 AM
Subject: URGENT: LETTERS NEEDED
Attachments: Talking Points_Cooley Bill_022615.pdf; Background Information AB 266.pdf; AB 266 Sample Support Letter_Introduced 2.10.2015.docx; Action Alert AB 266 (Cooley) 022615.docx; 1.15 contact info for CVD legislators.docx

Last year the League and the California Police Chiefs Association authored SB 1262 to protect local control and public safety pertaining to medical marijuana.

Unfortunately, despite the efforts of many of the member cities of the League, including letters from 15 cities in our division, SB 1262 did not become law.

After further discussions with the California Police Chiefs Association, together we have authored AB 266 which is being carried by Assembly Member Ken Cooley.

This years bill will again protect local government control and public safety but also addresses some of the concerns by last years opponents by also protecting patients access to safe and regulated medical marijuana.

I have attached further information on AB 266 along with a sample support letter that I would like to ask your city to send to your legislators. Although I am positive that you already have it, because of possible changes in the State Capital, I've also attached an updated list of Legislators from our division with their contact information.

Please cc me on any correspondence and email me with any feedback that you may receive.

Thank you for your support,

Stephen Qualls
Central Valley Regional Public Affairs Manager League of California Cities

209-614-0118
Fax 209-883-0653
squalls@cacities.org<<mailto:squalls@cacities.org>>

[Description: Description: LCC_Logo_SM] [X]
Strengthening California Cities through Advocacy and Education To expand and protect local control for cities through education and advocacy in order to enhance the quality of life for all Californians.

<<http://www.cacities.org/AC>>

ACTION ALERT!!

AB 266 (Cooley).

Regulates medical marijuana in a manner that protects local control, addresses public safety concerns, and enhances health and safety standards.

SUPPORT

Background on AB 266:

The purpose of AB 266 is to establish a balance between California's communities' ability to preserve influence over medical marijuana distribution within their borders and the right of California's citizens to access medical marijuana as provided for in Proposition 215 (1996). By establishing health and public safety requirements relevant to the conduct of this distribution, this bill aims to improve the current status quo by helping the exercise of Proposition 215 rights within local community norms. Specifically, it will not alter patients existing rights of access to or cultivation of medical marijuana under Proposition 215.

Since the approval by voters in 1996 of the Compassionate Use Act (Proposition 215), state law has allowed Californians access to marijuana for medical purposes, and prohibited punitive action against physicians for making medical marijuana recommendations. SB 420 (2003), allowed patients and primary caregivers to cultivate marijuana for personal use and established in the Department of Public Health a medical marijuana card program for patients to use on a voluntary basis.

In the intervening 12 years, no broader, feasible regulatory structure has been established, and the implementation of the Compassionate Use Act has been marked by conflicting authorities, regulatory chaos, intermittent federal enforcement action, and a series of lawsuits which have tested the limits of the Act, and focused on the extent of the authority of local government.

Most attempts at medical marijuana legislation in California have been geared toward state pre-emption, and unsympathetic to the authority of local government. None have been health-based, despite the medical rationale that spawned Prop. 215. None have sought to impose any health and safety standards, despite the fact that the regulatory structure they tried to establish would have exercised oversight over what is known to be a psychotropic substance. And finally, no legislation has squarely addressed the many public safety concerns triggered by such a regulatory scheme.

AB 266 will:

- **Protect local control** by providing that the state may issue a conditional license only; the actual license to operate would be issued by the local government;
- **Protect public safety** by establishing detailed security measures and inventorying procedures for transport to prevent diversion.
- **Protect public health** by establishing uniform health and safety standards, including quality assurance (testing) standards promulgated by the Department of Consumer Affairs, and enforced by local code enforcement offices, or another locally designated entity.

More information can be found on the League website at: <http://www.cacities.org/medicalmarijuana>.

ACTION:

This bill may be heard in committee as early as March 13. We need SUPPORT letters from ALL CITIES sent to Assembly Member Cooley and carbon copy their Assembly Member(s). Sample letter is attached or, letters can also be sent by using the League's [Action Center](#).

Talking Points:

- **Local Control, Public Health & Safety.** This measure, like SB 1262 (Correa) before it, carefully safeguards the right of cities and counties to decide whether to regulate and prohibit medical marijuana cultivation and distribution. This measure achieves these goals by:
 - Ensuring that cities have control of regulating local medical marijuana facilities by providing that the state will issue a conditional license only; local government will issue the actual license to operate according to local permitting ordinances.
 - Protecting public safety with uniform security requirements, both at dispensaries and during transport.
 - Protecting public health with uniform health and safety standards.
 - Ensuring patient safety with a quality assurance protocol requiring random sample testing by certified laboratories for all medical marijuana sold in California.
- **Previous Legislative Efforts Undermined Local Control!** Prior to 2014, several bills attempted to undermine or eliminate local control over critical regulatory issues such as municipal zoning, permit decisions and licensing ordinances. These bills disregarded public safety concerns about promoting recreational use, sought to limit local law enforcement's investigatory powers, and failed to address issues of diversion, cartel activity, or security concerns at dispensaries. Finally, they did not include the health and safety standards necessary for any medicine, particularly one with psychotropic properties.
- **This measure provides a much needed and long overdue framework to effectively implement Proposition 215, the Compassionate Use Act.** Proposition 215, enacted by voters in 1996, provided patient access to medical marijuana. However, it did not include a comprehensive framework for implementation that provided local governments the authority to create and enforce locally driven policies, nor did it ensure public safety by providing clear guidelines for medical marijuana regulations.
 - Since Prop. 215's passage we've had regulatory chaos, piecemeal legislation and perpetual litigation. None of this has served local governments, law enforcement or patients well.
- **This measure is NOT an endorsement of the legalization of marijuana.** It is an attempt to put a rational regulatory structure in place for medical marijuana that is consistent with the needs of cities and law enforcement, prior to the appearance of a legalization initiative on the statewide ballot in 2016.

**Introduced by Assembly Member Cooley
(Coauthor: Assembly Member Lackey)**

February 10, 2015

An act to amend Section 2220.05 of, to add Article 25 (commencing with Section 2525) to Chapter 5 of Division 2 of, and to add Part 5 (commencing with Section 18100) to Division 7 of, the Business and Professions Code, to add Section 23028 to the Government Code, to amend Section 11362.775 of, and to add Article 8 (commencing with Section 111658) to Chapter 6 of Part 5 of Division 104 of, the Health and Safety Code, and to amend Section 1155.7 of, and to add Sections 1158.5 and 3094 to, the Labor Code, relating to medical marijuana, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 266, as introduced, Cooley. Medical marijuana.

(1) Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November 6, 1996, statewide general election, authorizes the use of marijuana for medical purposes. Existing law enacted by the Legislature requires the establishment of a program for the issuance of identification cards to qualified patients so that they may lawfully use marijuana for medical purposes, and requires the establishment of guidelines for the lawful cultivation of marijuana grown for medical use. Existing law provides for the licensure of various professions by the Department of Consumer Affairs. Existing law, the Sherman Food, Drug, and Cosmetic Law, provides for the regulation of food, drugs, devices, and cosmetics, as specified. A violation of that law is a crime.

This bill would establish within the Department of Consumer Affairs a Bureau of Medical Marijuana Regulation, under the supervision and control of the Chief of the Bureau of Medical Marijuana Regulation, and would require the bureau to license and regulate dispensing facilities, cultivation sites, transporters, and manufacturers of medical marijuana and medical marijuana products, subject to local ordinances. The bill would require a background check of applicants for licensure, as defined, to be administered by the Department of Justice, and submission of a statement signed by an applicant, under penalty of perjury, that the information on his or her application is true, thereby creating a crime and imposing a state-mandated local program. Violation of the provisions related to applying for a conditional license would be punishable by a civil fine of up to \$35,000 for each individual violation, or as otherwise specified.

The bill would make conditional licenses subject to the restrictions of the local jurisdiction in which the facility operates or proposes to operate. The bill would set forth provisions related to the transportation, testing, and distribution of medical marijuana. The bill would prohibit the distribution of any form of advertising for physician recommendations for medical marijuana, unless the advertisement bears a specified notice and requires that the advertisement meet specified requirements and not be fraudulent, deceitful, or misleading.

The bill would establish a system, including apprenticeship and certification, for cannabis employees. The bill would require the Division of Labor Standards Enforcement to maintain and enforce minimum standards of competency and training and to certify

cannabis employees. The bill would require the division to establish a cannabis curriculum certification committee to establish educational curriculum standards and to oversee educational providers of cannabis curriculum. The bill would require the Division of Occupational Health and Safety to develop industry-specific regulations for facilities issued a conditional license and would specify that those regulations govern agreements between a facility issued a conditional license and labor.

The bill would establish the Medical Marijuana Regulation Fund and would require the deposit of specified fees collected pursuant to this act into the fund. The bill would continuously appropriate moneys from the fund to the bureau for the purposes of administering this act, thereby making an appropriation. The bill would also establish the Special Account for Environmental Enforcement within the Medical Marijuana Fund. This account would contain money from fees assessed against licensed cultivation facilities and would be continuously appropriated for the enforcement of environmental regulations relating to licensed cultivation sites. The bill would require the deposit of penalty moneys collected pursuant to this bill into the General Fund.

The bill would provide that it shall not supersede provisions of Measure D, as approved by the voters of the City of Los Angeles, as specified.

The bill would authorize a city, county, or city and county to administer and enforce these provisions. The bill would require the bureau to establish quality assurance protocols by July 1, 2017, to ensure uniform testing standards of medical marijuana, and would require licensees to comply with these provisions. The bill would further set forth provisions regulating edible medical marijuana products, as specified. By adding these provisions to the Sherman Food, Drug, and Cosmetic Law, a violation of which is a crime, the bill would impose a state-mandated local program.

(2) Existing law establishes the Division of Apprenticeship Standards, which audits and regulates apprenticeship programs for various trades, including electricians.

This bill would require the division to investigate, approve, or reject applications for apprenticeship employees of a licensed cultivation site or a licensed dispensing facility, as defined.

(3) Existing law, the Medical Practice Act, provides for the licensure and regulation of physicians and surgeons by the Medical Board of California. Existing law requires the board to prioritize investigations and prosecutions of physicians and surgeons representing the greatest threat of harm, as specified. Existing law identifies the cases that are to be given priority, which include cases of repeated acts of excessively prescribing, furnishing, or administering controlled substances without a good faith prior examination of the patient. Existing law provides that a violation of the Medical Practice Act is a crime.

This bill would require the board to consult with the Center for Medicinal Cannabis Research on developing and adopting medical guidelines for the appropriate administration and use of marijuana.

The bill would also make it a misdemeanor for a physician and surgeon who recommends marijuana to a patient for a medical purpose to accept, solicit, or offer any remuneration from or to a licensed dispensing facility in which the physician and surgeon or his or her immediate family has a financial interest. By creating a new crime, the bill would impose a state-mandated local program.

The bill would provide that specified acts of recommending marijuana for medical purposes without a good faith examination are among the types of cases that should be given priority for investigation and prosecution by the board, as described above. The bill would further prohibit a physician and surgeon from recommending medical marijuana to a patient unless that person is the patient's attending physician, as defined. Because a violation of that provision would be a crime, the bill would impose a state-mandated local program.

(4) Existing law authorizes the legislative body of a city or county to impose various taxes, including a transactions and use tax at a rate of 0.25%, or a multiple thereof, if approved by the required vote of the legislative body and the required vote of qualified voters, and limits the combined rate of transactions and use taxes within a city or county to 2%.

This bill would authorize the board of supervisors of a county to impose a tax on the privilege of cultivating, dispensing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or products containing marijuana. The bill would authorize the tax to be imposed for either general or specific governmental purposes. The bill would require a tax imposed pursuant to this authority to be subject to any applicable voter approval requirement.

(5) Existing law exempts qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards from certain crimes, including possession of concentrated cannabis and marijuana, cultivation of marijuana, and possession of marijuana for sale.

This bill would also exempt from those crimes an employee, officer, or board member of a licensed cultivation site or a licensed dispensing facility, except as specified.

(6) Existing law regulates the labor practices of agricultural employers.

This bill would include licensed cultivation sites and licensed dispensing facilities in the definition of agricultural employer.

(7) This bill would provide that its provisions are severable.

(8) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- P5 1 SECTION 1.
2 The Legislature finds and declares all of the
3 following:
4 (a) In 1996, the people of the State of California enacted the
5 Compassionate Use Act of 1996, codified in Section 11362.5 of
6 the Health and Safety Code. The people of the State of California
7 declared that their purpose in enacting the measure was, among
8 other things, "to ensure that seriously ill Californians have the
9 right to obtain and use marijuana for medical purposes where that
10 medical use is deemed appropriate and has been recommended by
11 a physician who has determined that the person's health would
12 benefit from the use of marijuana in the treatment of cancer,
13 anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis,
14 migraine, or any other illness for which marijuana provides relief."
15 (b) The Compassionate Use Act of 1996 called on state
16 government to implement a plan for the safe and affordable
17 distribution of marijuana to all patients in medical need of
18 marijuana, while ensuring that nothing in that act would be
19 construed to condone the diversion of marijuana for nonmedical
20 purposes.
21 (c) In 2003, the Legislature enacted the Medical Marijuana
22 Program Act (MMPA), codified in Article 2.5 (commencing with
23 Section 11362.7) of Chapter 6 of Division 10 of the Health and
24 Safety Code.
(d) Greater certainty and minimum statewide standards are

25 urgently needed regarding the obligations of medical marijuana
26 facilities, and for the imposition and enforcement of regulations
27 to prevent unlawful cultivation and the diversion of marijuana to
28 nonmedical use.

P6 1 (e) Despite the passage of the Compassionate Use Act of 1996
2 and the MMPA, because of the lack of an effective statewide
3 system for regulating and controlling medical marijuana, cities,
4 counties and local law enforcement officials have been confronted
5 with uncertainty about the legality of some medical marijuana
6 cultivation and distribution activities. The current state of affairs
7 makes law enforcement difficult and endangers patient safety
8 because of an inability to monitor the supply of medical marijuana
9 in the state and the lack of quality control, testing, and labeling
10 requirements.

11 (f) The California Constitution grants cities and counties the
12 authority to make and enforce, within their borders, "all local
13 police, sanitary, and other ordinances and regulations not in conflict
14 with the general laws." This inherent local police power includes
15 broad authority to determine, for purposes of public health, safety,
16 and welfare, the appropriate uses of land within the local
17 jurisdiction's borders. The police power, therefore, allows each
18 city and county to determine whether or not a medical marijuana
19 dispensary or other facility that makes medical marijuana available
20 may operate within its borders. This authority has been upheld by
21 City of Riverside v. Inland Empire Patients Health and Wellness
22 Center, Inc. (2013) 56 Cal.4th 729 and County of Los Angeles v.
23 Hill (2011) 192 Cal.App.4th 861. Nothing in this act shall diminish,
24 erode, or modify that authority.

25 (g) If a city or county determines that a dispensary or other
26 facility that makes medical marijuana available may operate within
27 its borders, then there is a need for the state to license these
28 dispensaries and other facilities for the purpose of adopting and
29 enforcing protocols for security standards at dispensaries and in
30 the transportation of medical marijuana, as well as health and safety
31 standards to ensure patient safety. This licensing requirement is
32 not intended in any way nor shall it be construed to preempt local
33 ordinances, regulations, or enforcement actions regarding the sale
34 and use of medical marijuana, including, but not limited to,
35 security, signage, lighting, and inspections.

36 (h) All of the following are necessary to uphold important state
37 goals:

38 (1) Strict provisions to prevent the potential diversion of
39 marijuana for recreational use.

P7 1 (2) Audits to accurately track the volume of both product
2 movement and sales.

3 (3) An effective means of restricting nonmedical access to
4 medical marijuana by minors.

5 (i) Nothing in this act shall be construed to promote or facilitate
6 the nonmedical, recreational possession, sale, or use of marijuana.

7 (j) Nothing in this act shall have a diminishing effect on the
8 rights and protections granted to a patient or primary caregiver
9 pursuant to the Compassionate Use Act of 1996.

10 SEC. 2.

11 Section 2220.05 of the *Business and Professions Code*
12 is amended to read:

2220.05.

13 (a) In order to ensure that its resources are maximized
14 for the protection of the public, the Medical Board of California
15 shall prioritize its investigative and prosecutorial resources to
16 ensure that physicians and surgeons representing the greatest threat
17 of harm are identified and disciplined expeditiously. Cases
18 involving any of the following allegations shall be handled on a
19 priority basis, as follows, with the highest priority being given to
cases in the first paragraph:

20 (1) Gross negligence, incompetence, or repeated negligent acts
21 that involve death or serious bodily injury to one or more patients,
22 such that the physician and surgeon represents a danger to the
23 public.

24 (2) Drug or alcohol abuse by a physician and surgeon involving
25 death or serious bodily injury to a patient.

26 (3) Repeated acts of clearly excessive prescribing, furnishing,
27 or administering of controlled substances, or repeated acts of
28 prescribing, dispensing, or furnishing of controlled ~~substances~~
29 *substances, or recommending marijuana to patients for medical*
30 *purposes*, without a good faith prior examination of the patient
31 and medical reason therefor. However, in no event shall a physician
32 and surgeon prescribing, furnishing, or administering controlled
33 substances for intractable pain consistent with lawful prescribing,
34 including, but not limited to, Sections 725, 2241.5, and 2241.6 of
35 this code and Sections 11159.2 and 124961 of the Health and
36 Safety Code, be prosecuted for excessive prescribing and prompt
37 review of the applicability of these provisions shall be made in
38 any complaint that may implicate these provisions.

39 (4) Sexual misconduct with one or more patients during a course
40 of treatment or an examination.

P8 1 (5) Practicing medicine while under the influence of drugs or
2 alcohol.

3 (b) The board may by regulation prioritize cases involving an
4 allegation of conduct that is not described in subdivision (a). Those
5 cases prioritized by regulation shall not be assigned a priority equal
6 to or higher than the priorities established in subdivision (a).

7 (c) The Medical Board of California shall indicate in its annual
8 report mandated by Section 2312 the number of temporary
9 restraining orders, interim suspension orders, and disciplinary
10 actions that are taken in each priority category specified in
11 subdivisions (a) and (b).

12 SEC. 3.

13 Article 25 (commencing with Section 2525) is added
14 to Chapter 5 of Division 2 of the *Business and Professions Code*,
15 to read:

16 Article 25. Recommending Medical Marijuana

17 2525.

18 (a) It is unlawful for a physician and surgeon who
19 recommends marijuana to a patient for a medical purpose to accept,
20 solicit, or offer any form of remuneration from or to a facility
21 issued a conditional license pursuant to Part 5 (commencing with
22 Section 18100) of Division 7, if the physician and surgeon or his
23 or her immediate family have a financial interest in that facility.

24 (b) For the purposes of this section, "financial interest" shall
25 have the same meaning as in Section 650.01.

26 (c) A violation of this section shall be a misdemeanor.
27 2525.1.

28 The Medical Board of California shall consult with
29 the California Marijuana Research Program, known as the Center
30 for Medicinal Cannabis Research, authorized pursuant to Section
31 11362.9 of the Health and Safety Code, on developing and adopting
32 medical guidelines for the appropriate administration and use of
33 medical marijuana.

33 2525.2.

34 A physician and surgeon shall not recommend medical
35 marijuana to a patient, unless that person is the patient's attending
36 physician, as defined by subdivision (a) of Section 11362.7 of the
37 Health and Safety Code.

37 2525.3.

38 An examination conducted by the physician and
39 surgeon involving the use of telehealth as defined in Section 2290.5
40 of the Business and Professions Code, shall comply with applicable
federal and state laws and regulations, including compliance with
the regulations promulgated pursuant to the Health Insurance
Portability and Accountability Act of 1996, found at Parts 160 and
164 of Title 45 of the Code of Federal Regulations.

P9 4 SEC. 4.

5 Part 5 (commencing with Section 18100) is added to
6 Division 7 of the *Business and Professions Code*, to read:

6

7

PART 5. MEDICAL MARIJUANA

8

9

CHAPTER 1. GENERAL PROVISIONS

10

11 18100.

12 For purposes of this part, the following definitions shall
13 apply:

14 (a) "Bureau" means the Bureau of Medical Marijuana Regulation
15 in the Department of Consumer Affairs.

16 (b) "Certified testing laboratory" means a laboratory that is
17 certified by the bureau to perform random sample testing of
18 medical marijuana pursuant to the certification standards for these
19 facilities promulgated by the bureau.

20 (c) "Chief" means the Chief of the Bureau of Medical Marijuana
21 Regulation.

22 (d) "Department" means the Department of Consumer Affairs.

23 (e) "Director" means the Director of Consumer Affairs.

24 (f) "Dispensary" means a distribution operation that provides
25 medical marijuana or medical marijuana derived products to
26 patients and caregivers.

27 (g) "Fund" means the Medical Marijuana Regulation Fund
28 established pursuant to Section 18118.

29 (h) "Labor peace agreement" means an agreement between an
30 entity and a bona fide labor organization that, at a minimum,
31 protects the state's proprietary interests by prohibiting labor
32 organizations and members from engaging in picketing, work
33 stoppages, boycotts, and any other economic interference with the
34 applicant's business. The agreement means that the applicant has
35 agreed not to disrupt efforts by the bona fide labor organization
36 to communicate with, and attempt to organize and represent, the
applicant's employees.

37 (i) "Licensed cultivation site" means a facility that plants, grows,
38 cultivates, harvests, dries, or processes medical marijuana and that
39 is issued a conditional license pursuant to this part.

P10 1 (j) "Licensed dispensing facility" means a dispensary or other
2 facility that provides medical marijuana, medical marijuana
3 products, or devices for the use of medical marijuana or medical
4 marijuana products that is issued a conditional license pursuant to
5 this part.

6 (k) "Licensed manufacturer" means a person who extracts,
7 prepares, derives, produces, compounds, or repackages medical
8 marijuana or medical marijuana products into consumable and
9 nonconsumable forms and that is issued a conditional license
10 pursuant to this part.

11 (l) "Licensed transporter" means an individual or entity issued
12 a conditional license by the bureau to transport medical marijuana
13 to and from facilities that have been issued conditional licenses
14 pursuant to this part.

15 (m) "Marijuana" means all parts of the plant *Cannabis sativa*,
16 *cannabis indica*, or *cannabis ruderalis*, whether growing or not;
17 the seeds thereof; the resin, whether crude or purified, extracted
18 from any part of the plant; and every compound, manufacture, salt,
19 derivative, mixture, or preparation of the plant, its seeds, or resin.
20 "Marijuana" does not include the mature stalks of the plant, fiber
21 produced from the stalks, oil or cake made from the seeds of the
22 plant, any other compound, manufacture, salt, derivative, mixture,
23 or preparation of the mature stalks (except the resin extracted
24 therefrom), fiber, oil, or cake, or the sterilized seed of the plant
25 which is incapable of germination. "Marijuana" also means
26 marijuana, as defined by Section 11018 of the Health and Safety
27 Code.

28 18101.

(a) There is hereby created in the Department of
29 Consumer Affairs the Bureau of Medical Marijuana Regulation,
30 under the supervision and control of the Chief of the Bureau of
31 Medical Marijuana Regulation.

32 (b) Protection of the public shall be the highest priority for the
33 bureau in exercising its licensing, regulatory, and disciplinary
34 functions. Whenever the protection of the public is inconsistent
35 with other interests sought to be promoted, the protection of the
36 public shall be paramount.

37 (c) The bureau shall have the authority to issue conditional
38 licenses for the cultivation, manufacture, transportation, storage,
39 distribution, and sale of medical marijuana within the state and to
40 collect fees in connection with these actions. The bureau shall have
P11 1 the authority to create other licenses in order to protect patient
2 health and the public and to facilitate the regulation of medical
3 marijuana.

4 (d) The Governor shall appoint the chief at a salary to be fixed
5 and determined by the director with the approval of the Director
6 of Finance. The chief shall serve in accordance with the State Civil
7 Service Act (Part 2 (commencing with Section 18500) of Division
8 5 of Title 2 of the Government Code).

9 (e) The duty of enforcing and administering this part shall be
10 vested in the chief, who is responsible to the director. The chief
11 may adopt and enforce those rules and regulations that he or she
12 determines are reasonably necessary to carry out the purposes of

13 this part and declaring the policy of the bureau, including a system
14 for the issuance of citations for violations of this part, as specified
15 in Section 18126.

16 (f) The chief, as necessary to carry out the provisions of this
17 part, and in accordance with the State Civil Service Act (Part 2
18 (commencing with Section 18500) of Division 5 of Title 2 of the
19 Government Code), may appoint and fix the compensation of
20 personnel, including, but not limited to, clerical, inspection,
21 investigation, and auditing personnel, as well as an assistant chief.
22 These personnel shall perform their respective duties under the
23 supervision and the direction of the chief.

24 (g) Every power granted to, or duty imposed upon, the chief
25 under this part may be exercised or performed in the name of the
26 chief by a deputy or assistant chief, subject to conditions and
27 limitations that the chief prescribes.

28 (h) The bureau shall exercise its authority pursuant to this part
29 consistent with Section 1 of the act that added this section and
30 consistent with the provisions of this part.

31 18102.

Funds for the establishment and support of the bureau
32 shall be advanced as a loan by the department and shall be repaid
33 by the initial proceeds from fees collected pursuant to this part or
34 any rule or regulation adopted pursuant to this part.

35 18103.

The bureau shall have the authority necessary for the
36 implementation of this part, including, but not limited to, all of
37 the following:

38 (a) Establishing rules or regulations necessary to carry out the
39 purposes and intent of this part and to enable the bureau to exercise
40 the powers and perform the duties conferred upon it by this part
P12 1 and in accordance with Chapter 3.5 (commencing with Section
2 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
3 For the performance of its duties, the bureau has the powers as set
4 forth in Article 2 (commencing with Section 11180) of Chapter 2
5 of Part 1 of Division 3 of Title 2 of the Government Code.

6 (b) Issuing conditional licenses to persons for the cultivation,
7 manufacture, transportation, storage, distribution, and sale of
8 medical marijuana within the state.

9 (c) Setting application, licensing, and renewal fees for
10 conditional licenses issued pursuant to Section 18117.

11 (d) Establishing standards for the cultivation, manufacturing,
12 transportation, storage, distribution, provision, donation, and sale
13 of medical marijuana and medical marijuana products.

14 (e) Establishing procedures for the issuance, renewal,
15 suspension, denial, and revocation of conditional licenses.

16 (f) Imposing a penalty authorized by this part or any rule or
17 regulation adopted pursuant to this part.

18 (g) Taking action with respect to an application for a conditional
19 license in accordance with procedures established pursuant to this
20 part.

21 (h) Overseeing the operation of the Medical Marijuana
22 Regulation Fund and the Special Account for Environmental
23 Enforcement, established pursuant to Section 18118.

24 (i) Consulting with other state or local agencies, departments,
25 representatives of the medical marijuana community, or public or
26 private entities for the purposes of establishing statewide standards

27 and regulations.

28 (j) Certifying laboratories to perform testing of medical
29 marijuana.

30 18104.

(a) On or before July 1, 2017, the bureau shall
31 promulgate regulations for implementation and enforcement of
32 this part, including, but not limited to, all of the following:

33 (1) Procedures for the issuance, renewal, suspension, denial,
34 and revocation of conditional licenses.

35 (2) Procedures for appeal of fines and the appeal of denial,
36 suspension, or revocation of conditional licenses.

37 (3) Application, licensing, and renewal forms and fees.

38 (4) A time period in which the bureau shall approve or deny an
39 application for a conditional license pursuant to this part.

40 (5) Qualifications for licensees.

P13 1 (6) Standards for certification of testing laboratories to perform
2 random sample testing of all medical marijuana products, including
3 standards for onsite testing.

4 (A) Certification of testing laboratories shall be consistent with
5 general requirements for the competence of testing and calibration
6 activities, including sampling, using standard methods established
7 by the International Organization for Standardization, specifically
8 ISO/IEC 17025.

9 (B) These requirements shall apply to all entities, including
10 third-party laboratories, engaged in the testing of medical marijuana
11 pursuant to this part.

12 (7) Requirements to ensure conformance with standards
13 analogous to state statutory environmental, agricultural, consumer
14 protection, and food and product safety requirements. At a
15 minimum, these standards shall do all of the following:

16 (A) Prescribe sanitation standards analogous to the California
17 Retail Food Code (Part 7 (commencing with Section 113700) of
18 Division 104 of the Health and Safety Code) for food preparation,
19 storage, handling, and sale of edible medical marijuana products.

20 (B) Require that edible medical marijuana products produced,
21 distributed, provided, donated, or sold by licensees shall be limited
22 to nonpotentially hazardous food, as established by the State
23 Department of Public Health pursuant to Section 114365.5.

24 (C) Require that facilities in which edible medical marijuana
25 products are prepared shall be constructed in accordance with
26 applicable building standards, health and safety standards, and
27 other state laws.

28 (D) Provide that weighing or measuring devices used in
29 connection with the sale or distribution of medical marijuana are
30 required to meet standards analogous to Division 5 (commencing
31 with Section 12001).

32 (E) Require that the application of pesticides or other pest
33 control in connection with the indoor or outdoor cultivation of
34 medical marijuana shall meet standards analogous to Division 6
35 (commencing with Section 11401) of the Food and Agricultural
36 Code and its implementing regulations.

37 (b) On or before July 1, 2017, the bureau shall also promulgate
38 regulations for minimum statewide health and safety standards
39 and quality assurance standards associated with the cultivation,
40 transport, storage, manufacture, and sale of all medical marijuana
P14 1 produced in this state. Consistent with Section 18126, local

2 agencies shall have primary responsibility for enforcement of these
3 standards in accordance with bureau regulations.

4 (c) The bureau shall not issue a conditional license unless the
5 applicant has met all of the requirements of this part, including the
6 requirements of paragraph (4) of subdivision (d) of Section 18110.
7 18105.

8 The chief shall keep a complete record of all facilities
9 issued a conditional license. This record shall be made available
10 on the bureau's Internet Web site.

11 18106.

12 The bureau shall establish procedures to provide state
13 and local law enforcement, upon their request, with 24-hour access
14 to information to verify a conditional license, track transportation
15 manifests, and track the inventories of facilities issued a conditional
16 license.

17 18107.

18 This part shall in no way supersede the provisions of
19 Measure D, approved by the voters of the City of Los Angeles on
20 the May 21, 2013, ballot for the city, which granted medical
21 marijuana businesses and dispensaries qualified immunity
22 consistent with the terms of the measure and local ordinances.
23 Notwithstanding the provisions of this part, marijuana businesses
24 and dispensaries subject to the provisions of Measure D and its
25 qualified immunity shall continue to be subject to the ordinances
26 and regulations of the City of Los Angeles.

27 CHAPTER 2. CONDITIONAL LICENSES

28 18108.

29 The following persons are exempt from the requirement
30 of licensure under this part:

31 (a) A patient who cultivates, possesses, stores, manufactures,
32 or transports marijuana exclusively for his or her personal medical
33 use and who does not sell, distribute, donate, or provide marijuana
34 to any other person or entity.

35 (b) A primary caregiver who cultivates, possesses, stores,
36 manufactures, transports, or provides marijuana exclusively for
37 the personal medical purposes to no more than five specified
38 qualified patients for whom he or she is the primary caregiver
39 within the meaning of Section 11362.7 of the Health and Safety
40 Code and who does not receive remuneration for these activities,
P15 1 except for compensation in full compliance with subdivision (c)
2 of Section 11362.765 of the Health and Safety Code. Nothing in
3 this section shall permit primary caregivers to organize themselves
4 as cooperatives or collectives of caregivers.

5 18109.

6 (a) Except as provided in Section 11362.5 of, and
7 Article 2.5 (commencing with Section 11362.7) of Chapter 6 of
8 Division 10 of, the Health and Safety Code, a person shall not sell
9 or provide medical marijuana to a patient or caregiver other than
10 at a licensed dispensing facility or through delivery from a licensed
11 dispensing facility.

12 (b) Except as provided in Section 11362.5 of, and Article 2.5
13 (commencing with Section 11362.7) of Chapter 6 of Division 10
14 of, the Health and Safety Code, a person shall not grow medical
15 marijuana other than at a licensed cultivation site.

16 (c) Except as provided in Section 11362.5 of, and Article 2.5

14 (commencing with Section 11362.7) of Chapter 6 of Division 10
15 of, the Health and Safety Code, a person shall not manufacture
16 medical marijuana or medical marijuana products other than a
17 licensed manufacturer.

18 (d) A person shall not transport medical marijuana from one
19 facility issued a conditional license to another, other than a licensed
20 transporter.

21 (e) A licensed manufacturer may obtain medical marijuana from
22 a licensed cultivator and may furnish medical marijuana products
23 to a licensed dispensary.

24 (f) To meet the requirements of Article 8 (commencing with
25 Section 111658) of Chapter 6 of Part 5 of Division 104 of the
26 Health and Safety Code, medical marijuana and medical marijuana
27 products shall be tested by a certified testing laboratory.
28 18110.

(a) Beginning July 1, 2017, the bureau shall provide
29 for and shall issue conditional licenses. Conditional licenses shall
30 be issued for all activity authorized under this chapter, including,
31 but not limited to, cultivation, storage, transport, and dispensing
32 of medical marijuana.

33 (b) The issuance of a conditional license shall not, in and of
34 itself, authorize the recipient to begin business operations. The
35 conditional license shall certify, at a minimum, that the applicant
36 has paid the state conditional licensing fee, successfully passed a
37 criminal background check, and met the state residency
38 requirements.

39 (c) In order to begin business operations pursuant to this chapter,
40 an applicant shall, in addition to the conditional license, obtain a
P16 1 license or permit from the local jurisdiction in which he or she
2 proposes to operate, following the requirements of the applicable
3 local ordinances.

4 (d) An applicant for a conditional license shall do all following:

5 (1) Pay the fee or fees required by this part for each license
6 being applied for.

7 (2) Register with the bureau on forms prescribed by the chief.
8 The forms shall contain sufficient information to identify the
9 licensee, including all of the following:

10 (A) Name of the owner or owners of a proposed facility,
11 including all persons or entities having an ownership interest other
12 than a security interest, lien, or encumbrance on property that will
13 be used by the applicant.

14 (B) The name, address, and date of birth of each principal officer
15 and board member.

16 (C) The address and telephone number of the proposed facility.

17 (D) In the case of a cultivation site, the GPS coordinates of the
18 site.

19 (3) Describe, in writing, the scope of business of the proposed
20 facility.

21 (4) Provide evidence that the applicant and owner have been
22 legal full-time residents of the state for not less than 12 months.

23 (5) Provide detailed operating procedures, in writing, for the
24 proposed facility, which shall include, but not be limited to,
25 procedures for facility and operational security, prevention of
26 diversion, employee screening, storage of medical marijuana,
27 personnel policies, and recordkeeping procedures.

28 (6) Provide the applicant's fingerprint images. For purposes of

29 this paragraph, "applicant" means the owner or owners of a
30 proposed facility, including all persons or entities having an
31 ownership interest other than a security interest, lien, or
32 encumbrance on property that will be used by the facility.

33 (A) The applicant shall electronically submit to the Department
34 of Justice fingerprint images and related information required by
35 the Department of Justice for the purpose of obtaining information
36 as to the existence and content of a record of state or federal
37 convictions and arrests, and information as to the existence and
38 content of a record of state or federal convictions and arrests for
39 which the Department of Justice establishes that the person is free
40 on bail, or on his or her own recognizance, pending trial or appeal.

P17 1 (B) The Department of Justice shall provide a response to the
2 bureau pursuant to paragraph (1) of subdivision (p) of Section
3 11105 of the Penal Code.

4 (C) The bureau shall request from the Department of Justice
5 subsequent notification service, as provided pursuant to Section
6 11105.2 of the Penal Code, for persons described in subparagraph
7 (A).

8 (D) The Department of Justice shall charge the applicant a fee
9 sufficient to cover the reasonable cost of processing the requests
10 described in this paragraph.

11 (7) Provide a statement, signed by the applicant under penalty
12 of perjury, that the information provided is true.

13 (8) Provide any other information required by the bureau.

14 (e) Each location and each discrete use of a single location shall
15 require a conditional license. Each application for a conditional
16 license is separate and distinct, and the bureau may charge a
17 separate fee for each.

18 (f) A conditional license issued pursuant to this section shall be
19 valid for 12 months after the date of issuance. The bureau shall
20 establish procedures for the renewal of a conditional license.

21 18111.

22 (a) Upon receipt of the application materials and fee
23 required in Section 18110, the bureau, provided the applicant has
24 not committed an act or crime constituting grounds for the denial
25 of licensure under Section 18112, may issue the conditional license
26 and send a proof of issuance to the applicant.

27 (b) The chief shall, by regulation, prescribe conditions upon
28 which a person whose conditional license has previously been
29 denied, suspended, or revoked, may be issued a conditional license.

18112.

30 (a) An application for a conditional license shall be
31 denied and a conditional license shall be suspended or revoked for
32 a past felony conviction for the possession for sale, sale,
33 manufacture, transportation, or cultivation of a controlled
34 substance, a felony criminal conviction for drug trafficking, a
35 felony conviction for embezzlement, a felony conviction involving
36 fraud or deceit, or any violent or serious felony conviction pursuant
37 to subdivision (c) of Section 667.5 of, or subdivision (c) of Section
38 1192.7 of, the Penal Code. The bureau, at its discretion, may issue
39 a license to an applicant that would be otherwise denied pursuant
40 to this subdivision if the applicant has obtained a certificate of
rehabilitation, pursuant to Section 4852.13 of the Penal Code.

P18 1 (b) The chief, upon his or her determination, may deny, suspend,
2 or revoke a conditional license when a conditional licensee,

3 applicant, or employee, partner, officer, or member of an entity
4 conditionally licensed does any of the following:

5 (1) Making or authorizing in any manner or by any means a
6 written or oral statement that is untrue or misleading and that is
7 known, or that by exercise of reasonable care should be known,
8 to be untrue or misleading.

9 (2) Any other conduct that constitutes fraud.

10 (3) Conduct constituting gross negligence.

11 (4) Failure to comply with the provisions of this part, Article 8
12 (commencing with Section 111658) of Chapter 6 of Part 5 of
13 Division 104 of the Health and Safety Code, or any rule or
14 regulation adopted pursuant to this part.

15 (5) Conduct that constitutes grounds for denial of licensure
16 pursuant to Chapter 2 (commencing with Section 480) of Division
17 1.5.

18 18113.

19 (a) Upon denying, suspending, or revoking a
20 conditional license, the chief shall notify the applicant or licensee,
21 in writing, by personal service or mail addressed to the address of
22 the applicant or licensee set forth in the application. The applicant
23 or licensee shall be given a hearing within 30 days thereafter if he
24 or she files with the bureau a written request for hearing. Otherwise,
25 the denial, suspension, or revocation is deemed affirmed.

26 (b) All proceedings to deny, suspend, or revoke a conditional
27 license shall be conducted pursuant to Chapter 5 (commencing
28 with Section 11500) of Part 1 of Division 3 of Title 2 of the
29 Government Code.

18114.

30 An application for or renewal of a license shall not be
31 approved if the bureau determines any of the following:

32 (a) The applicant fails to meet the requirements of this part or
33 any regulation adopted pursuant to this part or any applicable city,
34 county, or city and county ordinance or regulation. If a local
35 government adopts an ordinance or resolution authorizing medical
36 marijuana to be cultivated, manufactured, stored, distributed, or
37 sold within its jurisdiction, it shall submit to the bureau
38 documentation detailing their renewal requirements.

39 (b) The applicant, or any of its officers, directors, owners,
members, or shareholders, is a minor.

P19 1 (c) The applicant has knowingly answered a question or request
2 for information falsely on the application form or failed to provide
3 information requested.

4 (d) The applicant, or any of its officers, directors, owners,
5 members, or shareholders has been sanctioned by the bureau, a
6 city, county, or city and county, for medical marijuana activities
7 conducted in violation of this part or any applicable local ordinance
8 or has had a license revoked in the previous five years.

9 (e) The proposed cultivation, processing, possession, storage,
10 manufacturing, testing, transporting, distribution, provision, or
11 sale of medical marijuana will violate any applicable local law or
12 ordinance.

13 (f) The applicant or the owner is unable to establish that he or
14 she has been a resident of the state for not less than 12 months.

15 18115.

16 In addition to the provisions of this part, a conditional
license shall be subject to the restrictions of the local jurisdiction

17 in which the facility operates or proposes to operate. Even if a
18 conditional license has been granted pursuant to this part, a facility
19 shall not operate in a local jurisdiction that prohibits the
20 establishment of that type of business.

21 18116.

22 The bureau may adopt regulations to limit the number
23 of conditional licenses issued pursuant to this part upon a finding
24 that the otherwise unrestricted issuance of conditional licenses is
25 dangerous to the public health and safety.

26 CHAPTER 3. FEES

27
28 18117.

29 (a) The conditional licensing fee shall be established
30 by the bureau at a level sufficient to fund the reasonable costs of
31 all of the following:

32 (1) Administrative costs incurred by the bureau in overseeing
33 the conditional licensing program, establishing health and safety
34 standards, and certifying the required testing laboratories.

35 (2) Costs incurred by the bureau or the Department of Justice
36 for enforcement of the provisions of this part.

37 (3) Costs incurred by law enforcement and other public safety
38 entities for enforcing the provisions of this part in their jurisdiction.

39 (b) In addition to the conditional licensing fee required pursuant
40 to subdivision (a), a cultivation facility shall be assessed a fee in
P20 1 a sufficient amount to cover the reasonable regulatory costs of
2 enforcing the environmental impact provisions relating to those
3 cultivation facilities. This fee shall be distributed, as necessary
4 and in proportion to its regulatory function, between the following
5 agencies responsible for enforcing the regulations relating to the
6 environmental impact of licensed cultivation sites:

7 (1) The State Water Board.

8 (2) The Department of Fish and Wildlife.

9 (3) The Department of Forestry and Fire Protection.

10 (4) The Department of Pesticide Regulation.

11 (5) The Department of Food and Agriculture.

12 18118.

13 (a) The Medical Marijuana Regulation Fund is hereby
14 established within the State Treasury. Notwithstanding Section
15 16305.7 of the Government Code, the fund shall include any
16 interest and dividends earned on the money in the fund.

17 (b) Except as provided in subdivision (c), all fees collected
18 pursuant to this part shall be deposited into the Medical Marijuana
19 Regulation Fund. Notwithstanding Section 13340 of the
20 Government Code, all moneys within the fund are hereby
21 continuously appropriated, without regard to fiscal year, to the
22 bureau solely for the purposes of fully funding and administering
23 this part, including, but not limited to, the costs incurred by the
24 bureau for its administrative expenses.

25 (c) The Special Account for Environmental Enforcement is
26 hereby established as an account within the Medical Marijuana
27 Regulation Fund. Notwithstanding Section 16305.7 of the
28 Government Code, the account shall include any interest and
29 dividends earned on the money in the account. All fees collected
pursuant to subdivision (b) of Section 18112 shall be deposited in
this account. Notwithstanding Section 13340 of the Government

30 Code, all moneys within the fund are hereby continuously
31 appropriated, without regard to fiscal year, to the bureau for
32 distribution to the entities listed in subdivision (b) of Section 18117
33 to be used to enforce the environmental regulation of licensed
34 cultivation sites.

35 (d) All moneys collected as a result of penalties imposed under
36 this part shall be deposited directly into the General Fund, to be
37 available upon appropriation.

38 (e) The bureau may establish and administer a grant program
39 to allocate moneys from the Medical Marijuana Regulation Fund
40 to state and local entities for the purpose of assisting with medical
P21 1 marijuana regulation and the enforcement of this part and other
2 state and local laws applicable to licensees.

3 18119.

4 (a) A facility issued a conditional license shall not
5 acquire, cultivate, process, possess, store, manufacture, distribute,
6 sell, deliver, transfer, transport, or dispense medical marijuana for
7 any purpose other than those authorized by Article 2.5
8 (commencing with Section 11362.7) of Chapter 6 of Division 10
9 of the Health and Safety Code.

10 (b) A licensed dispensing facility shall not acquire, cultivate,
11 process, possess, store, manufacture, distribute, sell, deliver,
12 transfer, transport, or dispense medical marijuana plants or medical
13 marijuana products except through a licensed cultivation site or a
14 licensed manufacturer.

15 CHAPTER 4. TRANSPORTATION OF MEDICAL MARIJUANA

16
17 18120.

18 (a) A licensed transporter shall ship only to facilities
19 issued a conditional license and only in response to a request for
20 a specific quantity and variety from those facilities.

21 (b) Prior to transporting medical marijuana products, a licensed
22 transporter shall do both of the following:

23 (1) Complete a shipping manifest using a form prescribed by
24 the bureau.

25 (2) Securely transmit a copy of the manifest to the licensee that
26 will receive the medical marijuana product, and to the bureau,
27 prior to transport.

28 (c) The licensed transporter making the shipment and the
29 licensee receiving the shipment shall maintain each shipping
30 manifest and make it available to local code enforcement officers,
31 any other locally designated enforcement entity, and the bureau
32 upon request.

33 18121.

34 (a) Transported medical marijuana products shall:

35 (1) Be transported only in a locked, safe, and secure storage
36 compartment that is securely affixed to the interior of the
37 transporting vehicle.

38 (2) Not be visible from outside the vehicle.

39 (b) A vehicle transporting medical marijuana products shall
40 travel directly from one licensed facility to another licensed facility
41 authorized to receive the shipment.

P22 1 18122.

2 (a) All transport vehicles shall be staffed with a
3 minimum of two employees. At least one transport team member

3 shall remain with the vehicle at all times when the vehicle contains
4 medical marijuana.

5 (b) Each transport team member shall have access to a secure
6 form of communication by which each member can communicate
7 with personnel at the licensed facility at all times when the vehicle
8 contains medical marijuana.

9 (c) Each transport team member shall possess documentation
10 of licensing and a government-issued identification card at all
11 times when transporting or delivering medical marijuana and shall
12 produce it to any representative of the bureau or law enforcement
13 upon request.

14 (d) This part shall not be construed to authorize or permit a
15 licensee to transport, or cause to be transported, medical marijuana
16 or medical marijuana products outside the state.

17 18123.

18 A local jurisdiction shall not prevent transportation
19 through or to a facility issued a conditional license, by a
20 conditionally licensed transporter who acts in compliance with
21 this part.

22 CHAPTER 5. ENFORCEMENT

23
24 18124.

25 A state agency is not required by this section to enforce
26 a city, county, city and county, or local law, ordinance, rule, or
27 regulation regarding the site or operation of a facility issued a
28 conditional license.

28 18125.

29 The bureau may assist state taxation authorities in the
30 development of uniform policies for the state taxation of licensees.

30 18126.

31 (a) For facilities issued a conditional license that are
32 located within the incorporated area of a city, the city shall have
33 full power and authority to enforce this part and Article 8
34 (commencing with Section 111658) of Chapter 6 of Part 5 of
35 Division 104 of the Health and Safety Code and the rules,
36 regulations, and standards promulgated by the bureau. The city
37 shall further assume complete responsibility for any regulatory
38 function relating to those licensees within the city limits that would
39 otherwise be performed by the county or any county officer or
employee, without liability, cost, or expense to the county.

P23 1 (b) For licensed facilities located within the unincorporated area
2 of a county, the county shall have full power and authority to
3 enforce this part and Article 8 (commencing with Section 111658)
4 of Chapter 6 of Part 5 of Division 104 of the Health and Safety
5 Code and the rules, regulations, and standards promulgated by the
6 bureau.

7 18127.

8 (a) A willful violation of Section 18110, including an
9 attempt to falsify information on an application or to otherwise
10 defraud or mislead a state or local agency in the course of the
11 application process, shall be punishable by a civil fine of up to
thirty-five thousand dollars (\$35,000) for each individual violation.

12 (b) A technical violation of Section 18110 shall, at the bureau's
13 discretion, be punishable by a civil fine of up to ten thousand
14 dollars (\$10,000) for each individual violation.

15 18128.

16 A district attorney, county counsel, city attorney, or
17 city prosecutor may bring an action to enjoin a violation or the
18 threatened violation of any provision of this part, including, but
19 not limited to, a licensee's failure to correct objectionable
20 conditions following notice or as a result of a rule promulgated
21 pursuant to this part. The action shall be brought in the county in
22 which the violation occurred or is threatened to occur. A proceeding
23 brought pursuant to this part shall conform to the requirements of
24 Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of
25 the Code of Civil Procedure. Nothing in this section shall diminish
26 the authority of a local government to take requisite enforcement
27 actions pertaining to its own ordinances or regulations.

18129.

28 Nothing in this part shall prevent a city or other local
29 governing body from taking action as specified in Section 11362.83
30 of the Health and Safety Code.

18130.

31 This part shall not be construed to limit a law
32 enforcement agency's ability to investigate unlawful activity in
33 relation to a facility issued a conditional license.

34 CHAPTER 6. CANNABIS EMPLOYEES

35 18131.

36 (a) The Division of Labor Standards Enforcement shall
37 do all of the following:

38 (1) Maintain minimum standards for the competency and
39 training of employees of a licensed cultivation site or a licensed
P24 1 dispensing facility, as defined in subdivisions (i) and (j) of Section
2 18100, through a system of testing and certification.

3 (2) Maintain an advisory committee and panels as necessary to
4 carry out its functions under this section. There shall be employer
5 representation on the committee and panels.

6 (3) Establish and collect certification fees not to exceed the
7 reasonable cost to the division in issuing certifications.

8 (4) Adopt regulations necessary to implement this chapter.

9 (5) Issue certification cards to employees who have been
10 certified pursuant to this chapter.

11 (6) Maintain a cannabis certification curriculum committee
12 made up of representatives of the State Department of Education,
13 the California Community Colleges, and the division. The
14 committee shall do all of the following:

15 (A) Establish written educational curriculum standards for
16 enrollees in training programs. Curriculum shall include appropriate
17 standards for the sale, processing, and cultivation of medical
18 marijuana including standards for dispensing, growing, harvesting,
19 packaging, labeling, preparing, transporting, delivering, testing,
20 storage, and preventing diversion of medical marijuana and related
21 products, including edible medical marijuana products.

22 (B) If an educational provider's curriculum meets the written
23 educational curriculum standards established in accordance with
24 subparagraph (A), designate that curriculum as an approved
25 curriculum of classroom instruction.

26 (C) At the committee's discretion, review the approved
27 curriculum of classroom instruction of any designated educational
28 provider. The committee may withdraw its approval of the

29 curriculum if the educational provider does not continue to meet
30 the established written educational curriculum standards.

31 (D) Require each designated educational provider to submit an
32 annual notice to the committee stating whether the educational
33 provider is continuing to offer the approved curriculum of
34 classroom instruction and whether material changes have been
35 made to the curriculum since its approval.

36 (b) There shall be no discrimination in favor of, or against, a
37 person based on membership or nonmembership in a union.

38 (c) For purposes of this chapter, the following definitions apply:

P25 1 (1) "Cannabis employee" means an employee of a licensed
2 cultivation site or a licensed dispensing facility, as defined in
3 subdivisions (i) and (j) of Section 18100.

4 (2) "Committee" means the cannabis curriculum certification
5 committee established pursuant to paragraph (6) of subdivision
6 (a).

7 (3) "Division" means the Division of Labor Standards and
8 Enforcement.
9 18132.

10 (a) Except as provided in subdivision (c), persons who
11 perform work as cannabis employees shall be certified by the
12 division.

13 (b) Individuals desiring to be certified shall submit an
14 application for certification and examination that includes an
15 employment history report from the Social Security Administration.
16 The individual may redact his or her social security number from
17 the employment history report before it is submitted.

18 (c) (1) Certification is not required for registered apprentices
19 working as cannabis employees as part of an apprenticeship
20 program approved under a federal Office of Apprenticeship
21 program or a state apprenticeship program authorized by the federal
22 Office of Apprenticeship. An apprentice who is within one year
23 of completion of his or her term of apprenticeship shall be
24 permitted to take the certification examination and, upon passing
25 the examination, shall be certified immediately upon completion
26 of the term of apprenticeship.

27 (2) Certification is not required for any person employed
28 pursuant to Section 18134.

29 (d) The following shall constitute additional grounds for
30 disciplinary proceedings, including suspension or revocation of
31 the conditional license issued pursuant to this part:

32 (1) The licensed cultivation site or licensed dispensing facility
33 willfully employs one or more uncertified persons to perform work
34 as cannabis employees in violation of this section or Section 18134.

35 (2) The licensed cultivation site or licensed dispensing facility
36 willfully fails to provide adequate supervision of uncertified
37 workers required by paragraph (3) of subdivision (a) of Section
38 18134.

39 (3) The licensed cultivation site or licensed dispensing facility
40 willfully fails to provide adequate supervision of apprentices
41 performing work pursuant to subdivision (c).

P26 1 (e) The Labor Commissioner shall maintain a process for
2 referring cases to the bureau when it has been determined that a
3 violation of this section has likely occurred. The Labor
4 Commissioner shall have a memorandum of understanding with
5 the bureau in furtherance of this section.

6 (f) Upon receipt of a referral by the Labor Commissioner
7 alleging a violation under this section, the bureau shall open an
8 investigation. Disciplinary action against the licensee shall be
9 initiated within 60 days of the receipt of the referral. The bureau
10 may initiate disciplinary action against a licensee upon his or her
11 own investigation, the filing of a complaint, or a finding that results
12 from a referral from the Labor Commissioner alleging a violation
13 under this section. Failure of the employer or employee to provide
14 evidence of certification or apprentice status shall create a
15 rebuttable presumption of violation of this provision.

16 18133.

The division shall do all of the following:

17 (a) Make information about cannabis employee certification
18 available in languages other than English to the extent the division
19 finds it appropriate.

20 (b) Provide for the administration of certification tests in Spanish
21 and, to the extent practicable, other languages spoken by a
22 substantial number of applicants, except when the ability to
23 understand warning signs, instructions, and certain other
24 information in English is necessary for safety, cultivation, and
25 dispensing.

26 (c) Ensure, in conjunction with the California Apprenticeship
27 Council, that all cannabis apprenticeship programs that impose
28 minimum formal education requirements as a condition of entry
29 provide for reasonable alternative means of satisfying those
30 requirements.

31 (d) Ensure, in conjunction with the California Apprenticeship
32 Council, that all cannabis apprenticeship programs have adopted
33 reasonable procedures for granting credit toward a term of
34 apprenticeship for other vocational training and on-the-job training
35 experience.

36 18134.

(a) An uncertified person may perform work for which
37 certification is otherwise required in order to acquire the necessary
38 on-the-job experience for certification if all of the following
39 requirements are met:

P27 1 (1) The person is registered with the division. A list of current
2 registrants shall be maintained by the division and made available
3 to the public upon request.

4 (2) The person either has completed or is enrolled in an approved
5 curriculum of classroom instruction.

6 (3) The employer attests that the person shall be under the direct
7 supervision of a cannabis employee certified pursuant to Section
8 18131 who is responsible for supervising no more than one
9 uncertified person. An employer who is found by the division to
10 have failed to provide adequate supervision may be barred by the
11 division from employing uncertified individuals in the future.

12 (b) For purposes of this section, "an approved curriculum of
13 classroom instruction" means a curriculum of classroom instruction
14 approved by the committee and provided under the jurisdiction of
15 the State Department of Education, the Board of Governors of the
16 California Community Colleges, or the Bureau for Private
17 Postsecondary and Vocational Education.

18 (c) The committee may grant approval to an educational provider
19 that presently offers only a partial curriculum if the educational
20 provider intends in the future to offer, or to cooperate with other

21 educational providers to offer, a complete curriculum for the type
22 of certification involved. The committee may require an
23 educational provider receiving approval for a partial curriculum
24 to periodically renew its approval with the committee until a
25 complete curriculum is offered and approved.

26 (d) An educational provider that receives approval for a partial
27 curriculum shall disclose in all communications to students and
28 to the public that the educational provider has only received
29 approval for a partial curriculum and shall not make any
30 representations that the provider offers a complete approved
31 curriculum of classroom instruction.

32 (e) For purposes of this section, a person is enrolled in an
33 approved curriculum of classroom instruction if the person is
34 attending classes on a full-time or part-time basis toward the
35 completion of an approved curriculum.

36 (f) Registration under this section shall be renewed annually
37 and the registrant shall provide to the division certification of the
38 classwork completed and on-the-job experience acquired since the
39 prior registration.

P28 1 (g) For purposes of verifying the information provided by a
2 person registered with the division, an educational provider shall
3 provide an approved curriculum of classroom instruction, and
4 shall, upon the division's request, provide the division with
5 information regarding the enrollment status and instruction
6 completed by an individual registered. By registering with the
7 division in accordance with this section, the individual consents
8 to the release of this information.

9 (h) The division shall establish registration fees in an amount
10 reasonably necessary to implement this section, not to exceed
11 twenty-five dollars (\$25) for the initial registration. There shall be
12 no fee for annual renewal of registration. Fees shall be placed in
13 the Cannabis Certification Fund, established pursuant to Section
14 18135.

15 (i) Notwithstanding any other law, an uncertified person who
16 has completed an approved curriculum of classroom instruction
17 and is currently registered with the division may take the
18 certification examination. The person shall be certified upon
19 passing the examination and satisfactorily completing the requisite
20 number of on-the-job hours required for certification. A person
21 who passes the examination prior to completing the requisite hours
22 of on-the-job experience shall continue to comply with subdivision
23 (f).

24 18135.

25 The Cannabis Certification Fund is established as a
26 special account in the State Treasury. Proceeds of the fund may
27 be expended by the division, upon appropriation by the Legislature,
28 for the costs of validating and certifying cannabis employees, as
29 provided by this chapter, and shall not be used for any other
30 purpose.

31 CHAPTER 7. REGULATION OF MEDICAL MARIJUANA

32
33 18136.

34 (a) A person shall not distribute any form of advertising
35 for physician recommendations for medical marijuana in California
unless the advertisement bears the following notice to consumers:

37 NOTICE TO CONSUMERS: The Compassionate Use Act of
38 1996 ensures that seriously ill Californians have the right to obtain
39 and use marijuana for medical purposes where medical use is
40 deemed appropriate and has been recommended by a physician
P29 1 who has determined that the person's health would benefit from
2 the use of medical marijuana. Physicians are licensed and regulated
3 by the Medical Board of California and arrive at the decision to
4 make this recommendation in accordance with accepted standards
5 of medical responsibility.

7 (b) Advertising for physician recommendations for medical
8 marijuana shall meet all requirements of Section 651. Price
9 advertising shall not be fraudulent, deceitful, or misleading,
10 including statements or advertisements of bait, discounts,
11 premiums, gifts, or statements of a similar nature.
12 18137.

(a) A facility issued a conditional license shall
13 implement sufficient security measures to both deter and prevent
14 unauthorized entrance into areas containing marijuana and theft
15 of marijuana at those facilities. These security measures shall
16 include, but not be limited to, all of the following:

17 (1) Preventing individuals from remaining on the premises of
18 the facility if they are not engaging in activity expressly related to
19 the operations of the facility.

20 (2) Establishing limited access areas accessible only to
21 authorized facility personnel.

22 (3) Storing all finished marijuana in a secured and locked room,
23 safe, or vault, and in a manner as to prevent diversion, theft, and
24 loss.

25 (b) A facility issued a conditional license shall notify appropriate
26 law enforcement authorities within 24 hours after discovering any
27 of the following:

28 (1) Discrepancies identified during inventory.

29 (2) Diversion, theft, loss, or any criminal activity involving the
30 facility or a facility agent.

31 (3) The loss or unauthorized alteration of records related to
32 marijuana, registered qualifying patients, personal caregivers, or
33 facility agents.

34 (4) Any other breach of security.

35 (c) A licensed cultivation site shall weigh, inventory, and
36 account for on video, all medical marijuana to be transported prior
37 to its leaving its origination location. Within eight hours after
38 arrival at the destination, the licensed dispensing facility shall
39 reweigh, reinventory, and account for on video, all transported
40 marijuana.

P30 1 18138.

2 (a) The bureau shall require an annual audit of all
3 facilities issued a conditional license to cultivate, manufacture,
4 process, transport, store, or sell medical marijuana. The reasonable
5 costs of the audit shall be paid for by the licensee.

6 (b) Completed audit reports shall also be submitted by the
7 licensee to local code enforcement offices, or the appropriate
8 locally designated enforcement entity, within 30 days of the
9 completion of the audit.

10 (c) It is the responsibility of each facility issued a conditional
license to develop a robust quality assurance protocol that includes

11 all of the provisions of this part.

12 18139.

13 (a) A laboratory certified by the bureau to perform
14 random sample testing of medical marijuana products shall not
15 acquire, process, possess, store, transfer, transport, or dispense
16 medical marijuana for any purpose other than those authorized by
17 Article 2.5 (commencing with Section 11362.7) of Chapter 6 of
18 Division 10 of the Health and Safety Code. All transfer or
19 transportation shall be performed pursuant to a specified chain of
custody protocol.

20 (b) A laboratory certified by the bureau to perform random
21 sample testing of medical marijuana products shall not acquire,
22 process, possess, store, transfer, transport, or dispense medical
23 marijuana plants or medical marijuana products except through a
24 patient, primary caregiver, or a facility issued a conditional license.
25 All transfer or transportation shall be performed pursuant to a
26 specified chain of custody protocol.

27 18140.

28 (a) Information identifying the names of patients, their
29 medical conditions, or the names of their primary caregivers
30 received and contained in records kept by the bureau for the
31 purposes of administering this part are confidential and exempt
32 from the California Public Records Act (Chapter 3.5 (commencing
33 with Section 6250) of Division 7 of Title 1 of the Government
34 Code) and are not subject to disclosure to an individual or private
35 entity, except as necessary for authorized employees of the state
to perform official duties pursuant to this part.

36 (b) (1) Nothing in this section shall preclude any of the
37 following:

38 (A) Bureau employees notifying state or local agencies about
39 information submitted to the bureau that the employee suspects is
40 falsified or fraudulent.

P31 1 (B) Notifications from the bureau to state or local agencies of
2 apparent violations of this part or an applicable local ordinance.

3 (C) Verification of requests by state or local agencies to confirm
4 licenses and certificates issued by the bureau or other state agency.

5 (D) Providing information requested pursuant to a court order
6 or subpoena issued by a court, an administrative agency, or local
7 governing body authorized by law to issue subpoenas.

8 (2) Information shall not be disclosed beyond what is necessary
9 to achieve the goals of a specific investigation or notification or
10 the parameters of a specific court order or subpoena.

11 18141.

12 (a) The actions of a licensee, its employees, and its
13 agents, that are permitted pursuant to a conditional license and that
14 are conducted in accordance with the requirements of this part and
15 regulations adopted pursuant to this part, are not unlawful under
16 state law and shall not be an offense subject to arrest or
prosecution.

17 (b) The actions of a person who, in good faith and upon
18 investigation, allows his or her property to be used by a licensee,
19 its employees, and its agents, as permitted pursuant to a conditional
20 license, are not unlawful under state law and shall not be an offense
21 subject to arrest or prosecution.

22 (c) This section shall not be deemed to limit the authority or
23 remedies of a city, county, or city and county under any provision

24 of law, including, without limitation, Section 7 of Article XI of
25 the California Constitution.
26 18142.

(a) A licensee shall not cultivate, process, store,
27 manufacture, transport, or sell medical marijuana in the state unless
28 accurate records are kept at the licensed premises of the growing,
29 processing, storing, manufacturing, transporting, or selling by the
30 licensee in the state. These records shall include the name and
31 address of the supplier of marijuana received or possessed by the
32 licensee, the location at which the marijuana was cultivated, the
33 amount of marijuana received, the form in which it is received,
34 the name of the employee receiving it, and the date of receipt.
35 These records shall also include receipts for all expenditures
36 incurred by the licensee and banking records, if any, for all funds
37 obtained or expended in the performance of any activity under the
38 authority of the conditional license. A licensee who has a
39 conditional license for more than one premises may keep all records
40 at one of the conditionally licensed premises. Required records
P32 1 shall be kept for a period of seven years from the date of the
2 transaction.

(b) The bureau and an appropriate state or local agency may
3 examine the books and records of a conditional licensee and may
4 visit and inspect the premises of a conditional licensee, as the
5 bureau or state or local agency deems necessary to perform its
6 duties under this part.
7

(c) Books or records requested by the bureau or an appropriate
8 state or local agency shall be provided by the conditional licensee
9 no later than five business days after the request is made.
10

(d) The bureau or a state or local agency may enter and inspect
11 the premises of a facility issued a conditional license between the
12 hours of 8 a.m. and 8 p.m. on any day that the facility is open, or
13 at any reasonable time, to ensure compliance and enforcement of
14 the provisions of this part or a local ordinance.
15

(e) If a licensee or an employee of a licensee refuses, impedes,
16 obstructs, or interferes with an inspection pursuant to subdivision
17 (d), the conditional license may be summarily suspended and the
18 bureau shall directly commence proceedings for the revocation of
19 the conditional license.
20

(f) If a licensee or an employee of a licensee fails to maintain
21 or provide the books and records required pursuant to this section,
22 the licensee shall be subject to a civil fine of fifteen thousand
23 dollars (\$15,000) per individual violation.
24

25 SEC. 5.

26 Section 23028 is added to the *Government Code*, to
read:

27 23028.

(a) (1) In addition to any authority otherwise provided
28 by law, the board of supervisors of any county may impose, by
29 ordinance, a tax on the privilege of cultivating, dispensing,
30 producing, processing, preparing, storing, providing, donating,
31 selling, or distributing marijuana by a licensee operating pursuant
32 to Chapter 18 (commencing with Section 26000) of Division 9 of
33 the Business and Professions Code. The tax may be imposed for
34 general governmental purposes or for purposes specified in the
35 ordinance by the board of supervisors.

36 (2) The board of supervisors shall specify in the ordinance

37 proposing the tax the activities subject to the tax, the applicable
38 rate or rates, the method of apportionment, and the manner of
39 collection of the tax. A tax imposed pursuant to this section is a
40 tax and not a fee or special assessment, and the tax is not required
P33 1 to be apportioned on the basis of benefit to any person or property
2 or be applied uniformly to all taxpayers or all real property.

3 (3) A tax imposed by a county pursuant to this section by a
4 county may include a transactions and use tax imposed solely for
5 marijuana or marijuana products, which shall otherwise conform
6 to Part 1.6 (commencing with Section 7251) of Division 2 of the
7 Revenue and Taxation Code. Notwithstanding Section 7251.1 of
8 the Revenue and Taxation Code, the tax may be imposed at any
9 rate specified by the board of supervisors, and the tax rate
10 authorized by this section shall not be considered for purposes of
11 the combined tax rate limitation established by that section.

12 (4) The tax authorized by this section may be imposed upon
13 any or all of the activities set forth in paragraph (1), regardless of
14 whether the activity is undertaken individually, collectively, or
15 cooperatively, and regardless of whether the activity is for
16 compensation or gratuitously, as determined by the board of
17 supervisors.

18 (5) The board of supervisors shall specify whether the tax applies
19 throughout the entire county or within the unincorporated area of
20 the county.

21 (b) In addition to any other method of collection authorized by
22 law, the board of supervisors may provide for the collection of the
23 tax imposed pursuant to this section in the same manner, and
24 subject to the same penalties and priority of lien, as other charges
25 and taxes fixed and collected by the county.

26 (c) Any tax imposed pursuant to this section shall be subject to
27 applicable voter approval requirements imposed by any other law.

28 (d) For purposes of this section, "marijuana" shall have the
29 meanings set forth in Section 18100 of the Business and
30 Professions Code.

31 (e) This section does not limit or prohibit the levy or collection
32 or any other fee, charge, or tax, or any license or service fee or
33 charge upon, or related to, the activities set forth in subdivision
34 (a) as otherwise provided by law. This section shall not be
35 construed as a limitation upon the taxing authority of any county
36 as provided by other law.

37 SEC. 6.

38 Section 11362.775 of the *Health and Safety Code* is
39 amended to read:

40 11362.775.

41 (a) Qualified patients, persons with valid
42 identification cards, and the designated primary caregivers of
P34 1 qualified patients and persons with identification cards, who
2 ~~associate within the State of California in order collectively or~~
3 ~~cooperatively to cultivate marijuana for medical purposes, shall~~
4 not solely on the basis of that fact be subject to state criminal
5 sanctions under Section 11357, 11358, 11359, 11360, 11366,
6 11366.5, or 11570.

7 (b) *An individual employee, officer, or board member of a*
8 *facility issued a conditional license pursuant to Part 5*
9 *(commencing with Section 18100) of Division 7 of the Business*
10 *and Professions Code shall not be subject to state criminal*

11 *sanctions under Section 11357, 11358, 11359, 11360, 11366,*
12 *11366.5, or 11570 and any successor statutes, based solely on*
13 *holding a conditional license, for the possession, cultivation,*
14 *processing, packaging, storage, transportation, sale, or distribution*
15 *of medical marijuana to a facility holding a conditional license*
16 *pursuant to Part 5 (commencing with Section 18100) of Division*
17 *7 of the Business and Professions Code or directly to a qualified*
18 *patient, a person with a valid identification card, or the designated*
19 *primary caregiver of a qualified patient or person with a valid*
20 *identification card, within the state, unless the information*
21 *contained on the licensing paperwork is false or falsified, the*
22 *license has been obtained by means of fraud, or the person is*
23 *otherwise in violation of Part 5 (commencing with Section 18100)*
24 *of Division 7 of the Business and Professions Code.*

25 *(c) This section shall not diminish the protections of Section*
26 *18141 of the Business and Professions Code.*

27 SEC. 7.

28 Article 8 (commencing with Section 111658) is added
29 to Chapter 6 of Part 5 of Division 104 of the *Health and Safety*
30 *Code*, to read:

31 Article 8. Medical Marijuana

32
33 111658.

34 For purpose of this article, the following definitions
35 shall apply:

36 (a) "Bureau" means the Bureau of Medical Marijuana
37 Regulations in the Department of Consumer Affairs.

38 (b) "Certified testing laboratories" means a laboratory that is
39 certified by the bureau to perform random sample testing of
40 medical marijuana for patients, primary caregivers, and facilities
P35 1 issued conditional licenses pursuant to Part 5 (commencing with
2 Section 18100) of Division 7 of the Business and Professions Code,
3 pursuant to the certification standards for those facilities
4 promulgated by the bureau.

5 (c) "Edible medical marijuana product" means medical
6 marijuana or a medical marijuana-derived product that is ingested
7 or meant to be ingested through the mouth and into the digestive
8 system.

9 (d) "Marijuana" means all parts of the plant *Cannabis sativa* L.
10 *sativa*, *cannabis indica*, or *cannabis ruderalis*, whether growing or
11 not; the seeds thereof; the resin, whether crude or purified,
12 extracted from any part of the plant; and every compound,
13 manufacture, salt, derivative, mixture, or preparation of the plant,
14 its seeds, or resin. "Marijuana" does not include the mature stalks
15 of the plant, fiber produced from the stalks, oil or cake made from
16 the seeds of the plant, any other compound, manufacture, salt,
17 derivative, mixture, or preparation of the mature stalks (except the
18 resin extracted therefrom), fiber, oil, or cake, or the sterilized seed
19 of the plant which is incapable of germination. "Marijuana" also
20 means marijuana, as defined by Section 11018.

21 (e) "Labor peace agreement" means an agreement between an
22 entity and a bona fide labor organization that, at a minimum,
23 protects the state's proprietary interests by prohibiting labor
24 organizations and members from engaging in picketing, work
25 stoppages, boycotts, and any other economic interference with the
applicant's business. This agreement means that the applicant has

26 agreed not to disrupt efforts by the bona fide labor organization
27 to communicate with, and attempt to organize and represent, the
28 applicant's employees.

29 (f) "Representative samples" means samples taken from each
30 batch or shipment of medical marijuana received from a licensed
31 cultivation site or any other source if intended for sale.

32 111659.

33 The bureau, by July 1, 2017, shall accomplish both
34 of the following:

35 (a) Establish quality assurance protocols to ensure uniform
36 testing standards for all medical marijuana sold via dispensaries
37 or other facilities, or cultivated or manufactured by facilities, that
38 are issued a conditional license pursuant to Part 5 (commencing
39 with Section 18100) of Division 7 of the Business and Professions
Code.

P36 1 (b) In consultation with outside entities at its discretion, develop
2 a list of certified testing laboratories that can perform uniform
3 testing in compliance with this article, and post that list on its
4 Internet Web site.

5 111660.

6 (a) A facility issued a conditional license pursuant to
7 Part 5 (commencing with Section 18100) of Division 7 of the
8 Business and Professions Code shall bear the responsibility for
9 contracting with certified testing laboratories for regular, systematic
10 testing of representative samples of all medical marijuana cultivated
11 or intended for sale or distribution, and shall bear the cost of that
testing.

12 (b) A facility issued a conditional license pursuant to Part 5
13 (commencing with Section 18100) of Division 7 of the Business
14 and Professions Code shall maintain records of testing reports for
15 seven years, either on site in a digital format or at a secure off-site
16 location in either digital or paper format. These facilities shall
17 provide results of test reports to local code enforcement officers,
18 any other locally designated enforcement entity, and the bureau
19 upon request.

20 111661.

21 Quality assurance protocols shall be required between
22 all licensed cultivation sites, licensed manufacturers, and licensed
23 dispensing facilities to guarantee safe and reliable medicinal
24 marijuana delivery to all patients. These quality assurance protocols
shall include:

25 (a) Providing supplier information to dispensaries in order for
26 recall procedures to be implemented, if and when necessary.

27 (b) Safety testing of all medical marijuana prior to packaging
28 for sale and patient exposure to identify and eliminate
29 microbiological contaminants and chemical residue.

30 (c) Labeling of all medical marijuana and medical marijuana
31 products that shall, at a minimum, include the following:

32 (1) List of pharmacologically active ingredients, including, but
33 not limited to, tetrahydrocannabinol (THC) and cannabidiol (CBD)
34 content, clear recommended dosage, and the size or volume of the
35 recommended dose.

36 (2) Clear indication, in bold font, that the product contains
37 medical marijuana.

38 (3) The statement "FOR MEDICAL USE ONLY. KEEP OUT
39 OF REACH OF CHILDREN AND ANIMALS" in bold print.

- P37 1 (4) Identification of the source and date of cultivation and
2 manufacture.
3 (5) The name and location of the dispensary providing the
4 product.
5 (6) The date of sale.
6 (7) Any other requirements set by the bureau.
7 111662.

8 For purposes of this article, edible medical marijuana
9 products are deemed to be unadulterated food products. In addition
10 to the quality assurance standards provided in Section 111661, all
11 edible medical marijuana products shall comply with the following
12 requirements:

13 (a) Baked edible medical marijuana products, including, but not
14 limited to, brownies, bars, cookies, and cakes, tinctures, and other
15 edible medical marijuana products that do not require refrigeration
16 or hot holding may be manufactured, sold, or otherwise distributed
17 at facilities issued a conditional license pursuant to Part 5
18 (commencing with Section 18100) of Division 7 of the Business
19 and Professions Code.

20 (b) A facility issued a conditional license pursuant to Part 5
21 (commencing with Section 18100) of Division 7 of the Business
22 and Professions Code shall have an owner or employee who has
23 successfully passed an approved and accredited food safety
24 certification examination as specified in Sections 113947.1,
25 113947.2, and 113947.3 prior to selling, manufacturing, or
26 distributing edible medical marijuana products requiring
27 refrigeration or hot holding.

28 (c) Individuals manufacturing or selling edible medical
29 marijuana products shall thoroughly wash their hands before
30 commencing production and before handling finished edible
31 medical marijuana products.

32 (d) All edible medical marijuana products sold for direct
33 consumption and infused with marijuana concentrate shall be
34 individually wrapped at the original point of preparation. The
35 products shall be packaged in a fashion that does not exceed a
36 single dosage for one individual.

37 (e) Products containing tetrahydrocannabinol (THC) shall be
38 prepared in compliance with maximum potency standards for THC
39 and THC concentrates set forth in the bureau's regulations.

40 (f) Prior to sale or distribution at a licensed dispensing facility,
P38 1 edible medical marijuana products shall be labeled and in an
2 opaque and tamper evident package. Labels and packages of edible
3 medical marijuana products shall meet the following requirements:

4 (1) Edible medical marijuana packages and labels shall not be
5 made to be attractive to children.

6 (2) All edible medical marijuana product labels shall include
7 the following information, prominently displayed and in a clear
8 and legible font:

9 (A) Manufacture date and source.

10 (B) The statement "KEEP OUT OF REACH OF CHILDREN
11 AND ANIMALS" in bold print.

12 (C) The statement "FOR MEDICAL USE ONLY."

13 (D) Net weight of medical marijuana in package.

14 (E) A warning if nuts or other known allergens are used and
15 shall include the total weight, in ounces or grams, of medical
marijuana in the package.

16 (F) List of pharmacologically active ingredients, including, but
17 not limited to, tetrahydrocannabinol (THC) and cannabidiol (CBD)
18 content, clear recommended dosage, and the size or volume of
19 recommended dose.

20 (G) Any other requirement set by the bureau.

21 (g) Photos or images of food are not allowed on edible medical
22 marijuana product packages or labels.

23 (h) Only generic food names may be used to describe edible
24 medical marijuana products.

25 SEC. 8.

Section 1155.7 of the *Labor Code* is amended to read:

26 1155.7.

(a) Nothing in this chapter shall be construed to apply
27 or be applicable to ~~any~~ a labor organization in its representation
28 of workers who are not agricultural employees. Any such labor
29 organization shall continue to be governed in its intrastate activities
30 for nonagricultural workers by Section 923 and applicable judicial
31 precedents.

(b) *To the extent not prohibited by law and for purposes of this
32 chapter, "agricultural employer" includes a licensed cultivation
33 site or a licensed dispensing facility, as defined in subdivisions (i)
34 and (j) of Section 18100 of the Business and Professions Code.*

35 SEC. 9.

Section 1158.5 is added to the *Labor Code*, to read:

37 1158.5.

(a) The Division of Occupational Safety and Health
38 in the Department of Industrial Relations shall develop
39 industry-specific regulations related to the activities of facilities
40 issued a conditional license pursuant to Part 5 (commencing with
P39 1 Section 18100) of Division 7 of the Business and Professions Code,
2 including provisions for the establishment of labor peace
3 agreements and an apprenticeship program to ensure professional
4 standards among industry employees.

(b) The regulations shall govern agreements between a facility
5 issued a conditional license and a bona fide labor organization
6 prohibiting labor organizations and members from engaging in
7 picketing, work stoppages, boycotts, and other economic
8 interference with the licensee's business. The regulations shall
9 also govern agreements whereby the licensee has agreed not to
10 disrupt efforts by the bona fide labor organization to communicate
11 with, and attempt to organize and represent, the licensee's
12 employees.

13 SEC. 10.

Section 3094 is added to the *Labor Code*, to read:

15 3094.

The Division of Apprenticeship Standards shall
16 investigate, approve, or reject applications for apprenticeship
17 programs for employees of a licensed cultivation site or a licensed
18 dispensing facility, as defined in subdivisions (i) and (j) of Section
19 18100 of the Business and Professions Code. The Division of
20 Apprenticeship Standards shall have the authority to issue rules
21 necessary to implement and regulate the establishment of the
22 apprenticeship programs described in this section.

23 SEC. 11.

The provisions of this act are severable. If any
24 provision of this act or its application is held invalid, that invalidity

25 shall not affect other provisions or applications that can be given
26 effect without the invalid provision or application.

27 SEC. 12.

28 The Legislature finds and declares that Section 4 of
29 this act imposes a limitation on the public's right of access to the
30 meetings of public bodies or the writings of public officials and
31 agencies within the meaning of Section 3 of Article I of the
32 California Constitution. Pursuant to that constitutional provision,
33 the Legislature makes the following findings to demonstrate the
34 interest protected by this limitation and the need for protecting
35 that interest:

36 The limitation imposed under this act is necessary for purposes
37 of compliance with the federal Health Insurance Portability and
38 Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.), the
39 Confidentiality of Medical Information Act (Part 2.6 (commencing
P40 1 Information and Privacy Protection Act (Article 6.6 (commencing
2 with Section 791) of Part 2 of Division 1 of the Insurance Code).

3 SEC. 13.

4 No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the penalty
9 for a crime or infraction, within the meaning of Section 17556 of
10 the Government Code, or changes the definition of a crime within
11 the meaning of Section 6 of Article XIII B of the California
12 Constitution.



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Set Public Hearing for April 1, 2015, to Consider Adopting a Resolution Approving the 2015-16 Draft Annual Action Plan

MEETING DATE: March 18, 2015

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Set a public hearing for April 1, 2015 to consider adopting a Resolution approving the 2015-16 Draft Action Plan.

BACKGROUND INFORMATION: A public hearing is required as part of the federal requirements of the Community Development Block Grant (CDBG) program.

The Action Plan is the annual implementing document for the 2014-2018 Consolidated Plan and provides a detailed description of each activity proposed for the fiscal year, as well as the City's CDBG budget and goals for the fiscal year.

Funding Allocation

The City will receive \$613,405 in CDBG funds for fiscal year 2015/16. The City Council has a policy of allocating 40 percent of the annual CDBG award (net of administrative costs) to community-based organizations (CBOs), with the remainder going to City projects. There is a 15 percent Public Service Cap on the overall allocation for 2015/16.

The distribution of funds will be as follows:

City projects	\$294,434
CBO projects	\$196,290
Administration	\$122,681 <i>(20% of the 2015/16 Annual allocation)</i>
TOTAL	\$613,405
15% Service Cap	\$92,011.00

Next Steps

Upon completion of the initial public hearing, the Draft Consolidated Plan will be available for public review and comment and will be brought back for final approval on May 6, 2015. The adopted Consolidated Plan document must be submitted to HUD no later than May 15, 2015 in order to receive funding beginning July 1, 2015.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Stephen Schwabauer
Community Development Director

SS/jw

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Public Hearing to Consider Resolution Adopting Pre-Approved Proposition 218 Consumer Price Index-Based Annual Adjustment to Rates for Solid Waste Collection

MEETING DATE: March 18, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Public hearing to consider resolution adopting pre-approved Proposition 218 Consumer Price Index based annual adjustment to rates for solid waste collection.

BACKGROUND INFORMATION: The franchise agreement with Central Valley Waste Services states in Section 7b that rates for solid waste collection are to be adjusted annually on April 1, of each anniversary of the agreement.

Section 7c of the franchise agreement was amended by Proposition 218, that was passed and authorized by City Council at the May 7, 2014, Public Hearing, which now allows Central Valley Waste Services the option to either (a) adjust the rates in a percentage amount equal to 80 percent of the annual change in the Consumer Price Index (CPI) for all Urban Consumers for San Francisco-Oakland-San Jose, California Area, All Items (1982-84=100) plus an adjustment for extraordinary increases in landfill fees, fuel and energy costs and changes in law up to 100 percent of the change in the CPI, or (b) 100 percent of the annual change in the CPI without the other adjustments but with a certification that costs had increased by more than 100 percent of the change in the CPI. Central Valley Waste Services is requesting the option to increase rates by 80 percent of the annual change in the CPI plus an adjustment for increased landfill gate fees. The percent increase in rates based on 80 percent of the CPI change is 2.273 percent and 0.323 percent for the landfill gate fee increase. The total rate adjustment requested is 2.596 percent, or 91.4 percent of the CPI.

For most residential customers, the rate increase will be 64 cents per month. The effective date of the proposed rates is April 1, 2015. The complete schedule of proposed rate changes is attached (Exhibit A).

FISCAL IMPACT: Franchise and billing fees paid to the City will increase by approximately \$35,000.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

FWS/RAY/smh
Attachments
cc: Central Valley Waste Services
Information Systems Division

APPROVED: _____
Stephen Schwabauer, City Manager



Central Valley Waste Services.
P.O. Box 241001
Lodi, CA 95240

February 3, 2015

Mr. Wally Sandelin
Public Works Director
City of Lodi
221 W. Pine Street
Lodi, CA 95240

SUBJECT: REFUSE RATE ADJUSTMENT, EFFECTIVE APRIL 1, 2015

Dear Mr. Sandelin,

Central Valley Waste Services/Waste Management respectfully requests a rate adjustment pursuant to the terms of the existing Agreement and Proposition 218.

The total rate adjustment requested for 2015-2016 is 2.596%, which includes the Consumer Price increase and Landfill Gate Fee increase.

The CPI increase for 2015 -2016 equals 2.27%, or 80% of the Consumer Price Index (CPI), San Francisco-Oakland-San Jose, CA.

San Joaquin County Board of Supervisors adopted a resolution that allows an automatic annual adjustment to San Joaquin County's Solid Waste facility gate fees on January 1 of each year. Consequently, the County Director of Public Works adjusted the landfill gate fees at North County Landfill effective January 1, 2014. The new gate fee for presorted waste has increased from \$37.37 to \$38.57 per ton and for non-sorted waste the gate fee has increased from \$44.23 to 45.65. The impact of the gate fee increase for 2015-16 is projected at \$29,798. The disposal cost increase to Lodi residential and commercial refuse rates, equals 0.323% of the total rate adjustment request.

Attached for your review are the supporting documents for CPI index; San Joaquin County Gate Fee Adjustment letter; and all 2015-2016 proposed Refuse Rate Schedules.

If there are any questions, please do not hesitate to call me at (209) 333-5613 (direct office line) or (209) 327-5017 (cellular).

Respectfully yours,

A handwritten signature in blue ink, appearing to read 'Alex Oseguera'.

Alex Oseguera
Vice-President and General Manager- WM

Attachments

cc: Steve Schwabauer, City Manager – City of Lodi
Rebecca Yadav, Analyst- City of Lodi
Todd Nienhouse, District Manager-WM



CITY OF LODI
MULTI-CART CURBSIDE REFUSE RATES
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

Services Offered	Current Monthly Rate	New Monthly Rate
1. 35 GALLON REFUSE CART 1X PER WEEK		
1 Refuse Cart	\$24.74	\$25.38
2 Refuse Carts	\$61.80	\$63.40
3 Refuse Carts	\$98.90	\$101.47
4 Refuse Carts	\$136.02	\$139.55
2. 64 GALLON REFUSE CART 1X PER WEEK		
1 Refuse Cart	\$37.21	\$38.18
2 Refuse Carts	\$92.98	\$95.39
3 Refuse Carts	\$148.73	\$152.59
3. 96 GALLON WASTE CART 1X PER WEEK		
1 Refuse Cart	\$81.12	\$83.23
2 Refuse Carts	\$162.25	\$166.46
3 Refuse Carts	\$243.37	\$249.69
4. DUPLEX AND MULTI-FAMILY, AND MOBILE HOMES		
Monthly rate is reduced one (1) dollar from above base rates	-\$1.00	-\$1.00
5. LOW VOLUME USER 1X PER WEEK****		
One (1) - 20 Gallon Low Volume Refuse Cart	\$16.83	\$17.27
7. ADDITIONAL 64 GALLON RECYCLING CARTS		
Second and Third Recycling Cart	No Add'l Charge	No Add'l Charge
Fourth and Each Additional Cart	\$13.33	\$13.68
8. ADDITIONAL 96 GALLON YARD AND GARDEN CARTS		
Second and Third Yard and Garden Cart	\$0.00	\$0.00
Fourth and Each Additional Yard and Garden Cart	\$13.33	\$13.68
9. BACK YARD SERVICE****		
Monthly service charge	\$13.69	\$14.05
Qualified Disabled	No Add'l Charge	No Add'l Charge

Notes:

****Applies to Single Family Dwellings Only



**CITY OF LODI
CONTAINER RATES**

EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

WEEKLY SERVICE - ONE (1) CUBIC YARD CONTAINER

# OF CONTAINERS	1 X WK	2 X WK	3 X WK	4 X WK	5 X WK	6 X WK
1	\$ 132.66	\$ 246.77	\$ 565.46	\$ 1,020.51	\$ 1,611.91	\$ 2,339.67
2	\$ 210.76	\$ 384.53	\$ 803.70	\$ 1,386.53	\$ 2,133.00	\$ 3,043.08
3	\$ 288.86	\$ 522.20	\$ 1,041.90	\$ 1,752.53	\$ 2,654.04	\$ 3,746.46
4	\$ 366.92	\$ 659.90	\$ 1,280.13	\$ 2,118.52	\$ 3,175.10	\$ 4,449.89
5	\$ 445.05	\$ 797.60	\$ 1,518.35	\$ 2,484.56	\$ 3,696.20	\$ 5,153.23
6	\$ 523.14	\$ 935.31	\$ 1,756.55	\$ 2,850.59	\$ 4,217.22	\$ 5,856.64
7	\$ 601.25	\$ 1,073.06	\$ 1,994.79	\$ 3,216.57	\$ 4,738.28	\$ 6,560.04
8	\$ 679.32	\$ 1,210.70	\$ 2,233.04	\$ 3,582.52	\$ 5,259.35	\$ 7,263.45
9	\$ 757.43	\$ 1,348.46	\$ 2,471.24	\$ 3,948.58	\$ 5,780.45	\$ 7,966.84
10	\$ 835.56	\$ 1,486.16	\$ 2,709.45	\$ 4,314.58	\$ 6,301.49	\$ 8,670.20

WEEKLY SERVICE - TWO (2) CUBIC YARD CONTAINER

# OF CONTAINERS	1 X WK	2 X WK	3 X WK	4 X WK	5 X WK	6 X WK
1	\$ 193.30	\$ 364.31	\$ 753.85	\$ 1,289.07	\$ 1,969.99	\$ 2,796.54
2	\$ 328.24	\$ 612.10	\$ 1,158.08	\$ 1,878.93	\$ 2,774.58	\$ 3,845.07
3	\$ 463.22	\$ 859.85	\$ 1,562.40	\$ 2,468.83	\$ 3,579.21	\$ 4,893.57
4	\$ 598.18	\$ 1,107.65	\$ 1,966.61	\$ 3,058.69	\$ 4,383.87	\$ 5,942.09
5	\$ 733.18	\$ 1,355.32	\$ 2,370.87	\$ 3,648.57	\$ 5,188.46	\$ 6,990.59
6	\$ 868.15	\$ 1,603.14	\$ 2,775.05	\$ 4,238.46	\$ 5,993.11	\$ 8,039.13
7	\$ 1,003.16	\$ 1,850.90	\$ 3,179.38	\$ 4,828.31	\$ 6,797.70	\$ 9,087.59
8	\$ 1,138.10	\$ 2,098.69	\$ 3,583.64	\$ 5,418.19	\$ 7,602.34	\$ 10,136.14
9	\$ 1,273.11	\$ 2,346.46	\$ 3,987.87	\$ 6,008.04	\$ 8,406.05	\$ 11,184.63
10	\$ 1,408.09	\$ 2,594.19	\$ 4,392.12	\$ 6,597.91	\$ 9,212.97	\$ 12,233.15

WEEKLY SERVICE - THREE (3) CUBIC YARD CONTAINER

# OF CONTAINERS	1 X WK	2 X WK	3 X WK	4 X WK	5 X WK	6 X WK
1	\$ 246.06	\$ 466.25	\$ 904.88	\$ 1,489.19	\$ 2,219.19	\$ 3,094.88
2	\$ 433.85	\$ 815.89	\$ 1,460.14	\$ 2,279.18	\$ 3,273.05	\$ 4,441.74
3	\$ 621.64	\$ 1,165.59	\$ 2,015.42	\$ 3,069.20	\$ 4,326.90	\$ 5,788.58
4	\$ 809.37	\$ 1,515.24	\$ 2,570.67	\$ 3,859.18	\$ 5,380.78	\$ 7,135.44
5	\$ 997.18	\$ 1,864.93	\$ 3,125.95	\$ 4,649.22	\$ 6,434.68	\$ 8,482.30
6	\$ 1,184.98	\$ 2,214.57	\$ 3,681.21	\$ 5,439.19	\$ 7,488.49	\$ 9,829.15
7	\$ 1,372.73	\$ 2,563.82	\$ 4,236.48	\$ 6,229.17	\$ 8,542.34	\$ 11,176.02
8	\$ 1,560.52	\$ 2,913.90	\$ 4,791.75	\$ 7,019.18	\$ 9,596.23	\$ 12,522.87
9	\$ 1,748.29	\$ 3,263.62	\$ 5,347.04	\$ 7,809.17	\$ 10,650.07	\$ 13,869.73
10	\$ 1,936.07	\$ 3,613.28	\$ 5,902.29	\$ 8,599.18	\$ 11,703.92	\$ 15,216.54



CITY OF LODI
COMMERCIAL COMPACTOR RATES
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

Services Offered	Current Monthly Rate	New Monthly Rate
<u>1. 2 CUBIC YARD COMPACTOR</u>		
1X Week	\$290.35	\$297.89
2X Week	\$580.70	\$595.77
3X Week	\$871.05	\$893.66
4X Week	\$1,161.40	\$1,191.55
5X Week	\$1,451.75	\$1,489.44
<u>2. 3 CUBIC YARD COMPACTOR</u>		
1X Week	\$358.76	\$368.07
2X Week	\$717.53	\$736.16
3X Week	\$1,076.29	\$1,104.23
4X Week	\$1,435.05	\$1,472.30
5X Week	\$1,793.81	\$1,840.38
<u>3. 4 CUBIC YARD COMPACTOR</u>		
1X Week	\$427.73	\$438.83
2X Week	\$855.45	\$877.66
3X Week	\$1,283.18	\$1,316.49
4X Week	\$1,710.90	\$1,755.31
5X Week	\$2,138.63	\$2,194.15



**CITY OF LODI
10 TO 50 CUBIC YARD CONTAINERS
RATE STRUCTURE
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016**

	Current Rates	New Monthly Rate
PERMANENT HIGH FREQUENCY ROLL-OFF RATES		
1. Drop-off and Pick-up Charge Per Box	\$171.52	\$175.97
2. Tons Disposed/Box X Processing Charge	\$38.62	\$39.62
ONE-TIME TEMPORARY USER ROLL-OFF RATES		
1. Drop/off/Pick-up Charge Per Box	\$217.68	\$223.33
2. Tons Disposed/Box X Processing Charge	\$38.62	\$39.62



**CITY OF LODI
10 TO 50 CUBIC YARD ROLL OFF* CONTAINERS
COMPACTOR RATE STRUCTURE
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016**

	Current Rates	New Rates
--	--------------------------	------------------

TEMPORARY OR PERMANENT COMMERCIAL COMPACTOR RATES

1. Drop/off/Pick-up Charge Per Box	\$298.64	\$306.39
2. Tons Disposed/Box X Processing Charge	\$38.62	\$39.62

* This charge will be applied to loads that are serviced by "Roll Off" vehicles. containers that attach to a charging unit for the purpose of compaction in sizes on or about 10 to 50 cubic yards.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL ADOPTING
PRE-APPROVED PROPOSITION 218 CONSUMER-PRICE-
INDEX-BASED ANNUAL ADJUSTMENTS TO RATES FOR
SOLID WASTE COLLECTION

=====

WHEREAS, pursuant to Lodi Municipal Code Chapter 13.16.110 (Ordinance No. 1709), the schedule of rates for solid waste collection shall be established and adopted by the City Council from time to time by Resolution; and

WHEREAS, pursuant to Lodi Municipal Code Chapter 13.16 – Solid Waste – as it relates to solid waste collection, new monthly rates are hereby established, as more fully shown on Exhibit A attached hereto, which is incorporated by reference as if fully set forth herein.

NOW, THEREFORE, BE IT RESOLVED that the rate schedule attached hereto marked Exhibit A shall be effective on all bills which are prepared on or after April 1, 2015; and

BE IT FURTHER RESOLVED that, following adoption, this Resolution shall be published one time in the “Lodi News Sentinel,” a daily newspaper of general circulation printed and published in the City of Lodi.

Dated: March 18, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

EXHIBIT A



CITY OF LODI 10 TO 50 CUBIC YARD ROLL OFF* CONTAINERS COMPACTOR RATE STRUCTURE EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

	<u>Current</u> <u>Rates</u>	<u>New Rates</u>
TEMPORARY OR PERMANENT COMMERCIAL COMPACTOR RATES		
1. Drop/off/Pick-up Charge Per Box	\$298.64	\$306.39
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* This charge will be applied to loads that are serviced by "Roll Off" vehicles.
containers that attach to a charging unit for the purpose of compaction in sizes on or
about 10 to 50 cubic yards.

EXHIBIT A



CITY OF LODI 10 TO 50 CUBIC YARD CONTAINERS RATE STRUCTURE EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

	<u>Current Rates</u>	<u>New Monthly Rate</u>
PERMANENT HIGH FREQUENCY ROLL-OFF RATES		
1. Drop-off and Pick-up Charge Per Box	\$171.52	\$175.97
2. Tons Disposed/Box X Processing Charge	\$38.62	\$39.62
ONE-TIME TEMPORARY USER ROLL-OFF RATES		
1. Drop/off/Pick-up Charge Per Box	\$217.68	\$223.33
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EXHIBIT A



**CITY OF LODI
COMMERCIAL COMPACTOR RATES
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016**

Services Offered	Current Monthly Rate	New Monthly Rate
<u>1. 2 CUBIC YARD COMPACTOR</u>		
1X Week	\$290.35	\$297.89
2X Week	\$580.70	\$595.77
3X Week	\$871.05	\$893.66
4X Week	\$1,161.40	\$1,191.55
5X Week	\$1,451.75	\$1,489.44
<u>2. 3 CUBIC YARD COMPACTOR</u>		
1X Week	\$358.76	\$368.07
2X Week	\$717.53	\$736.16
3X Week	\$1,076.29	\$1,104.23
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<u>3. 4 CUBIC YARD COMPACTOR</u>		
1X Week	\$427.73	\$438.83
2X Week	\$855.45	\$877.66
3X Week	\$1,283.18	\$1,316.49
4X Week	\$1,710.90	\$1,755.31
5X Week	\$2,138.63	\$2,194.15



EXHIBIT A

CITY OF LODI CONTAINER RATES

EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

WEEKLY SERVICE - ONE (1) CUBIC YARD CONTAINER

# OF CONTAINERS	1 X WK	2 X WK	3 X WK	4 X WK	5 X WK	6 X WK
1	\$ 132.66	\$ 246.77	\$ 565.46	\$ 1,020.51	\$ 1,611.91	\$ 2,339.67
2	\$ 210.76	\$ 384.53	\$ 803.70	\$ 1,386.53	\$ 2,133.00	\$ 3,043.08
3	\$ 288.86	\$ 522.20	\$ 1,041.90	\$ 1,752.53	\$ 2,654.04	\$ 3,746.46
4	\$ 366.92	\$ 659.90	\$ 1,280.13	\$ 2,118.52	\$ 3,175.10	\$ 4,449.89
5	\$ 445.05	\$ 797.60	\$ 1,518.35	\$ 2,484.56	\$ 3,696.20	\$ 5,153.23
6	\$ 523.14	\$ 935.31	\$ 1,756.55	\$ 2,850.59	\$ 4,217.22	\$ 5,856.64
7	\$ 601.25	\$ 1,073.06	\$ 1,994.79	\$ 3,216.57	\$ 4,738.28	\$ 6,560.04
8	\$ 679.32	\$ 1,210.70	\$ 2,233.04	\$ 3,582.52	\$ 5,259.35	\$ 7,263.45
9	\$ 757.43	\$ 1,348.46	\$ 2,471.24	\$ 3,948.58	\$ 5,780.45	\$ 7,966.84
10	\$ 835.56	\$ 1,486.16	\$ 2,709.45	\$ 4,314.58	\$ 6,301.49	\$ 8,670.20

WEEKLY SERVICE - TWO (2) CUBIC YARD CONTAINER

# OF CONTAINERS	1 X WK	2 X WK	3 X WK	4 X WK	5 X WK	6 X WK
1	\$ 193.30	\$ 364.31	\$ 753.85	\$ 1,289.07	\$ 1,969.99	\$ 2,796.54
2	\$ 328.24	\$ 612.10	\$ 1,158.08	\$ 1,878.93	\$ 2,774.58	\$ 3,845.07
3	\$ 463.22	\$ 859.85	\$ 1,562.40	\$ 2,468.83	\$ 3,579.21	\$ 4,893.57
4	\$ 598.18	\$ 1,107.65	\$ 1,966.61	\$ 3,058.69	\$ 4,383.87	\$ 5,942.09
5	\$ 733.18	\$ 1,355.32	\$ 2,370.87	\$ 3,648.57	\$ 5,188.46	\$ 6,990.59
6	\$ 868.15	\$ 1,603.14	\$ 2,775.05	\$ 4,238.46	\$ 5,993.11	\$ 8,039.13
7	\$ 1,003.16	\$ 1,850.90	\$ 3,179.38	\$ 4,828.31	\$ 6,797.70	\$ 9,087.59
8	\$ 1,138.10	\$ 2,098.69	\$ 3,583.64	\$ 5,418.19	\$ 7,602.34	\$ 10,136.14
9	\$ 1,273.11	\$ 2,346.46	\$ 3,987.87	\$ 6,008.04	\$ 8,406.05	\$ 11,184.63
10	\$ 1,408.09	\$ 2,594.19	\$ 4,392.12	\$ 6,597.91	\$ 9,212.97	\$ 12,233.15

WEEKLY SERVICE - THREE (3) CUBIC YARD CONTAINER

# OF CONTAINERS	1 X WK	2 X WK	3 X WK	4 X WK	5 X WK	6 X WK
1	\$ 246.06	\$ 466.25	\$ 904.88	\$ 1,489.19	\$ 2,219.19	\$ 3,094.88
2	\$ 433.85	\$ 815.89	\$ 1,460.14	\$ 2,279.18	\$ 3,273.05	\$ 4,441.74
3	\$ 621.64	\$ 1,165.59	\$ 2,015.42	\$ 3,069.20	\$ 4,326.90	\$ 5,788.58
4	\$ 809.37	\$ 1,515.24	\$ 2,570.67	\$ 3,859.18	\$ 5,380.78	\$ 7,135.44
5	\$ 997.18	\$ 1,864.93	\$ 3,125.95	\$ 4,649.22	\$ 6,434.68	\$ 8,482.30
6	\$ 1,184.98	\$ 2,214.57	\$ 3,681.21	\$ 5,439.19	\$ 7,488.49	\$ 9,829.15
7	\$ 1,372.73	\$ 2,563.82	\$ 4,236.48	\$ 6,229.17	\$ 8,542.34	\$ 11,176.02
8	\$ 1,560.52	\$ 2,913.90	\$ 4,791.75	\$ 7,019.18	\$ 9,596.23	\$ 12,522.87
9	\$ 1,748.29	\$ 3,263.62	\$ 5,347.04	\$ 7,809.17	\$ 10,650.07	\$ 13,869.73
10	\$ 1,936.07	\$ 3,613.28	\$ 5,902.29	\$ 8,599.18	\$ 11,703.92	\$ 15,216.54

EXHIBIT A



**CITY OF LODI
MULTI-CART CURBSIDE REFUSE RATES
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016**

Services Offered	Current Monthly Rate	New Monthly Rate
1. 35 GALLON REFUSE CART 1X PER WEEK		
1 Refuse Cart	\$24.74	\$25.38
2 Refuse Carts	\$61.80	\$63.40
3 Refuse Carts	\$98.90	\$101.47
4 Refuse Carts	\$136.02	\$139.55
2. 64 GALLON REFUSE CART 1X PER WEEK		
1 Refuse Cart	\$37.21	\$38.18
2 Refuse Carts	\$92.98	\$95.39
3 Refuse Carts	\$148.73	\$152.59
3. 96 GALLON WASTE CART 1X PER WEEK		
1 Refuse Cart	\$81.12	\$83.23
2 Refuse Carts	\$162.25	\$166.46
3 Refuse Carts	\$243.37	\$249.69
4. DUPLEX AND MULTI-FAMILY, AND MOBILE HOMES		
Monthly rate is reduced one (1) dollar from above base rates	-\$1.00	-\$1.00
5. LOW VOLUME USER 1X PER WEEK****		
One (1) - 20 Gallon Low Volume Refuse Cart	\$16.83	\$17.27
7. ADDITIONAL 64 GALLON RECYCLING CARTS		
Second and Third Recycling Cart	No Add'l Charge	No Add'l Charge
Fourth and Each Additional Cart	\$13.33	\$13.68
8. ADDITIONAL 96 GALLON YARD AND GARDEN CARTS		
Second and Third Yard and Garden Cart	\$0.00	\$0.00
Fourth and Each Additional Yard and Garden Cart	\$13.33	\$13.68
9. BACK YARD SERVICE****		
Monthly service charge	\$13.69	\$14.05
Qualified Disabled	No Add'l Charge	No Add'l Charge

Notes:

****Applies to Single Family Dwellings Only



*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PRE-APPROVED PROPOSITION 218 CONSUMER PRICE INDEX-BASED ANNUAL ADJUSTMENT TO RATES FOR SOLID WASTE COLLECTION

PUBLISH DATE: SATURDAY, FEBRUARY 21, 2015

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: JENNIFER M. FERRAILOLO, CITY CLERK
LNS ACCT. #0510052 City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, FEBRUARY 19, 2015

ORDERED BY: JENNIFER M. FERRAILOLO
CITY CLERK

Pamela M. Farris
PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Emailed
LNS Faxed to the Sentinel at 369-1084 at 9:28 (time) on 2/19/15 (date) 6 (pages)
Phoned to confirm receipt of all pages at _____ (time) _____ ES _____ PMF (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER PRE-APPROVED PROPOSITION 218 CONSUMER PRICE INDEX-BASED ANNUAL ADJUSTMENT TO RATES FOR SOLID WASTE COLLECTION

On Thursday, February 19, 2015, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider pre-approved Proposition 218 Consumer Price Index-based annual adjustment to rates for solid waste collection (attached and marked as Exhibit A) was posted at the following locations:

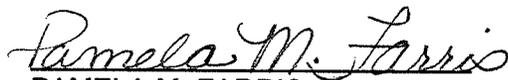
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 19, 2015, at Lodi, California.

ORDERED BY:

JENNIFER M. FERRAILOLO
CITY CLERK


PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: March 18, 2015

Time: 7:00 p.m.

For information regarding this notice please contact:

Jennifer Ferraiolo,
City Clerk

Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

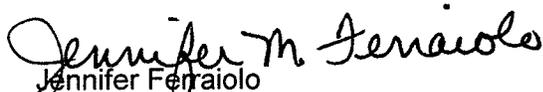
NOTICE IS HEREBY GIVEN that on **Wednesday, March 18, 2015**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) **Resolution approving pre-approved Proposition 218 Consumer Price Index based annual adjustment to rates for solid waste collection (as identified on the attached Exhibit A).**

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

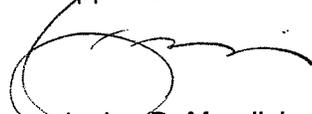
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:


Jennifer Ferraiolo
City Clerk

Dated: February 18, 2015

Approved as to form:


Janice D. Magdich
City Attorney



**CITY OF LODI
MULTI-CART CURBSIDE REFUSE RATES
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016**

Services Offered	Current Monthly Rate	New Monthly Rate
1. 35 GALLON REFUSE CART 1X PER WEEK		
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3 Refuse Carts	\$243.37	\$249.69
4. DUPLEX AND MULTI-FAMILY, AND MOBILE HOMES		
Monthly rate is reduced one (1) dollar from above base rates	-\$1.00	-\$1.00
5. LOW VOLUME USER 1X PER WEEK****		
One (1) - 20 Gallon Low Volume Refuse Cart	\$16.83	\$17.27
7. ADDITIONAL 64 GALLON RECYCLING CARTS		
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Second and Third Yard and Garden Cart	\$0.00	\$0.00
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9. BACK YARD SERVICE****		
Monthly service charge	\$13.69	\$14.05
Qualified Disabled	No Add'l Charge	No Add'l Charge

Notes:

****Applies to Single Family Dwellings Only



**CITY OF LODI
CONTAINER RATES**

EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

WEEKLY SERVICE - ONE (1) CUBIC YARD CONTAINER

# OF CONTAINERS	1 X WK	2 X WK	3 X WK	4 X WK	5 X WK	6 X WK
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WEEKLY SERVICE - TWO (2) CUBIC YARD CONTAINER

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CITY OF LODI
COMMERCIAL COMPACTOR RATES
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

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5X Week	\$2,138.63	\$2,194.15



CITY OF LODI
10 TO 50 CUBIC YARD CONTAINERS
RATE STRUCTURE
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

	<u>Current Rates</u>	<u>New Monthly Rate</u>
PERMANENT HIGH FREQUENCY ROLL-OFF RATES		
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CITY OF LODI
10 TO 50 CUBIC YARD ROLL OFF* CONTAINERS
COMPACTOR RATE STRUCTURE
EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016

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containers that attach to a charging unit for the purpose of compaction in sizes on or
about 10 to 50 cubic yards.



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Post for One Vacancy on the Lodi Improvement Committee

MEETING DATE: March 18, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Direct the City Clerk to post for one vacancy on the Lodi Improvement Committee.

BACKGROUND INFORMATION: The City Clerk's Office received a letter of resignation from Lodi Improvement Committee Member Terry Piazza (filed). Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application.

Lodi Improvement Committee

Terry Piazza Term to expire March 1, 2017

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF

APPROVED: _____
Stephen Schwabauer, City Manager



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Monthly Protocol Account Report
MEETING DATE: March 18, 2015
PREPARED BY: City Clerk

RECOMMENDED ACTION: None required, information only.

BACKGROUND INFORMATION: The City Council, at its meeting of July 19, 2000, adopted Resolution No. 2000-126 approving a policy relating to the City's "Protocol Account." As a part of this policy, it was directed that a monthly itemized report of the "Protocol Account" be provided to the City Council.

Attached please find the cumulative report through February 28, 2015.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: See attached.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF

Attachment

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving Fiscal Year 2014/15 Mid-year Budget Adjustments

MEETING DATE: March 18, 2015

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution approving Fiscal Year 2014/15 mid-year budget adjustments.

BACKGROUND INFORMATION: Staff is recommending that Council approve the addition of one permanent Administrative Secretary in the Public Works Department and one permanent Electrical Materials Technician in the Electric Utility Department. Additionally, staff is recommending shifting appropriations in the Police Department to address vehicle replacement, provide additional overtime funding in the Fire Department for operating Engine One and increasing appropriations in Public Works for contracted engineering services. Finally, staff is recommending additional appropriations in the Community Development Department related to the Youth Outreach Worker position previously approved, additional appropriations in Parks, Recreation and Cultural Services for funding of the Salas Park lighting project and increased appropriations in the Electric Utility for purchased power.

General Fund:

Revenue estimates for the General Fund are about \$1.5 million higher than projected at initial budget adoption. As Council will recall, on August 6, 2014 the property tax revenue estimates were revised upwards by \$250,000 based upon communications received from the San Joaquin County Assessor. Council adjusted the revenue estimates and appropriated these additional funds toward construction of Fire Station 2. Estimated revenues are currently projected to be about \$1.2 million above the revised revenue estimates. Four key items account for the bulk of the change in estimated revenue: (1) stronger sales tax collections result in a projected \$554,000 increase in revenue; (2) increased engineering fees of about \$225,000 as a result of increased development, (3) increased Motor Vehicle In-Lieu fees of about \$123,000 as a result of increased activity and (4) increased SB90 Mandated Cost Reimbursements in the amount of \$80,000 from the State as a result of the Governor allocating one-time monies to reimburse cities and counties for prior claims that had not been funded. Variances in a number of other accounts make up the remainder of the difference in estimated revenue. Total General Fund estimated revenue is \$45,085,030.

The primary General Fund revenue sources are property taxes, sales taxes, PILOT, transfers from other funds and Vehicle License Fees. Combined, these five revenue sources are expected to account for approximately \$35.1 million or about 78 percent of General Fund revenue. This percentage is consistent with the prior year. Estimated revenue for these five accounts is about \$686,000 higher than originally budgeted for these accounts.

APPROVED: _____
Stephen Schwabauer, City Manager

General Fund department budgeted and estimated actual costs are shown in the table below.

Department	2014/15 Budget	2014/15 Estimate	Over(Under) Budget
City Attorney	\$493,700	\$411,026	(\$82,674)
City Clerk	\$628,110	\$582,990	(\$45,120)
City Manager	\$418,920	\$392,580	(\$26,340)
Economic Development	\$488,280	\$492,632	\$4,352
Fire	\$9,975,750	\$9,977,552	\$1,802
Internal Services	\$3,372,810	\$3,280,760	(\$92,050)
Non Departmental	\$9,142,240	\$9,248,150	\$105,910
Police	\$17,406,930	\$17,003,390	(\$403,540)
Public Works	\$1,941,900	\$1,954,430	\$12,530
Total	\$43,868,640	\$43,343,510	(\$525,130)

Total savings against budget is \$525,130 and is attributed to a variety of items.

Salary and benefit savings amount to just under \$800,000 and is primarily attributable to vacant positions. Services and supplies are showing an overage of about \$170,000 against budget. Key drivers of this overage are increased utility costs of about \$113,000 and increased professional services of about \$100,000. Variances in a number of other accounts make up the remainder of the difference in estimated expenditures.

Within the General Fund, mid-year budget adjustments are addressing three significant issues. First, staff is recommending moving \$500,000 of salary and benefit savings within the Police Department to the Vehicle Replacement fund. During the recession, as a budgetary balancing measure, contributions to the Vehicle Replacement fund were reduced. As a result, there is insufficient funding in the replacement fund to address the Police Department's replacement needs. With the recommended adjustment, the Police Department is proposing to immediately replace 15 vehicles (10 detective vehicles and five patrol vehicles). Second, staff is recommending an increase in Fire Department overtime funding in the amount of \$68,075 for staffing of Engine One, which has been browned out due to a lack of funding and staffing. As Council will recall, Engine One was browned out during the recession as a cost savings measure and has continued to be browned out based upon staffing availability and funding. Staff is recommending that additional funding be provided to bring the engine back on-line more frequently for the balance of the fiscal year. Finally, as a result of the upturn in development, Public Works engineering has contracted out more inspection work than was initially anticipated in the original budget. Public Work anticipates needing an additional \$100,000 appropriation to cover the contracted services. Payments from the developers will provide the funding for this cost.

Staff recommended adjustments are reflected in the expenditure estimates table above.

New Positions Recommended

Staff is recommending the addition of two new positions: an Electric Materials Technician for the Electric Utility and an Administrative Secretary for Public Works.

Electric Utility is requesting the addition of one Electric Materials Technician to perform skilled mechanical work in the testing, maintenance and repair of electric power system components and tools, along with a variety of duties related to the procurement, receiving, stocking, storage, maintenance and distribution of parts, tools and equipment. The Electric Utility operates a parts warehouse and currently has one Electric Materials Technician position performing these duties. When the incumbent is away from the warehouse on a planned or unplanned basis, staff from other divisions is required to cover the

warehouse duties, thereby impacting the efficiency and timeliness of completion of their normal duties. It is necessary to provide a continued presence in the warehouse to ensure the proper support of the line crews and troubleshooters and maintain the integrity of the inventory. The additional position will ensure full coverage of the warehouse and allow for greater efficiency as materials could be picked and staged for the crews to deploy quicker. Total annual cost for salary and benefits is \$110,250. Funding for this position has been included in the Electric Utility financial model.

Public Works is requesting an Administrative Secretary position to be located at the Municipal Services Center. The Municipal Utility Services division has been without a full time Administrative Secretary since 2011 as the result of a retirement. In the interim, duties had been filled on a part-time basis by sharing the Administrative Secretary assigned to Community Development. With the increase in development activity, the Community Development position is not able to dedicate the amount of time needed to address the workload of the Municipal Utility Services division. The Municipal Utility Services Administrative Secretary will directly supervise the two full-time clerks assigned to the division and be tasked with establishing workflow, filing systems and general organization of the office. The new position will work closely with the Administrative Secretary at City Hall to coordinate contracts and City Council agenda items. Total annual cost for salary and benefits is \$82,262. Funding for the position will be provided by the Public Works utilities.

Community Development

Council approved the addition of a permanent Youth Outreach Worker on February 24, 2015. That action included the necessary appropriations within the Community Development Block Grant fund, but did not include the appropriation adjustments needed within the Community Development fund. Staff is bringing forward the Community Development fund adjustments with this staff report.

Parks, Recreation and Community Services (PRCS)/Parks Capital Outlay

A component of the funding for the sports lighting project at Salas Park is a contribution from the PRCS operating fund to the Parks Capital Outlay fund. Staff has incorporated this transfer in the mid-year budgetary estimates and included the necessary appropriation adjustments herein.

Electric Utility

Total expenses are projected to exceed appropriations by \$133,230 and will require an appropriation adjustment. Purchased power is expected to be about \$400,000 higher than initially budgeted due to increased demand and costs associated with greenhouse gas compliance costs. Increased costs are offset by increased power sales. A variety of other expense account variations net the total expense overage down to \$133,230.

Staff recommends approval of the two positions and adjustment of appropriations as noted.

FISCAL IMPACT: Addition of the two new positions will cost approximately \$192,500 annually and is funded through the utility accounts. Additional overtime funding for Engine One is funded by additional revenues within the General Fund. Shifting funding for vehicle replacements within the Police Department from Salary and Benefit savings does not affect net appropriations. Additional contracted engineering costs are funded by developer payments.

Jordan Ayers
Deputy City Manager

1. AA# _____
 2. JV# _____

**CITY OF LODI
 APPROPRIATION ADJUSTMENT REQUEST**

TO: Internal Services Dept. - Budget Division
 3. FROM: **Jordan Ayers** 5. DATE: **3/18/15**
 4. DEPARTMENT/DIVISION: **City Manager**

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

		FUND #	ORG. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	1	100	10031004	71001	Regular Employee Salary	\$ 100,000.00
	1	100	10032000	71001	Regular Employee Salary	\$ 400,000.00
	1	400	40000000	50001	Operating Transfers In	\$ 500,000.00
	2	100	10095000	51031	Sales Tax	\$ 68,075.00
	3	100	10050500	57500	Engineering Fees	\$ 100,000.00
	4	100	10095000	71003	Part-time Salary	\$ 26,160.00
	4	270	27000000	50001	Operating Transfers In	\$ 26,160.00
	5	200	20070001	57702	Donations	\$ 37,500.00
B. USE OF FINANCING	5	432	43200000	50001	Operating Transfers In	\$ 37,500.00
	6	500	50000000	58800	Domestic Residential	\$ 133,230.00
	1	100	10030001	76220	Operating Transfer Out	\$ 500,000.00
	1	400	40099100	77040	Vehicles	\$ 500,000.00
	2	100	10041000	71002	Overtime	\$ 68,075.00
	3	100	10050500	72450	Misc Professional Services	\$ 100,000.00
	4	100	10095000	76220	Operating Transfers Out	\$ 26,160.00
	4	270	27080000	71101	Part Time Salary	\$ 26,160.00
	5	200	20070001	76220	Operating Transfers Out	\$ 37,500.00
	5	432	43299000	77020	Capital Projects	\$ 37,500.00
6	500	50060500	72901	Generation	\$ 133,230.00	

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

1. Shift salary and benefit saving to fund vehicle replacements for Police Department; 2. Provide additional overtime funding to Fire Department to operate Engine One; 3. Provide additional appropriation for contracted engineering services in Public Works; 4. Provide appropriations within Community Development for the full time Youth Outreach Worker; 5. Provide appropriation for PRCS contribution toward Salas Park lighting project; 6. Provide appropriation for increased purchased power costs.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: 3/18/15 Res No: _____ Attach copy of resolution to this form.
 Department Head Signature: *Jordan Ayers*

8. APPROVAL SIGNATURES

 Deputy City Manager/Internal Services Manager Date

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AMENDING THE CITY OF LODI FINANCIAL PLAN AND BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015

WHEREAS, the City Council adopted a balanced Financial Plan and Budget for Fiscal Year 2014/15 on June 4, 2014; and

WHEREAS, the adopted 2014/15 Financial Plan and Budget was prepared in accordance with the City Council's goals, budget assumptions, and policies; and

WHEREAS, revisions to the adopted 2014/15 Financial Plan and Budget are necessary to address additional revenues, operating changes, and expenditure estimates; and

WHEREAS, the Electric Utility Department requests the addition of one Electric Materials Technician and the Public Works Department requests the addition of one Administrative Secretary.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby revise the adopted 2014/15 Financial Plan and Budget as follows:

1. Approve adding one Electrical Materials Technician to the Electric Utility Department.
2. Approve adding one Administrative Secretary to the Public Works Department.
3. Approve shifting appropriations from Salary and Benefit savings to Operating Transfers Out in the amount of \$500,000 within the Police Department and appropriating said funds within the Vehicle and Equipment Replacement Fund.
4. Approve increasing Overtime funding in the amount of \$68,075 within the Fire Department to provide additional funding to operate Engine One.
5. Approve increasing Professional Services in the amount of \$100,000 within the Public Works Department to fund additional contracted engineering services.
6. Approve increasing appropriations in the amount of \$26,160 within the Community Development Fund associated with the Youth Outreach Worker.
7. Approve increasing Operating Transfers Out in the amount of \$37,500 within the Parks, Recreation and Cultural Services Fund to provide partial funding for the Salas Park Lighting Replacement Project.
8. Approve increasing appropriations in the amount of \$133,230 within the Electric Utility Fund to provide for increased purchased power costs.

Dated: March 18, 2015

I hereby certify that Resolution No. 2015-____ as passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 2015, by the following votes:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk